NPL-NC-2023/001

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TITLE OF INVENTION

[0001] **SALES TAX AND E-INVOICE CENTRAL REGISTRY PLATFORM CONNECTS BUSINESS TO BUSINESS (B2B) AND REGULATORY AUTHORITY FOR AUTOMATIC DECLARATION OF OUTPUT TAX ON SALES INVOICES AND INSTANT AUTOMATIC UPDATE OF PURCHASE INPUT CREDIT FOR ELIGIBLE BUSINESS PURCHASES.**

BACKGROUND TECHNOLOGY

[0002] The invention and specification relate to computer software technologies, and particularly to methods and devices for efficient reporting of Sales Output Tax or VAT or GST to the Government or Regulatory Authorities or Revenue Authorities and automatic update of Purchase Input Credit for eligible Business Purchaser.

[0003] Currently the Government or the regulatory authorities do not have a central registry or mechanism to verify whether the reported output tax and input tax claimed are matching with the actual sales and purchase transactions.

[0004] E-Invoicing is not available in all the countries to transmit invoices electronically without a physical copy or manual entry.

DESCRIPTION

[0005] The specification relates to the present invention Platform computer software technologies, and particularly to the methods, process and devices for efficient reporting of

Sales Output Tax (or Output VAT or Output GST) to the Government or Regulatory Authorities or Revenue Authorities and automatic update of Purchase Input Credit for eligible Business Purchaser.

[0006] The Business Users have a few options to update the Sales Invoice Output Tax Due to the Government through the Present invention Platform.

[0007] Businesses register or Sign Up in the Present invention Platform and after approval of User Sign Up, an unique Global Present invention Platform ID will be issued.

[0008] The Business Users have few methods to update the Sales Invoice Output Tax Due to the Government.

A) Manual update or Mass Excel Upload of Sales Transactions for invoices issued manually (hand-written) or via electronic format (eg. excel or word template) or via accounting software or via ERP (via API)
B) Manual update or Mass Excel Upload of Sales Transactions for invoices issued via Cash Register or Point of Sale (POS) (excel template will be provided)
C) Application Programming Interface (API) to connect business users existing Accounting Software
D) Application Programming Interface (API) to connect business users existing ERP
E) Application Programming Interface (API) to connect business users Cash Register or POS Software
F) The Government or Regulatory Authority or Revenue Authority will be given a Host User Account in the Present invention Platform and/or an API to connect Government's existing legacy system.
G) Transmission of E-Invoicing to the registered buyers in Sales Tax And E-Invoice Central Registry Present invention Platform via API connected Accounting Software, ERP solutions without manual entry of purchases.

TECHNICAL

A) MANUAL MASS EXCEL UPLOAD OF SALES TRANSACTIONS (EXCEL TEMPLATE WILL BE PROVIDED)

[0009] Sales reporting excel template will be provided. The business user can use the template to update and upload the sales invoice transaction details viz. Date of Invoice, Invoice Number, Customer Name, Unique Present invention Platform ID, Customer Business Registration Number, Customer Sales or VAT or GST Registration Number, Country, Brief Description of Products or Services, Tax Type (i.e. Standard Rate, Zero Rated, Exempted), Sales before Tax, Tax (Sales Tax, VAT or GST) and Sales including Tax.

[0010] After upload the present invention Platform will verify the Customer information (unique present invention Platform id, company registration number and/or sales or VAT or GST registration number) before allowing to submit or update of information.

[0011] In the process, if there are any errors in the submission, the present invention Platform will prompt the user or seller to correct the error before trying for submission again.

[0012] After the uploaded information is accepted, it will be automatically updated in the buyer account for the eligible Input Tax Credit.

[0013] The businesses or the buyers are not allowed to update the input tax credit and it should be updated only through the seller source except for the following business transactions.

[A] Input Tax Credit for purchases from Sellers using cash register or point of sale system.

[B] Input Tax Credit on overseas purchases or import of goods.

