AWARENESS SESSION FOR INVOCING SYSTEM (POS) VENDORS

What do you have to know before you start?

TAXCORE

Please Mute Your Phones

TAXCORE

In this Session

- Introduction
  - What is Fiscalization
- Benefits
  - Cui Bono?
- EFD Components
  - Processing of the invoice
- Online and Offline Modes
  - How data flows to the TA
- Receipt/Invoice Types
  - Which data is captured
- Who must use EFD
  - Transition
- Enrollment
  - How Taxpayers are becoming compliant with Regulation
- Accreditation Process
  - For POS and ESDC Vendors
- Tools of the Trade
  - Introduction to development portal
- Project Timeline
  - When do I have to comply?

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Introduction

What is Fiscalization

www.salesdatacontroller.com/encyclopedia/

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Fiscalization is...

- **Fiscalization** represents utilization of technology for tax collection purposes, including various secure devices and software designed to safe keep amounts which taxpayer has collected from buyers, and produce report totaling sum of tax money needed to be paid to the Treasury.

- Undoubtedly, regardless of the fiscalization model chosen by legislator, revenue increase is significant.

TIMS – Tax Invoice Monitoring System

- New Definitions:

Point Of Sale (**POS)** or Certified Invoicing System (CIS) means a point of sale invoicing device or software which is an electronic device or software application that is —

1. used by a business for management control in the areas of sales analysis and stock control; and
2. a component of the business's EFD—
    i. into which a cashier enters the transaction data for each transaction made by the business; and
    ii. from which a fiscal invoice for the transaction is issued;

TIMS – Tax Invoice Monitoring System

- New Definitions:

"**SDC**" means a sales data controller which is the component of an EFD that—

1. receives transaction data from a POS component of the EFD;
2. analyses the transaction data into fiscal data;
3. formats the fiscal data as a fiscal invoice, creates the digital signature for the EFD and records the digital signature on the fiscal invoice;
4. transmits the fiscal invoice to the POS;
5. preserves the transaction data and fiscal data in an irrevocable and secure manner; and
6. transmits the fiscal data to the IRS System;

"**External SDC**" or "**E-SDC**" means a SDC that is hardware set up as a separate component of the EFD used by a taxpayer.

"**V-SDC**" means a virtual SDC that is software attached to the IRS System.

TIMS – Tax Invoice Monitoring System

- New Definitions:

"**Secure element**" means the software and hardware used by an EFD and IRS to prevent tampering and unauthorised use of fiscal data transmitted to the IRS System and to maintain the integrity of the fiscal data;

"**Electronic fiscal device**" or "**EFD**" means a system, composed of one SDC and at least one POS connected together, that—

1. receives, records, analyses and stores fiscal data;
2. formats fiscal data into fiscal invoices;
3. has a secure element which transmits the fiscal data to the IRS System; and
4. produces fiscal invoices and issues them to a customer;

TIMS – Tax Invoice Monitoring System

- New Definitions:

"**Digital certificate**" means a unique electronic document issued by the Commissioner for each EFD that—

1. authenticates the EFD when it links with the IRS System; and
2. contains public and private key for creating, producing and verifying the digital signature of the EFD;

"**Digital signature**" means an encrypted digital code that—

1. is created by an SDC using private key;
2. is recorded on each fiscal invoice by the SDC;
3. identifies the taxpayer; and
4. verifies the integrity of the SDC when it transmits fiscal data to the IRS System;

Benefits

CUI BONO?

For Tax Authority

- **Significant increase of tax collection** due to registration of taxpayer's turnover
- **Decreasing activity of gray economy** share due to organized evidence of registered taxpayers, their activities and their sales locations;
- **Suppression of tax evasion** due to the comprehensive insight of all taxpayer's activity;

For Taxpayers

- **Protect honest taxpayers** from unfair competition**;**
- **Minimizing cost of compliance** per taxpayer and per sales point;
- **Registration of both sales and refunds** in business-to-business transactions enables easy cross-checking for processing tax refunds;

For Customers (Public)

- **A raise of consumer awareness** by receiving certified invoices along with purchased good or service
- **Clear and true specification of tax amount** dedicated to the government
- **Paperless** Invoices
- Participation in **Consumer Compliance Award** program

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For Invoicing System Vendors

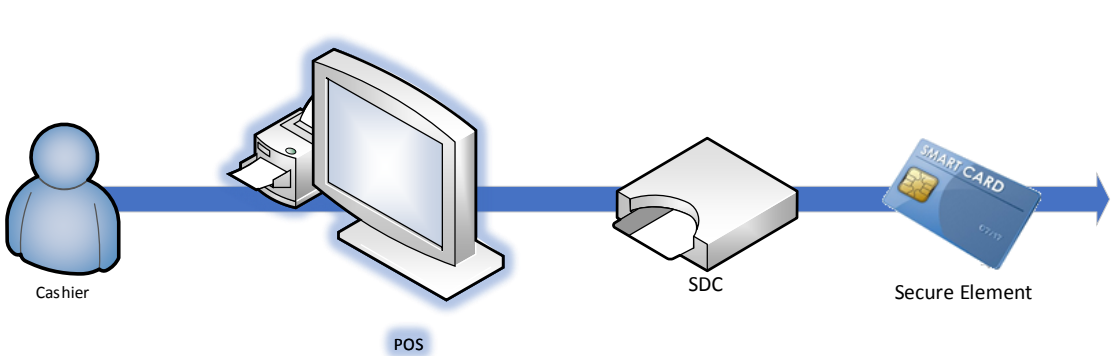
- **Transparency and leveled playing field** for all suppliers of fiscal equipment
- **Modernizing sale outlets** with management tools designed to better serve taxpayers business
- **Simple and free accreditation** process
- **Distinction** between accredited and non-accredited vendors

COMPONENTS OF ELECTRONIC FISCAL DEVICE (EFD)

Data Flow From Customer to Tax Authority Data Center

Certified Invoicing System – CIS

- **Certified Invoicing System** (CIS) or POS means a point of sale invoicing device or software which is an electronic device or software application that is
  - used by a business for management control in the areas of sales analysis and stock control; and
  - a component of the business's EFD
  - into which a cashier enters the transaction data for each transaction made by the business; and
  - from which a fiscal invoice for the transaction is issued



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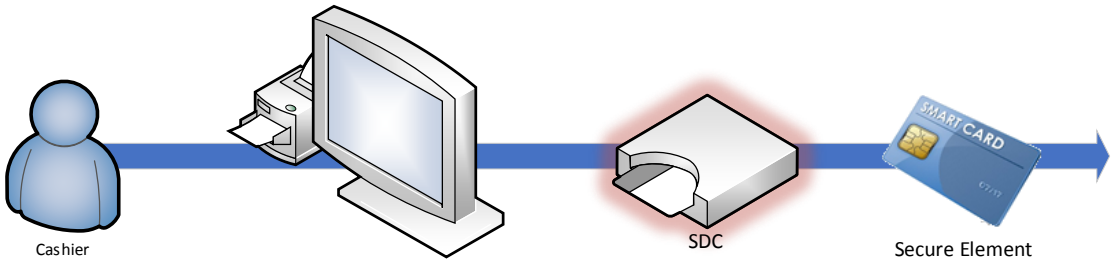
Sales Data Controller – SDC

- **Sales Data Controller** (SDC) is the hardware or software component of an EFD that
  - receives transaction data from a POS component of the EFD;
  - analyses the transaction data into fiscal data;
  - formats the fiscal data as a fiscal invoice, creates the digital signature for the EFD and records the digital signature on the fiscal invoice;
  - transmits the fiscal invoice to the POS;
  - preserves the transaction data and fiscal data in an irrevocable and secure manner; and
  - transmits the fiscal data to the Authority's system;



