

Mismatching invoices

Construction sector

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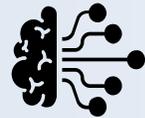
Investigation Case:



Sample Text



Receive the cases through the system, ask for support documents that related to the tax declaration.



Start auditing and determine any gaps or finding, check the received list – TBs – Banks – Samples.



Apply many examination and testing to find the reasons for the huge gap between sales & purchases.



- Had a chat with TPs about the reasons for asking refund this much, compare the inputs of the TP against the outputs for the suppliers.
- Receive a conformation from all supplier that all invoices that provided to us from the taxpayer are fake and incorrect.
- Raise the taxpayer to the evasion departments.
- Make a re-assessment that changed the net VAT amount from credit 1,805,642 SAR to debt 6,623 SAR.

For Example: the amount in SAR currency

Taxpayer invoice - Fake

Invoice No. 1542 فاتورة رقم 2018\10\29 التاريخ: الموافق: 09.10.2018

Mr./Mssr. : طريقه السداد : طريقه السداد : اسم العميل : المطلوب من السيد / السادة

Total	سعر الوحدة Unit Price	رقم الصف Item No.	DESCRIPTION	البيان	الكمية Quantity
SR.	ريال	SR.	ريال		
1050000	1000	SC/W/48	SCOTCHLITE WHITE 48 X 50 YDS		1050
1050000			SCOTCHLITE WHITE 48 X 50 YDS	الاجمالي بدون ضريبة القيمة المضافة	
52500				ضريبة	

Supplier invoice - Real

Invoice No. 1542 فاتورة رقم 2018\10\29 التاريخ: الموافق: 09.10.2018

Mr./Mssr. : طريقه السداد : طريقه السداد : اسم العميل : المطلوب من السيد / السادة

Total	سعر الوحدة Unit Price	رقم الصف Item No.	DESCRIPTION	البيان	الكمية Quantity
SR.	ريال	SR.	ريال		
260.00	65.00	SC/W/48	SCOTCHLITE WHITE 48 X 50 YDS		4.00
260.00			SCOTCHLITE WHITE 48 X 50 YDS	الاجمالي بدون ضريبة القيمة المضافة	
13.00				ضريبة	

The declaration before & after:

		Before edit			After edit		
		Applied Amount	Adjustment	VAT amount	Modified amount	Modified Adjustment	Modified VAT amount
Standard rate sales	1	301,463		15,073	301,463		15,073
Private Healthcare / Private Education / First House sales to Citizens	2						
Zero rated sales	3						
Exports	4						
Exempt Sales	5						
Total sales	6	301,463	0	15,073	301,463		15,073
Standard rate Domestic Purchase	7	36,414,309		1,820,715	168,996		8,450
Imports subject to VAT paid at Customs	8			0			0
Imports subject to VAT Accounted for through the Reverse Charge Mechanism	9						0
zero rated purchases	10						
exempted purchases	11						
Total purchases	12	36,414,309	0	1,820,715	168,996	0	8,450
	13			(1,805,642)			6,623

Thanks