[C] Input Tax Credit Claim against taxable purchases not reported by the tax registered sellers example non-reported or under-reported or over-reported by the Seller. Any input tax claim reported here will be flagged for authorities verification and approval.

[D] Any other adhoc Input Tax Credit claimable other than the normal course of business and/or as per the respective regulatory authorities discretion.

[0014] The businesses can update input tax credit using the excel template for those eligible purchases from the sellers using CR/POS system, import input tax credit, etc.

[0015] Auto-generation of Sales Tax or VAT or GST returns (monthly or quarterly) as per the regulatory requirements.

B) **MANUAL UPDATE OR MASS EXCEL UPLOAD OF SALES TRANSACTIONS FOR INVOICES ISSUED VIA CASH REGISTER OR POINT OF SALE (POS) (EXCEL TEMPLATE WILL BE PROVIDED)**

[0016] Sales reporting excel template will be provided. The business user using cash register or point of sale system can use the template to update and upload the sales invoice transaction details viz. Brief Description of Products or Services, Tax Type (i.e. Standard Rate, Zero Rated, Exempted), Sales before Tax, Tax (Sales Tax or VAT or GST) and Sales including Tax for the selected period.

[0017] After upload the present invention Platform will verify the details.

[0018] In the process, if there are any errors in the submission, the present invention Platform will prompt the user or seller to correct the error before trying for submission again.

[0019] After the uploaded information is accepted, it will be automatically updated for the Government on the output tax receivable.

[0020] The businesses or the buyers are not allowed to update the input tax credit and it should be updated only through the seller source except for the following business transactions.

[A] Input Tax Credit for purchases from Sellers using cash register or point of sale system.

[B] Input Tax Credit on overseas purchases or import of goods.

[C] Input Tax Credit Claim against taxable purchases not reported by the tax registered sellers example non-reported or under-reported or over-reported by the Seller. Any input tax claim reported here will be flagged for authorities verification and approval.

[D] Any other adhoc Input Tax Credit claimable other than the normal course of business and/or as per the respective regulatory authorities discretion.

[0021] The businesses can update input tax credit using the excel template for those eligible purchases from the sellers using CR/POS system, import input tax credit, etc.

[0022] Auto-generation of Sales Tax or VAT or GST returns (monthly or quarterly) as per the regulatory requirements.

C) APPLICATION PROGRAMMING INTERFACE (API) TO CONNECT BUSINESS USERS EXISTING ACCOUNTING SOFTWARE

[0023] Application Programming Interface (API) technical documents will be available for the respective businesses to integrate with their existing accounting software. The accounting software providers will integrate with the present invention Platform via the API which will enable the sellers to transmit the sales transaction details to the Revenue Authority and corresponding input tax credit for the respective business buyer. The sales invoice transaction details viz. Brief Description of Products or Services, Tax Type (i.e. Standard Rate,

Zero Rated, Exempted), Sales before Tax, Tax (Sales Tax or VAT or GST) and Sales including Tax will be transmitted to the Government for the selected period upon successful submission.

[0024] In the process, if there are any errors in the submission, the present invention Platform will prompt the user or seller to correct the error before trying for submission again.

[0025] After the uploaded information is accepted, it will be automatically updated in the buyer account for the eligible Input Tax Credit.

[0026] The businesses or the buyers are not allowed to update the input tax credit and it should be updated only through the seller source except for the following business transactions.

[A] Input Tax Credit for purchases from Sellers using cash register or point of sale system.

[B] Input Tax Credit on overseas purchases or import of goods.

[C] Input Tax Credit Claim against taxable purchases not reported by the tax registered sellers example non-reported or under-reported or over-reported by the Seller. Any input tax claim reported here will be flagged for authorities verification and approval.

[D] Any other adhoc Input Tax Credit claimable other than the normal course of business and/or as per the respective regulatory authorities discretion.