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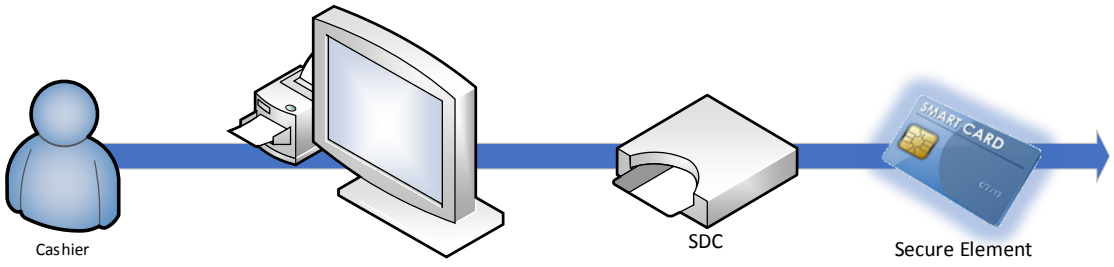
Secure Element – SE

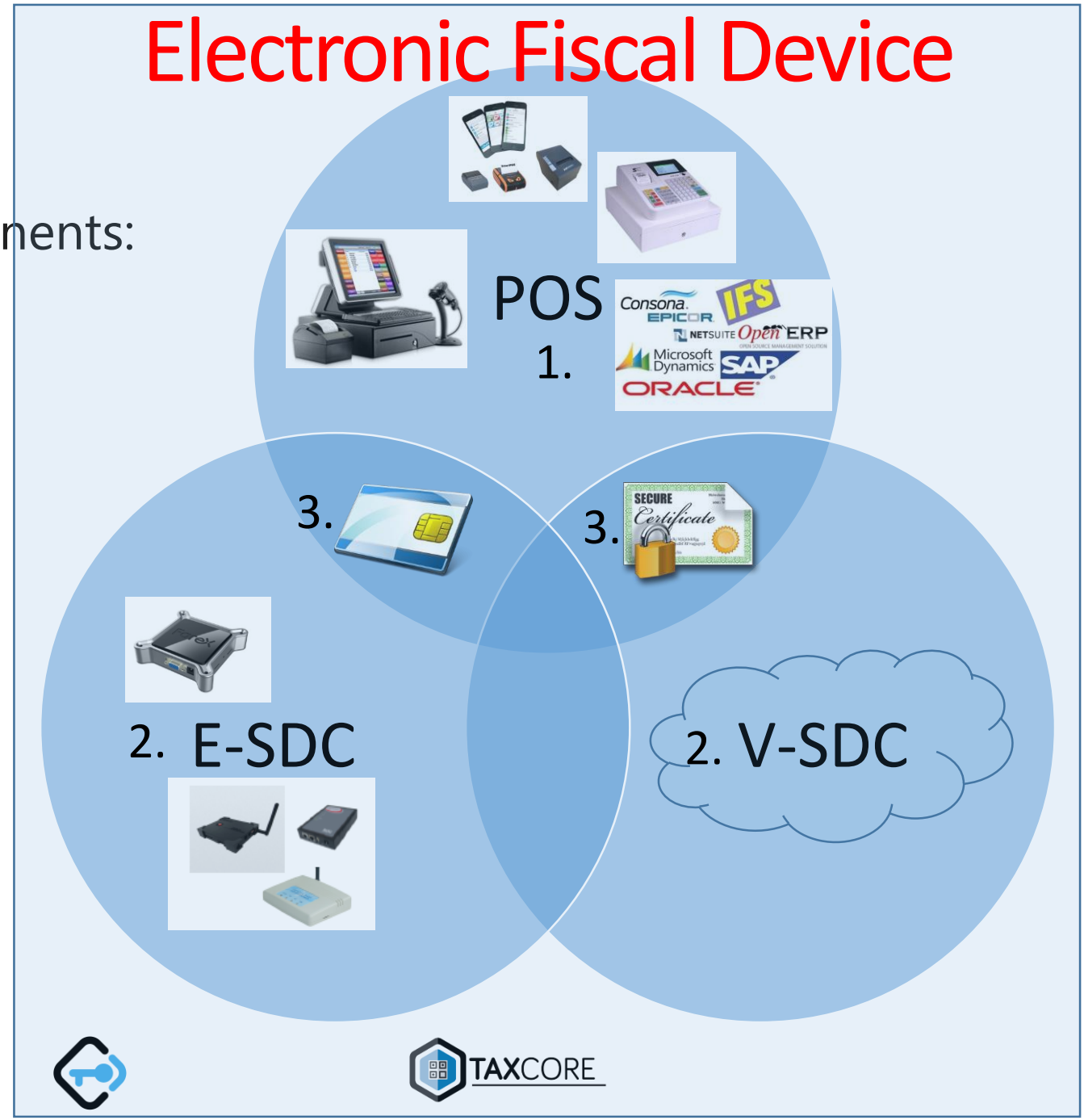
- **Secure Element** (SE) means the software and hardware used by an EFD and the Authority to prevent tampering and unauthorized use of fiscal data transmitted to the Authority's system and to maintain the integrity of the fiscal data



Electronic Fiscal Device

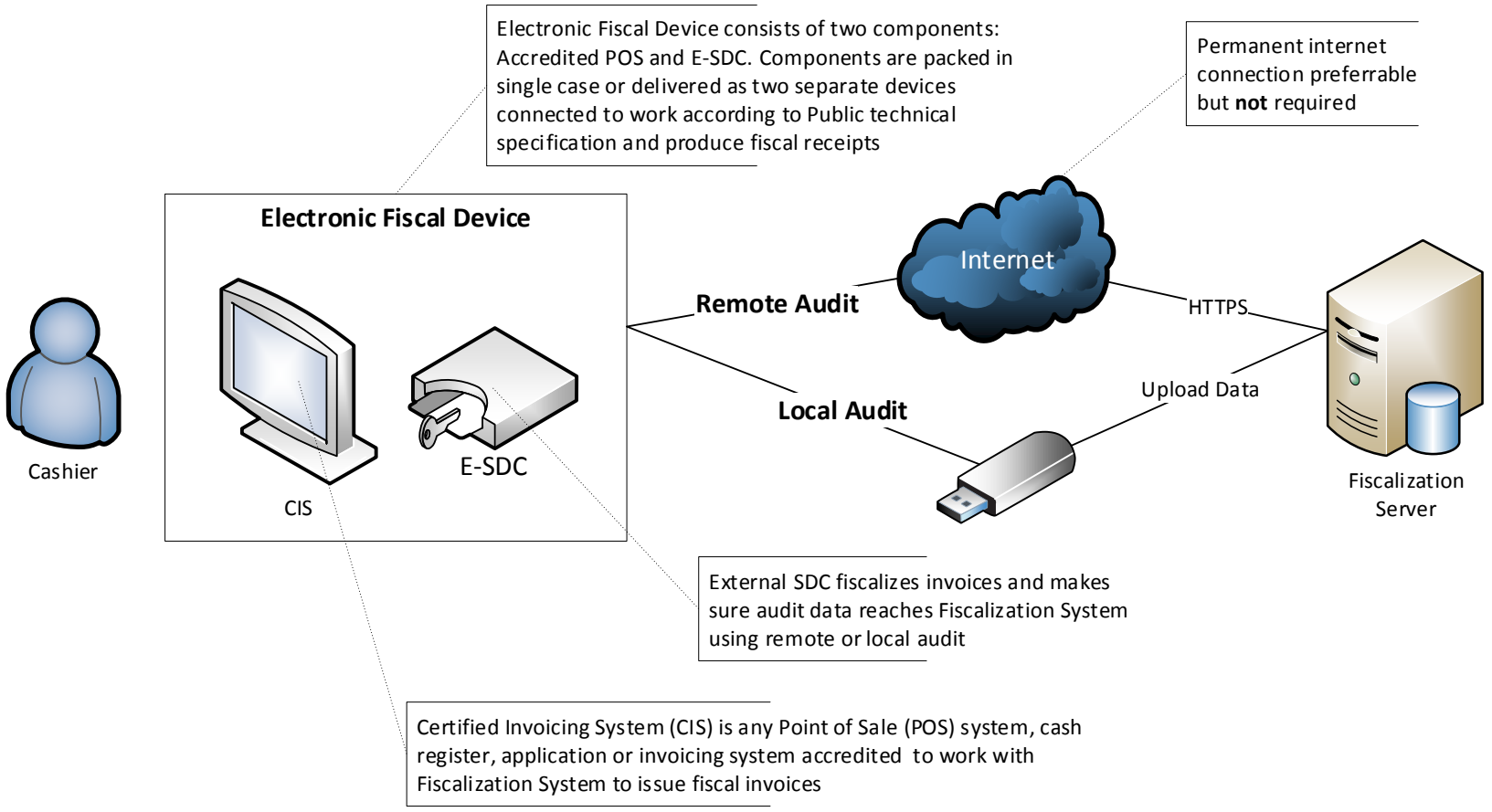
- EFD components:

1. POS, cash register or software used for fiscal receipt issuing
2. Software, hardware or web service which controls the fiscal receipt, applies digital signature and sends receipt data to the server of IRS (Sales Data Controller)
3. Digital certificate for signing receipt



Online and Offline Modes

Off-Line or Semi-Connected System



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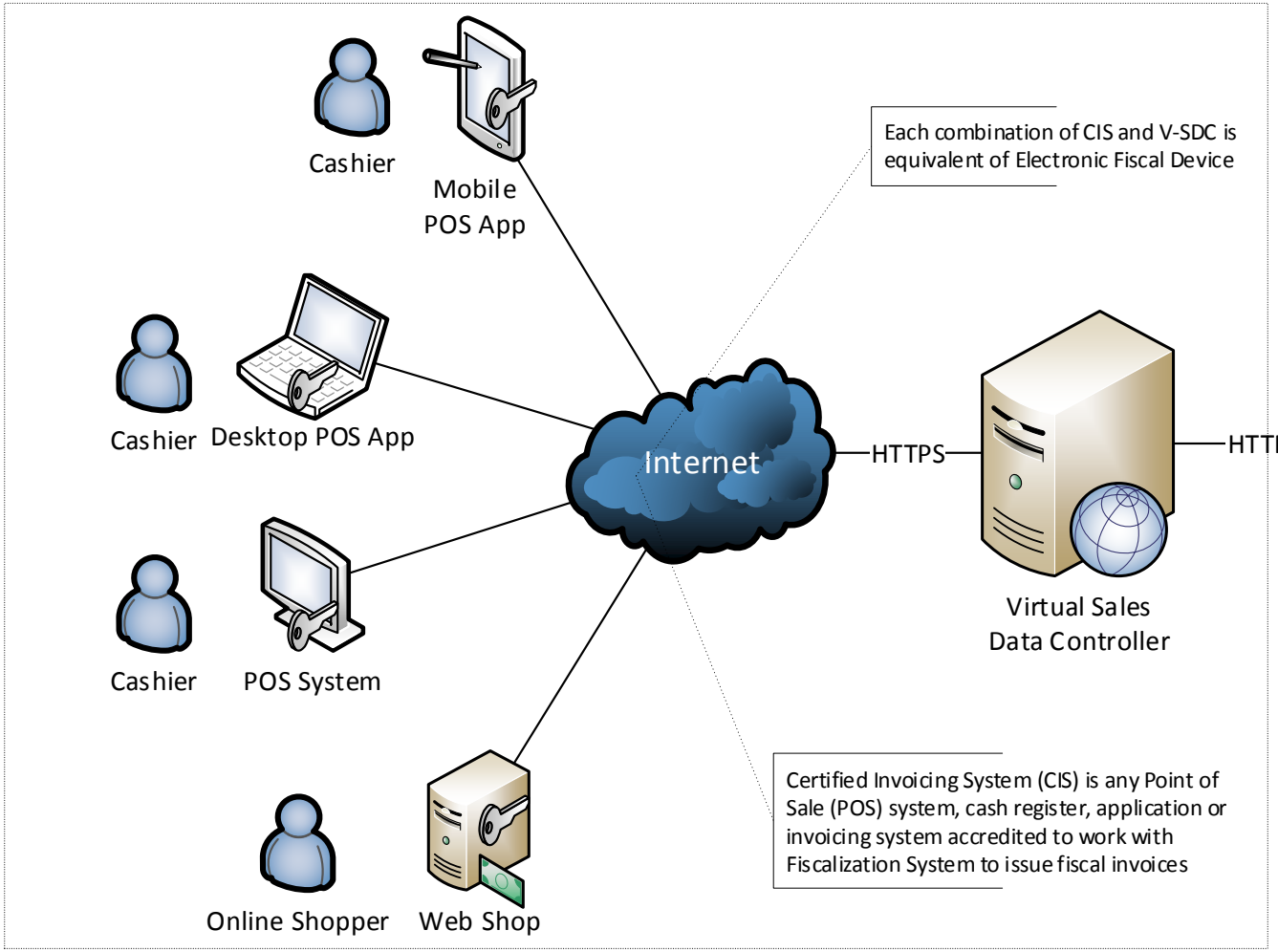
On-Line System



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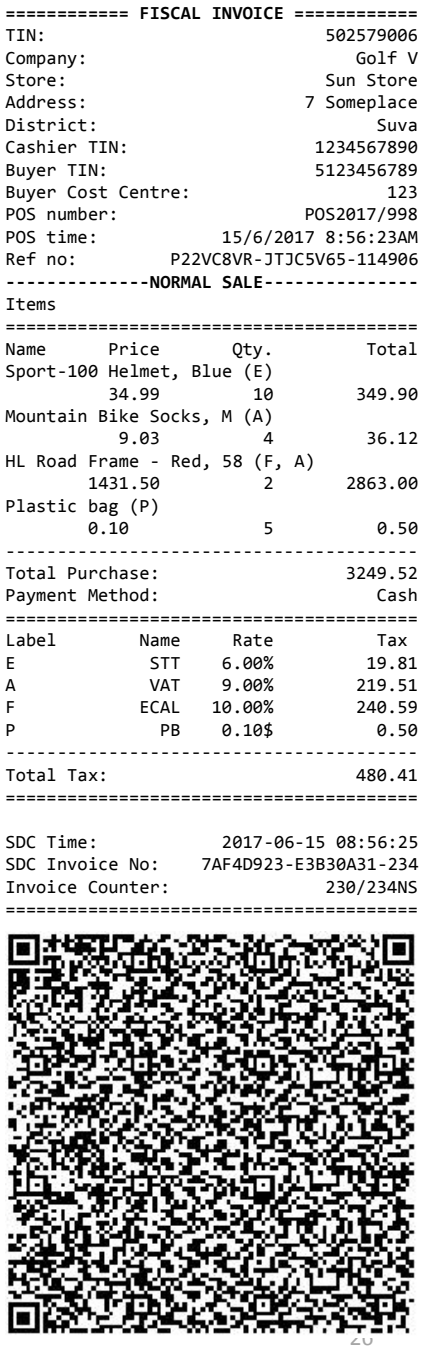
Receipt/Invoice Types

Which data is captured and safeguarded

Type of documents

- All transactions are captured in the same manner:
  - Transactions with tax liablities
  - Transactions which assist in audit
  - Transactions which can help recognize tax evasion patterns