[0027] The businesses can update input tax credit using the excel template for those eligible purchases from the sellers using CR/POS system, import input tax credit, etc.

[0028] Auto-generation of Sales Tax or VAT or GST returns (monthly or quarterly) as per the regulatory requirements.

D) APPLICATION PROGRAMMING INTERFACE (API) TO CONNECT BUSINESS USERS EXISTING ERP

[0029] Application Programming Interface (API) technical documents will be available for the respective businesses to integrate with their existing ERP. The ERP providers will integrate with the present invention Platform via the API which will enable the sellers to transmit the sales transaction details to the Revenue Authority and corresponding input tax credit for the respective business buyer. The sales invoice transaction details viz. Brief Description of Products or Services, Tax Type (i.e. Standard Rate, Zero Rated, Exempted), Sales before Tax, Tax (Sales Tax or VAT or GST) and Sales including Tax will be transmitted to the Government for the selected period upon successful submission.

[0030] In the process, if there are any errors in the submission, the present invention Platform will prompt the user or seller to correct the error before trying for submission again.

[0031] After the uploaded information is accepted, it will be automatically updated in the buyer account for the eligible Input Tax Credit.

[0032] The businesses or the buyers are not allowed to update the input tax credit and it should be updated only through the seller source except for the following business transactions.

[A] Input Tax Credit for purchases from Sellers using cash register or point of sale system.

[B] Input Tax Credit on overseas purchases or import of goods.

[C] Input Tax Credit Claim against taxable purchases not reported by the tax registered sellers example non-reported or under-reported or over-reported by the Seller. Any input tax claim reported here will be flagged for authorities verification and approval.

[D] Any other adhoc Input Tax Credit claimable other than the normal course of business and/or as per the respective regulatory authorities discretion.

[0033] The businesses can update input tax credit using the excel template for those eligible purchases from the sellers using CR/POS system, import input tax credit, etc.

[0034] Auto-generation of Sales Tax or VAT or GST returns (monthly or quarterly) as per the regulatory requirements.

E) APPLICATION PROGRAMMING INTERFACE (API) TO CONNECT BUSINESS USERS CASH REGISTER OR POINT OF SALE SYSTEM

[0035] Application Programming Interface (API) technical documents will be available for the respective businesses to integrate with their existing Cash Register or Point of Sale System. The cash register or point of sale system providers will integrate with the present invention Platform via the API which will enable the sellers to transmit the sales transaction details and related output tax due to the Revenue Authority. The sales invoice transaction details viz. Brief Description of Products or Services, Tax Type (i.e. Standard Rate, Zero Rated, Exempted), Sales before Tax, Tax (Sales Tax or VAT or GST) and Sales including Tax will be transmitted to the Government for the selected period upon successful submission.

[0036] In the process, if there are any errors in the submission, the present invention Platform will prompt the user or seller to correct the error before trying for submission again.

[0037] After the uploaded information is accepted, it will be automatically updates Government on the output tax receivable.

[0038] The businesses or the buyers are not allowed to update the input tax credit and it should be updated only through the seller source except for the following business transactions.

[A] Input Tax Credit for purchases from Sellers using cash register or point of sale system.

[B] Input Tax Credit on overseas purchases or import of goods.

[C] Input Tax Credit Claim against taxable purchases not reported by the tax registered sellers example non-reported or under-reported or over-reported by the Seller. Any input tax claim reported here will be flagged for authorities verification and approval.

[D] Any other adhoc Input Tax Credit claimable other than the normal course of business and/or as per the respective regulatory authorities discretion.

[0039] The businesses can update input tax credit using the excel template for those eligible purchases from the sellers using CR/POS system, import input tax credit, etc.

[0040] Auto-generation of Sales Tax or VAT or GST returns (monthly or quarterly) as per the regulatory requirements.