	Sale	Refund
Normal	NS	NR
Copy	CS	CR
Pro Forma	PS	PR
Training	TS	TR

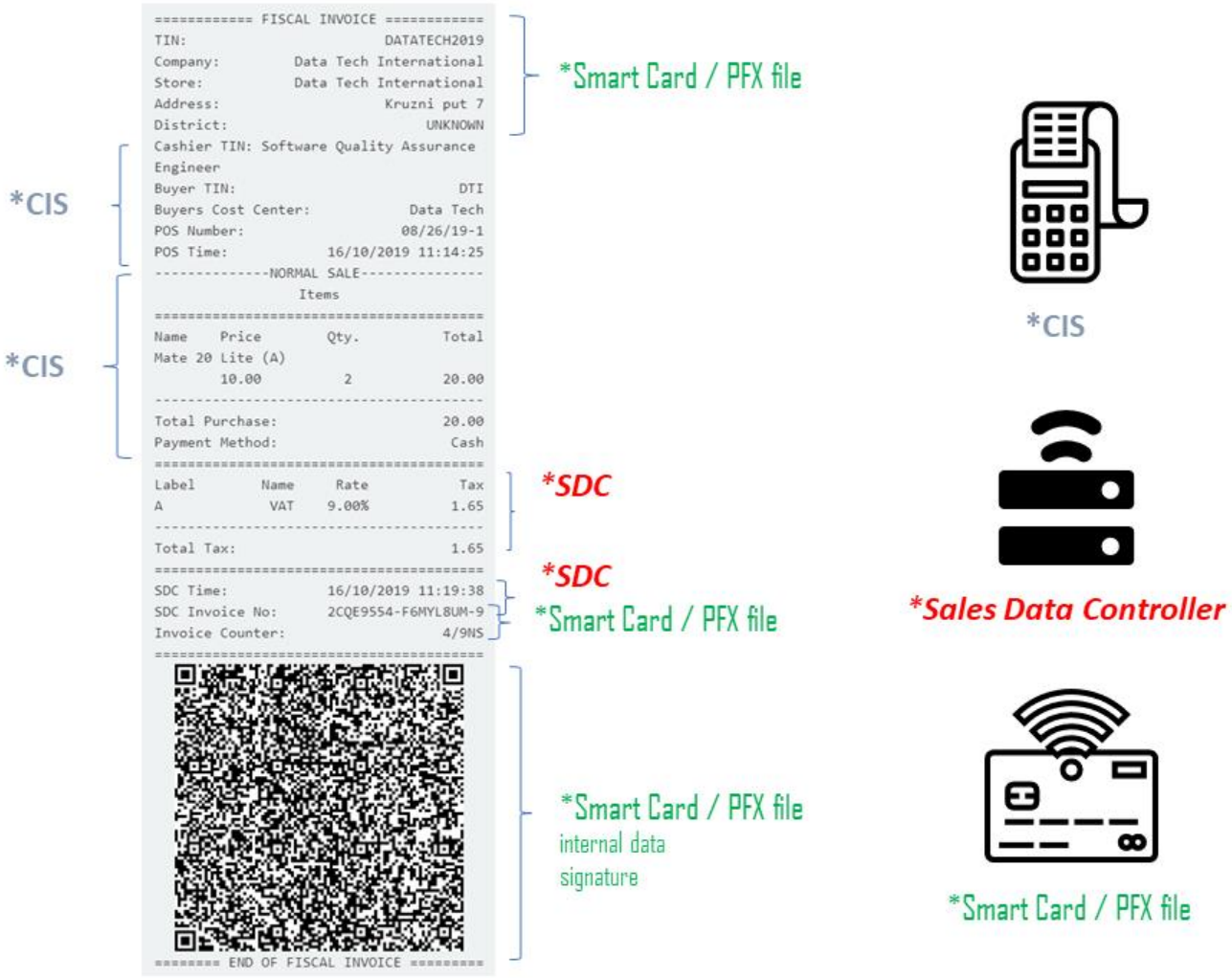


```
============ FISCAL INVOICE ============
TIN:                              502579006
Company:                             Golf V
Store:                            Sun Store
Address:                      7 Someplace
District:                            Suva
Cashier TIN:                   1234567890
Buyer TIN:                     5123456789
Buyer Cost Centre:                    123
POS number:                   POS2017/998
POS time:           15/6/2017 8:56:23AM
Ref no:         P22VC8VR-JTJC5V65-114906
--------------NORMAL SALE---------------
Items
========================================
Name       Price       Qty.         Total
Sport-100 Helmet, Blue (E)
           34.99         10        349.90
Mountain Bike Socks, M (A)
            9.03          4         36.12
HL Road Frame - Red, 58 (F, A)
         1431.50          2       2863.00
Plastic bag (P)
         0.10             5          0.50
----------------------------------------
Total Purchase:                   3249.52
Payment Method:                      Cash
========================================
Label        Name      Rate          Tax
E             STT     6.00%         19.81
A             VAT     9.00%        219.51
F            ECAL    10.00%        240.59
P              PB     0.10$          0.50
----------------------------------------
Total Tax:                         480.41
========================================

SDC Time:           2017-06-15 08:56:25
SDC Invoice No:   7AF4D923-E3B30A31-234
Invoice Counter:              230/234NS
========================================
```

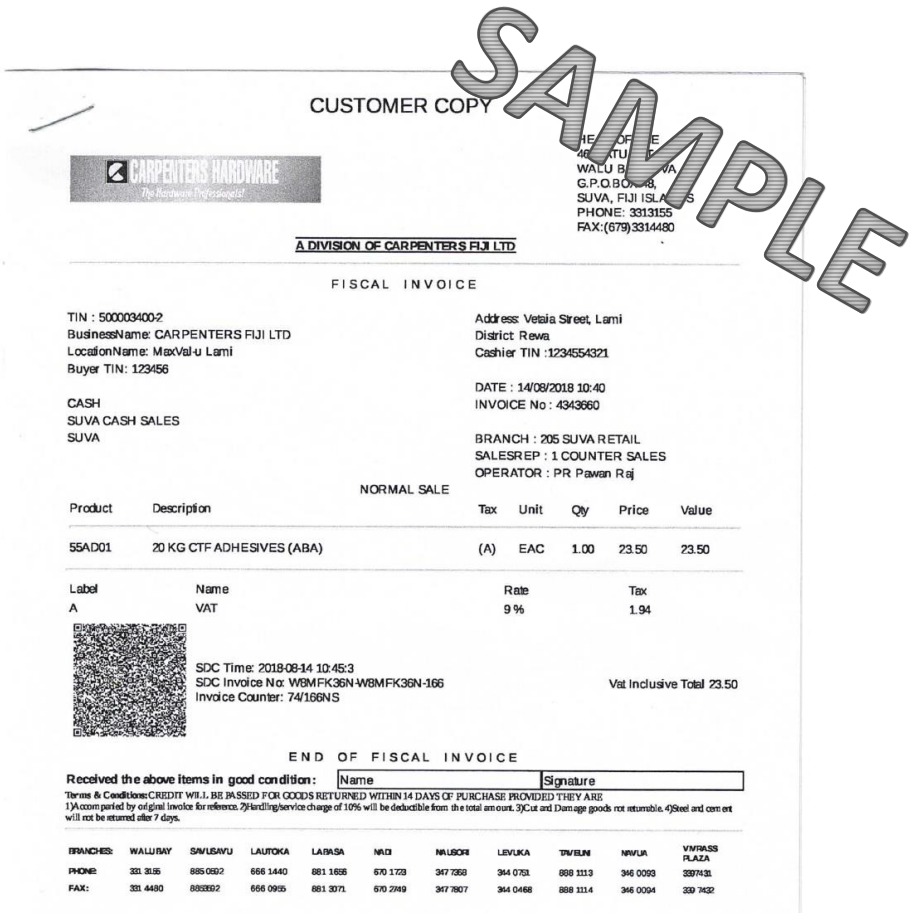
SAMPLE

Fiscal Receipt/Invoice



Type of documents

- Fiscal receipts may have different format and outline but must contain same elements necessary for audit



CUSTOMER COPY

SAMPLE

CARPENTERS HARDWARE
The Hardware Professionals!

WALU B
G.P.O.BOX 18,
SUVA, FIJI ISLA
PHONE: 3313155
FAX:(679)3314480

A DIVISION OF CARPENTERS FIJI LTD

FISCAL INVOICE

TIN : 5000034002
BusinessName: CARPENTERS FIJI LTD
LocationName: MaxVal-u Lami
Buyer TIN: 123456

CASH
SUVA CASH SALES
SUVA

Address: Vetalia Street, Lami
District Rewa
Cashier TIN :1234554321

DATE : 14/08/2018 10:40
INVOICE No : 4343660

BRANCH : 205 SUVA RETAIL
SALESREP : 1 COUNTER SALES
OPERATOR : PR Pawan Raj

NORMAL SALE

Product	Description	Tax	Unit	Qty	Price	Value
55AD01	20 KG CTF ADHESIVES (ABA)	(A)	EAC	1.00	23.50	23.50

Label	Name	Rate	Tax
A	VAT	9 %	1.94

SDC Time: 2018-08-14 10:45:3
SDC Invoice No: W8MFK36N-W8MFK36N-166
Invoice Counter: 74/166NS

Vat Inclusive Total 23.50

END OF FISCAL INVOICE

Received the above items in good condition: Name Signature

Terms & Conditions: CREDIT WILL BE PASSED FOR GOODS RETURNED WITHIN 14 DAYS OF PURCHASE PROVIDED THEY ARE 1)Accompanied by original invoice for reference. 2)Handling/service charge of 10% will be deductible from the total amount. 3)Cut and Damage goods not returnable. 4)Steel and cement will not be returned after 7 days.

BRANCHES:	WALU BAY	SAVUSAVU	LAUTOKA	LABASA	NADI	NAUSORI	LEVUKA	TAVEUNI	NAVUA	VIVRASS PLAZA
PHONE:	331 3155	885 0592	666 1440	881 1655	670 1723	347 7358	344 0751	888 1113	346 0093	3397431
FAX:	331 4480	885992	666 0955	881 3071	670 2749	347 7807	344 0468	888 1114	346 0094	339 7432

WHO MUST USE EFD

Transition from old or no system to TIMS

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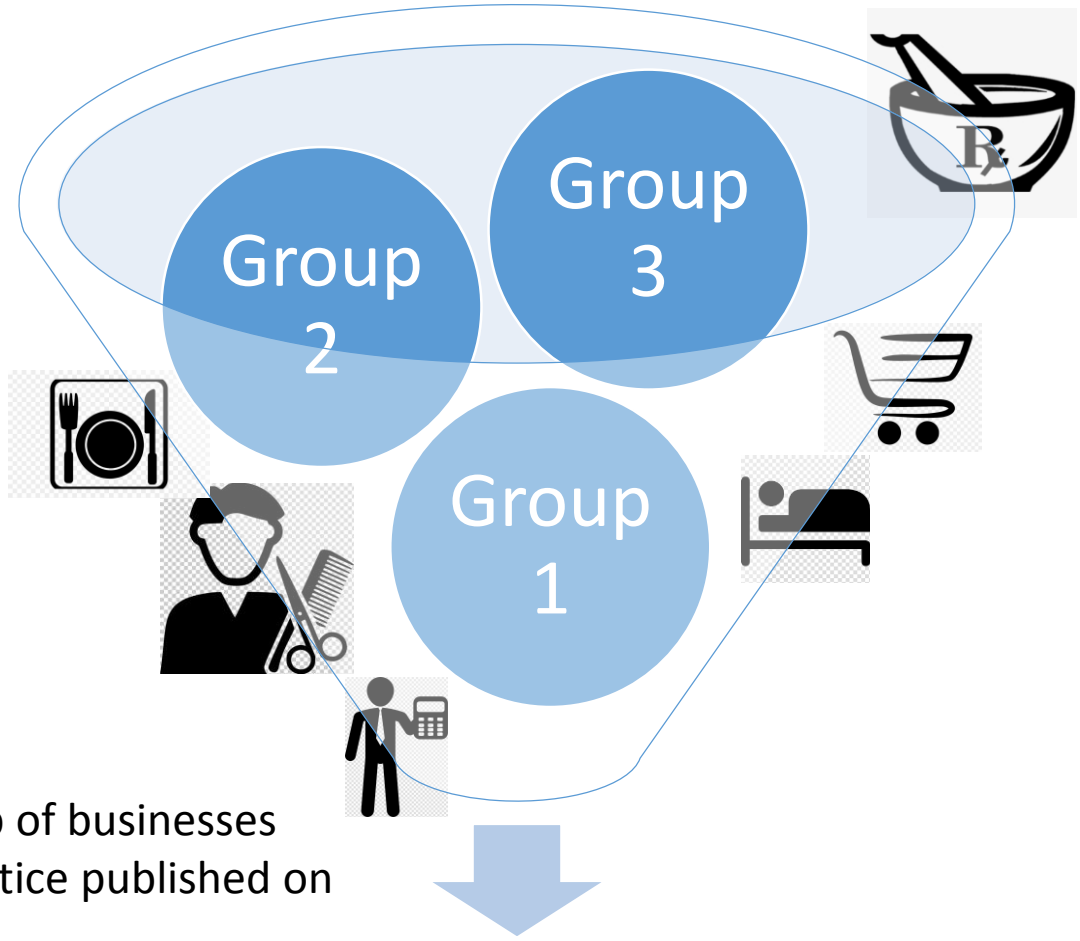
Group of Businesses



"group of businesses" means a group of businesses specified by the Commissioner by notice published on the Ministry's website

EFD Compliant

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Deadline to comply

“time specified by the Commissioner in respect of a group of businesses” means the period of time specified by the Commissioner, by notice published on the Ministry’s website, within which a taxpayer, who has a business that is a member of the group, must be operating an EFD for the business.

There must be, before the expiry of the time specified by the Commissioner in respect of a group of businesses, an EFD installed, implemented and operating for each business in the group.

A taxpayer, who operates a business that is a member of a group of businesses elected commits an offence if the taxpayer fails to install, implement and operate an EFD for the business before the expiry of the time specified by the Commissioner in respect of the group of businesses.

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Enrollment

How Taxpayers are becoming compliant with Regulations

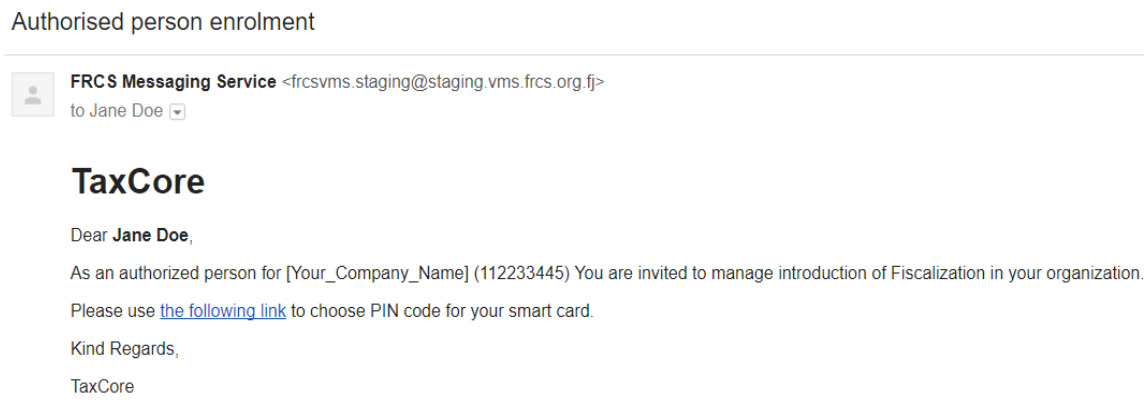
Step-by-Step Enrollment Process

STEP 1

Register if not registered yet, and request fiscalization:

STEP 2

Enrollment officer will be validating information provided via Step 1 and send invitation via email address taxpayer has provided.



Authorised person enrolment

FRCS Messaging Service <frcsvms.staging@staging.vms.frcs.org.fj>
to Jane Doe

TaxCore

Dear **Jane Doe**,

As an authorized person for [Your_Company_Name] (112233445) You are invited to manage introduction of Fiscalization in your organization.

Please use the following link to choose PIN code for your smart card.

Kind Regards,

TaxCore

The hyperlink provided in invitation is meant for authorized person to choose a PIN code. Once you finish this process you will receive message that registration is completed.

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Step-by-Step Enrollment Process

STEP 3

Tax Authority will commence production of administrative Secure Element (smart card), following message will reach your email:

FRCS VMS

Dear **Test Johnny**, Your personalization request has been approved.

Kind Regards,

FRCS VMS Team

STEP 4

Your administrative Secure Element (smart card) is ready for delivery or pick up at the nearest Tax Office designated during step 2
Tax Officer will confirm taxpayer's representative identity at the time of Secure Element handover.