F) **THE GOVERNMENT OR REGULATORY AUTHORITY OR REVENUE AUTHORITY WILL BE GIVEN A HOST USER ACCOUNT IN THE PRESENT INVENTION PLATFORM AND/OR AN APPLICATION PROGRAMMING INTERFACE (API) TO CONNECT GOVERNMENT'S EXISTING LEGACY SYSTEM O CONNECT BUSINESS USERS CASH REGISTER OR POINT OF SALE SYSTEM**

[0041] The Government will be given a Host User Account in the Present invention Platform to view, verify, check and extract various information relating to output tax and input tax business-wise. Interactive dashboard comes with drill down option to check and verify all types of transactions. This Host User Account eliminates the need to integrate to the legacy system and it can be adopted from the day one.

[0042] Application Programming Interface (API) technical documents will be available for the Government to integrate with their existing system to keep track of all the Sales Tax or VAT or GST revenues.

[0043] All essential reports will be available for the Government authorities to view and take action. Some of the reports includes the following:

a) Sales by businesses

b) Output Tax Report by businesses

c) Purchases by businesses

d) Input Tax Report by businesses

e) Reverse charge tax or VAT by businesses

f) Sales Tax or VAT or GST Return by businesses

g) List of outstanding tax by businesses

h) List of fully paid tax by businesses

i) List of Sales Tax return to be submitted by the businesses

j) Control report on CR/POS businesses

k) Alert or flag report for revenue authorities action

G) **TRANSMISSION OF E-INVOICING TO THE REGISTERED BUYERS IN SALES TAX AND E-INVOICE CENTRAL REGISTRY PRESENT INVENTION PLATFORM VIA API CONNECTED ACCOUNTING SOFTWARE, ERP SOLUTIONS WITHOUT MANUAL ENTRY OF PURCHASES.**

[0044] Application Programming Interface (API) technical documents will be available for the respective businesses to integrate with their existing Accounting Software and/or ERP.

[0045] The Accounting Software and/or ERP providers will integrate with the present invention Platform via the API which will enable the sellers to transmit the sales transaction details to the Revenue Authority and e-Invoice will automatically reflect in Buyers Accounting Software and/or ERP as Purchase Invoices without manually key in the purchase invoice data.

[0046] The purchase invoice will be reflected in the buyers accounting software and/or ERP only if they opt for the services.

[0047] The sales invoice transaction details viz. Brief Description of Products or Services, Tax Type (i.e. Standard Rate, Zero Rated, Exempted), Sales before Tax, Tax (Sales Tax or VAT or GST) and Sales including Tax will be transmitted to the opted Buyers to receive e-Invoicing apart from submission to the Government for the selected period upon successful submission.

[0048] In the process, if there are any errors in the submission, the present invention Platform will prompt the user or seller to correct the error before trying for submission again.

TECHNICAL PROBLEMS OF THE BACKGROUND ART

1) The most important/key technical problems:

Currently the Government or revenue authorities face the following problems.

[0049] There is no centralized system to track and validate the output and input sales tax by businesses.

[0050] The current system allows the business users to report the lumpsum standard rated sales, zero-rated sales, exempt sales, output tax due, standard rated purchases, input tax payable and net sales tax receivable or payable by the business entity.

[0051] It functions fully on trust basis and there are high possibilities for errors and omissions in reporting by the business entities especially those who do not have trained staff or proper accounting records, etc.

[0052] There are possibilities for the business units to under declare output tax whereas the other side the purchasing business units claims the input tax against their output tax dues.

[0053] The government can only identify those errors or omissions during tax audit, and it costs a lot as it may lead to considerable man efforts, time, recovery of lost income, etc. Also due to the volume of transactions and there is no consensus mechanism, there are high possibility that this type of errors and omissions may be unnoticed by the audit team.

2) The subordinate problems:

The following are the additional or sub-ordinate problems that surface due to lack of control and check procedures:

[0054] The short collections in indirect taxes due to error or omissions in sales reporting will lead to short reporting of revenues and short collection of direct taxes like corporate taxes.