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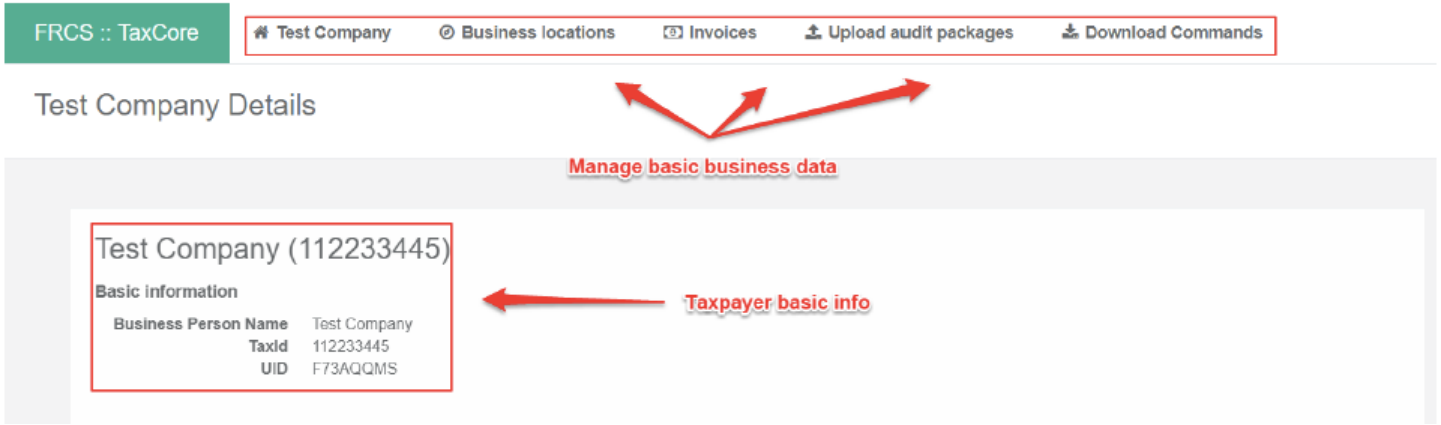
Step-by-Step Enrollment Process

STEP 5

Use your administrative Secure Element (smart card) to log on to the taxpayer portal and request additional POS smart card(s) or digital certificate file(s), which are POS model dependent.

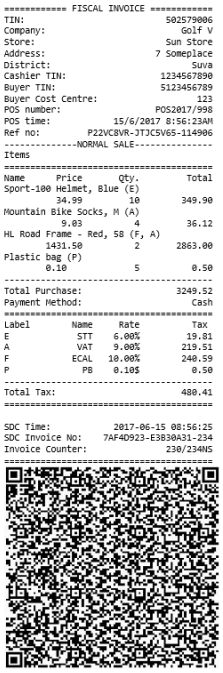
Use taxpayer portal manual to learn on how to navigate through the portal:



Step-by-Step Enrollment Process

STEP 6

Upon reception of the POS smart card or a file, use it to activate your EFD in accordance with vendor's manual and start your business in compliance with EFD Regulation.



========== FISCAL INVOICE ==========
TIN: 502579006
Company: Golf V
Store: Sun Store
Address: 7 Someplace
District: Suva
Cashier TIN: 1234567890
Buyer TIN: 5123456789
Buyer Cost Centre: 123
POS number: POS2017/998
POS time: 15/6/2017 8:56:23AM
Ref no: P22VC8VR-JTJC5V65-114906
----------NORMAL SALE----------
Items

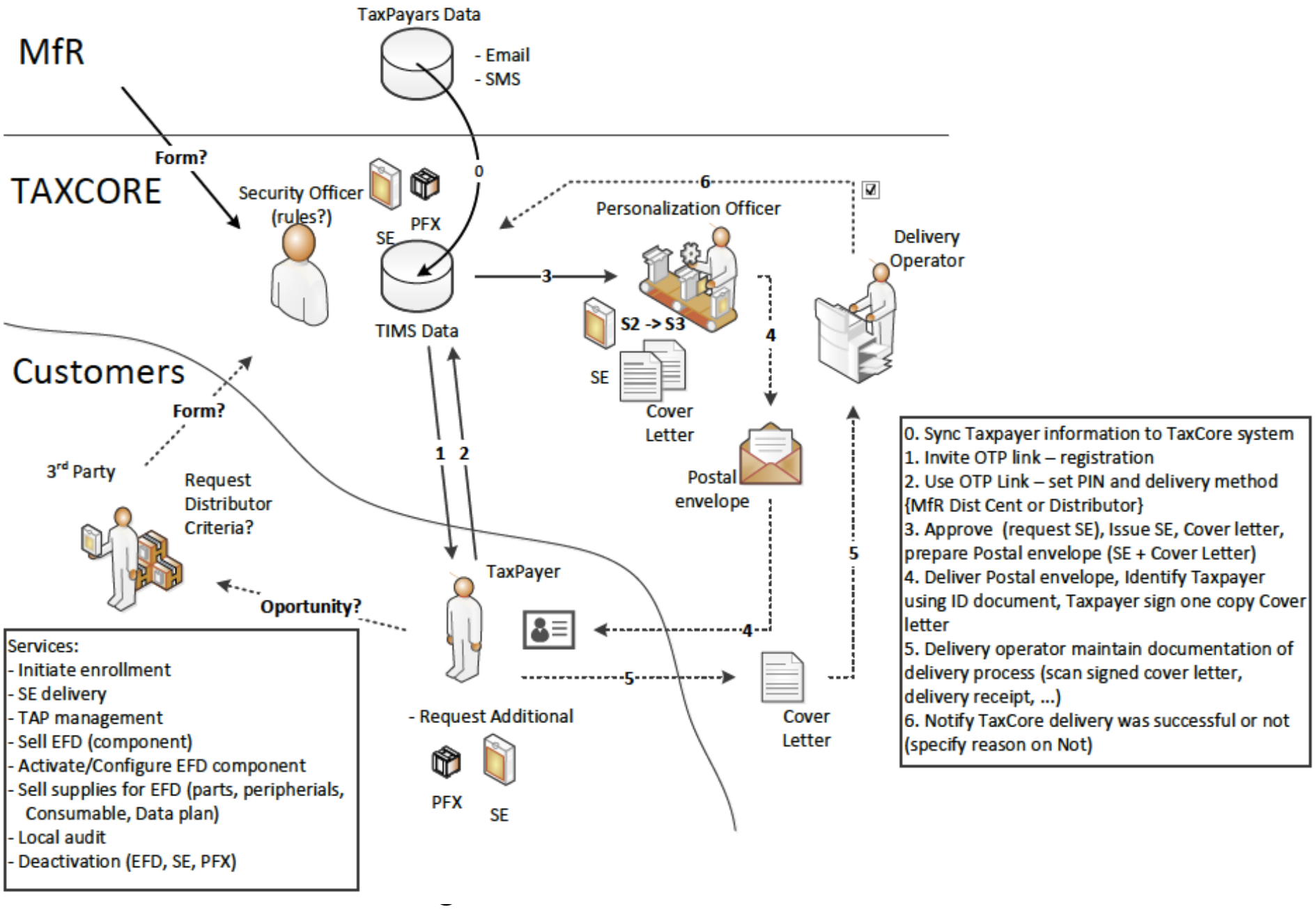
Name	Price	Qty.	Total
Sport-100 Helmet, Blue (E)	34.99	10	349.90
Mountain Bike Socks, M (A)	9.03	4	36.12
HL Road Frame - Red, 58 (F, A)	1431.50	2	2863.00
Plastic bag (P)	0.10	5	0.50

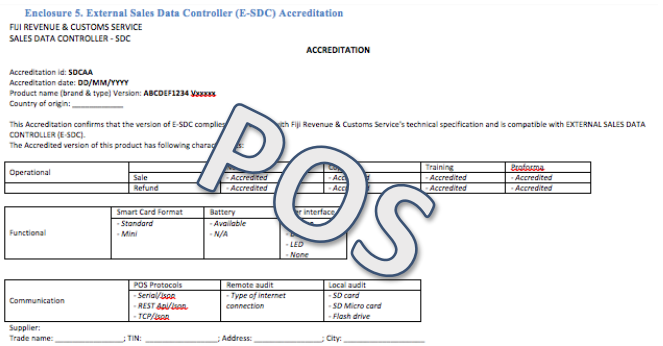
Total Purchase: 3249.52
Payment Method: Cash

Label	Name	Rate	Tax
E	STT	6.00%	19.81
A	VAT	9.00%	219.51
F	ECAL	10.00%	240.59
P	PB	0.10$	0.50

Total Tax: 480.41

SDC Time: 2017-06-15 08:56:25
SDC Invoice No: 7AF4D923-E3830A31-234
Invoice Counter: 230/234NS


MfR
TaxPayars Data
- Email
- SMS
Form?
TAXCORE
Security Officer
(rules?)
SE
PFX
0
6
Personalization Officer
Delivery
Operator
3
S2 -> S3
SE
Cover
Letter
4
TIMS Data
Customers
Form?
3rd Party
Request
Distributor
Criteria?
1
2
Postal
envelope
5
TaxPayer
Oportunity?
4
5
- Request Additional
PFX
SE
Cover
Letter
Services:
- Initiate enrollment
- SE delivery
- TAP management
- Sell EFD (component)
- Activate/Configure EFD component
- Sell supplies for EFD (parts, peripherials, Consumable, Data plan)
- Local audit
- Deactivation (EFD, SE, PFX)
0. Sync Taxpayer information to TaxCore system
1. Invite OTP link – registration
2. Use OTP Link – set PIN and delivery method {MfR Dist Cent or Distributor}
3. Approve (request SE), Issue SE, Cover letter, prepare Postal envelope (SE + Cover Letter)
4. Deliver Postal envelope, Identify Taxpayer using ID document, Taxpayer sign one copy Cover letter
5. Delivery operator maintain documentation of delivery process (scan signed cover letter, delivery receipt, ...)
6. Notify TaxCore delivery was successful or not (specify reason on Not)



Enclosure 5. External Sales Data Controller (E-SDC) Accreditation

FIJI REVENUE & CUSTOMS SERVICE
SALES DATA CONTROLLER - SDC

ACCREDITATION

Accreditation id: **SDCAA**
Accreditation date: **DD/MM/YYYY**
Product name (brand & type) Version: **ABCDEF1234 Vxxxxx**
Country of origin: _____

This Accreditation confirms that the version of E-SDC complies in all respect with Fiji Revenue & Customs Service's technical specification and is compatible with EXTERNAL SALES DATA CONTROLLER (E-SDC).
The Accredited version of this product has following characteristics:

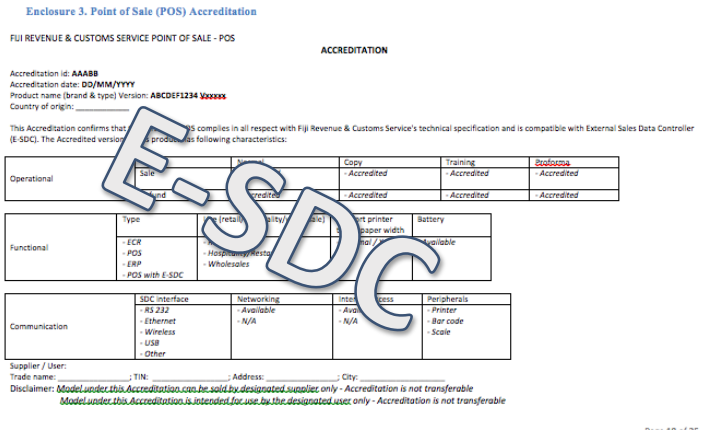
Operational	Sale	- Accredited	Copy	- Accredited	Proforma - Accredited
	Refund	- Accredited		- Accredited	- Accredited

Functional	Smart Card Format - Standard - Mini	Battery - Available - N/A	- LED - None

Communication	POS Protocols - Serial/app. - REST Api/app. - TCP/app	Remote audit - Type of internet connection	Local audit - SD card - SD Micro card - Flash drive

Supplier:
Trade name: _____; TIN: _____; Address: _____; City: _____

POS



Enclosure 3. Point of Sale (POS) Accreditation

FIJI REVENUE & CUSTOMS SERVICE POINT OF SALE - POS

ACCREDITATION

Accreditation id: **AAABB**
Accreditation date: **DD/MM/YYYY**
Product name (brand & type) Version: **ABCDEF1234 Vxxxxx**
Country of origin: _____

This Accreditation confirms that [illegible] complies in all respect with Fiji Revenue & Customs Service's technical specification and is compatible with External Sales Data Controller (E-SDC). The Accredited version of [illegible] has following characteristics:

Operational	Sale	[illegible]	Copy	Training	Proforma
	Refund	- Accredited	- Accredited	- Accredited	- Accredited

Functional	Type - ECR - POS - ERP - POS with E-SDC	[illegible] (retail / Hospitality/Restaurant - Wholesales	[illegible] sale)	[illegible] printer paper width [illegible] / A4	Battery - Available

Communication	SDC interface - RS 232 - Ethernet - Wireless - USB - Other	Networking - Available - N/A	Inte[illegible]ess - Ava[illegible] - N/A	Peripherals - Printer - Bar code - Scale

Supplier / User:
Trade name: _____; TIN: _____; Address: _____; City: _____
Disclaimer: Model under this Accreditation can be sold by designated supplier only - Accreditation is not transferable
Model under this Accreditation is intended for use by the designated user only - Accreditation is not transferable

E-SDC

Accreditation Process

For POS and ESDC Vendors

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Accreditation Conditions

Regulations governing Accreditation criteria

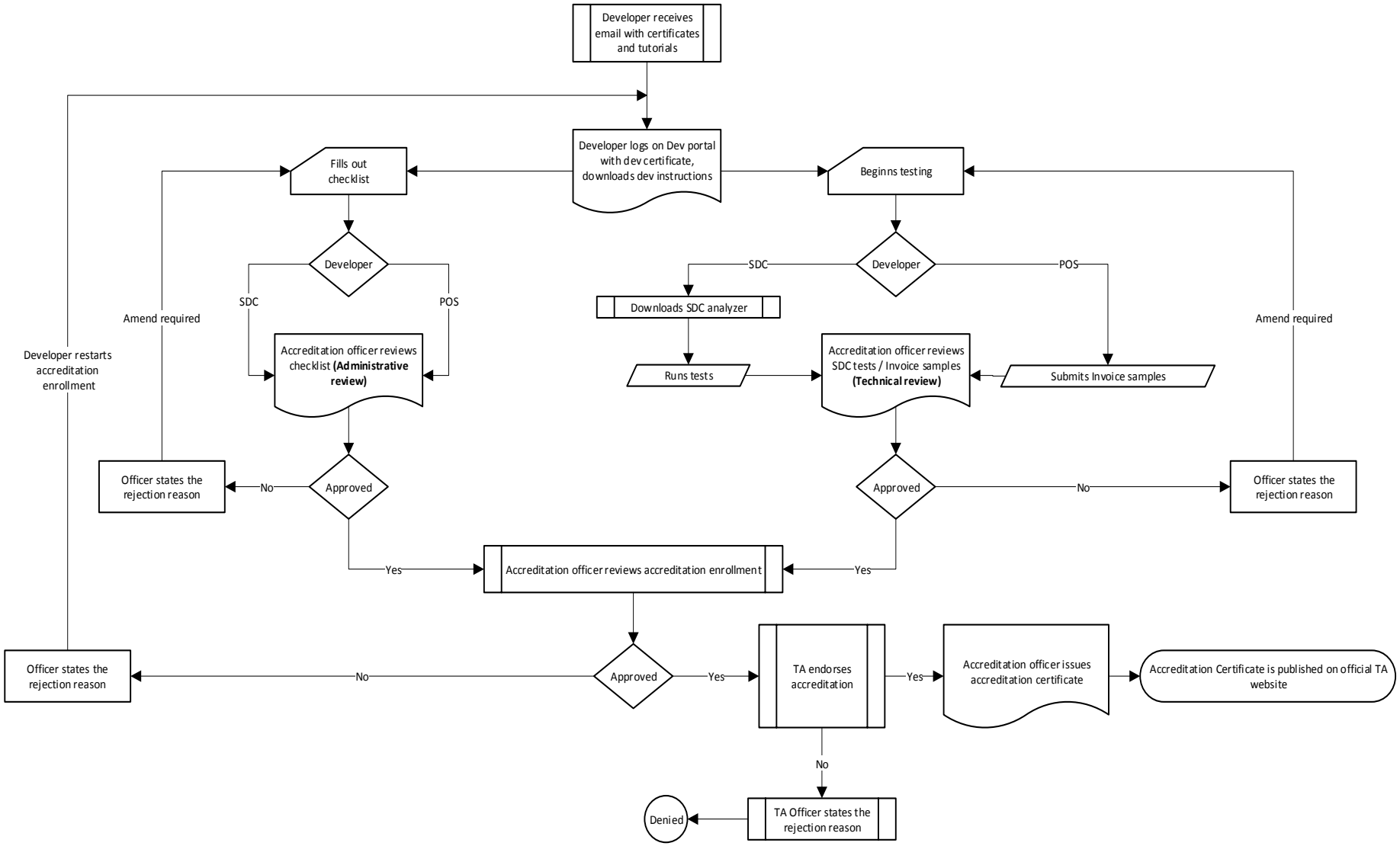
All conditions for Accreditation of EFD are in accordance with Regulation