[0055] Over reporting of input tax credit due to errors may lead to loss in government revenue collections.

DISCLOSURE OF INVENTION AND TECHNICAL SOLUTION

[0056] The Sales Tax And E-Invoice Central Registry Present invention Platform is designed in such a way that it allows the government authorities to adopt and implement immediately without connecting to their legacy system or to the businesses users accounting software or ERP or Cash Register or Point of Sale Systems.

[0057] The present invention Platform allows the business users to sign up and obtain the unique present invention Platform ID after successful KYC to update the sales and output tax due. The same will be auto credited to the respective businesses as input tax credit against their output tax payable.

[0058] The present invention Platform does not allow the businesses to claim input tax except for those CR/POS sellers purchases and input tax paid on import of goods. The present invention Platform will be customized or enabled with a feature to report the input tax credit for import of goods based on the government requirements.

[0059] If the sellers did not report the output tax in time, the buyer will contact them to update the same to claim the input tax credit.

[0060] If the seller did not update inspite of the request from the buyer the buyer have the option to report it to the government authority for necessary actions.

[0061] This allows the government authorities to keep track of all the output tax revenues and input tax credit payable to the business units from their dashboard or host account specifically designed to cater the requirements of the government authorities.

[0062] The present invention Platform can be hosted as an on-prem or cloud services.

[0063] The present invention Platform comes with enterprise grade security features that transmits data securely and stored securely in the Government Server and/or secured cloud servers.

[0064] The necessary Application Programming Interface (API) will be provided to enable the accounting software providers, ERP providers, in-house accounting software business users technical team to integrate with their existing systems.

[0065] The necessary Application Programming Interface (API) will be provided to the government to connect to their existing legacy systems through a single sign-on feature.

[0066] If the government legacy system is outdated, a pull or push data transmission can be arranged to export from the Sales Tax And E-Invoice Central Registry Present invention Platform to the Government Legacy System. This will enable the government to have a complete picture of their revenues and countries business performance.

[0067] The reported total sales for sales tax purposes can be auto matched with the reported corporate tax financial statements revenue for the corresponding period. This will enable the business users to report any errors or omissions in their sales tax reporting.

BRIEF DESCRIPTION OF THE DRAWINGS

[0068] Fig 1 – Represents Sales Tax And E-Invoice Central Registry connecting the Businesses and the Government Revenue Authority for real-time Sales Tax or GST or VAT reporting.

[0069] Fig 2 – Represents transmission of E-Invoicing to the registered buyers in Sales Tax And E-Invoice Central Registry Present invention Platform via API connected Accounting Software, ERP solutions without manual entry of purchases.

TECHNICAL SOLUTION

[0070] The present invention Platform built with enterprise grade security features.

[0071] It saves time for all the stakeholders viz. Government Authorities, Business Sellers in declaring the output tax credit and Business Buyers in claiming the input tax credit.

[0072] Minimal or less physical audit required.

[0073] Electronic information available 24/7 and reduces manual paper documentations.

[0074] Cross border connectivity.

[0075] Transparency.

CLAIMS

[0076] A computer software technology, and particularly to methods, process, and devices for efficient reporting of Sales Output Tax or VAT or GST to the Government or Regulatory Authorities or Revenue Authorities and automatic update of Purchase Input Credit for eligible Business Purchaser.

[0077] A computer program to mitigate digital reporting fraud and full consensus mechanisms available between the seller, buyer and the regulatory authorities for tax collection.

[0078] A computer program works as a plug and play for any country revenue or tax authorities to use the system (after basic configurations and customisation) for complete transparency in Sales Output Tax Credit reporting and Purchase Input Tax Claim.

[0079] The computer program allows the country revenue or tax authorities to implement the system immediately without a need to integrate with their legacy systems.

[0080] A computer network that allows the business users to electronically transmit e-invoices to the connected peers end software as a purchase invoice. Saves time and cost for businesses to transact and record transactions.