The Commissioner accredits the product in accordance with procedures defined under Instructions on Accreditation method.

Evaluation process consists of two parts:

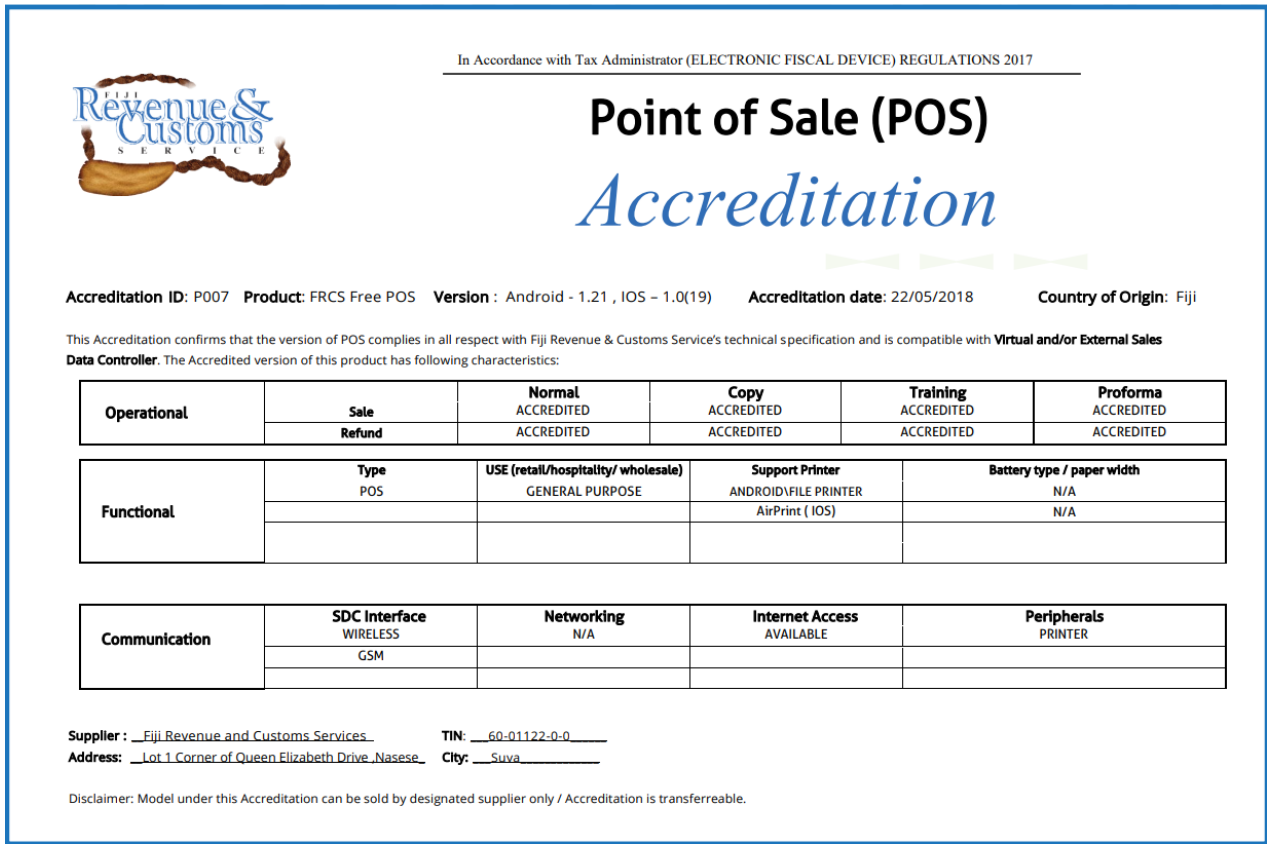
- Administrative review – a process where applicant's deliverable is being pre-evaluated
- Technical review – a process where a product and its documentation are finally evaluated

The communication between the Commissioner and applicant shall be open, honest, cooperative and responsive to each problem. If the Commissioner determents that evaluation is deviating from its normal course by unreasonable activities performed by the applicant, it is entitled to dismiss application without further actions


Developer receives email with certificates and tutorials
Developer logs on Dev portal with dev certificate, downloads dev instructions
Fills out checklist
Beginns testing
Developer
SDC
POS
Amend required
Developer restarts accreditation enrollment
Accreditation officer reviews checklist (Administrative review)
Downloads SDC analyzer
Runs tests
Accreditation officer reviews SDC tests / Invoice samples (Technical review)
Submits Invoice samples
Officer states the rejection reason
No
Approved
Yes
Accreditation officer reviews accreditation enrollment
TA endorses accreditation
Accreditation officer issues accreditation certificate
Accreditation Certificate is published on official TA website
Denied
TA Officer states the rejection reason

Accreditation of POS or E-SDC

- Issued By Tax Authority based on administrative and Technical Review



In Accordance with Tax Administrator (ELECTRONIC FISCAL DEVICE) REGULATIONS 2017

Point of Sale (POS)

Accreditation

Accreditation ID: P007 **Product**: FRCS Free POS **Version** : Android - 1.21 , IOS – 1.0(19) **Accreditation date**: 22/05/2018 **Country of Origin**: Fiji

This Accreditation confirms that the version of POS complies in all respect with Fiji Revenue & Customs Service's technical specification and is compatible with **Virtual and/or External Sales Data Controller**. The Accredited version of this product has following characteristics:

Operational	**Sale**	**Normal** ACCREDITED	**Copy** ACCREDITED	**Training** ACCREDITED	**Proforma** ACCREDITED
	Refund	ACCREDITED	ACCREDITED	ACCREDITED	ACCREDITED

Functional	**Type**	**USE (retail/hospitality/ wholesale)**	**Support Printer**	**Battery type / paper width**
	POS	GENERAL PURPOSE	ANDROID\FILE PRINTER	N/A
			AirPrint (IOS)	N/A

Communication	**SDC Interface** WIRELESS	**Networking** N/A	**Internet Access** AVAILABLE	**Peripherals** PRINTER
	GSM			

Supplier : Fiji Revenue and Customs Services **TIN:** 60-01122-0-0

Address: Lot 1 Corner of Queen Elizabeth Drive ,Nasese **City:** Suva

Disclaimer: Model under this Accreditation can be sold by designated supplier only / Accreditation is transferreable.

List Of Accredited POS and E-SDCs

- Taxpayers can check for valid accreditation before buy
- Enrolled Taxpayers will not be allowed to use non-accredited software or devices
- New accreditations will be published immediately

If non-conformity to the accreditation is found with respect to devices or software which have been placed and/or non-compliance with the conditions stated in these Rules is found, the accreditation shall immediately and permanently be withdrawn and supplier will face penalty.

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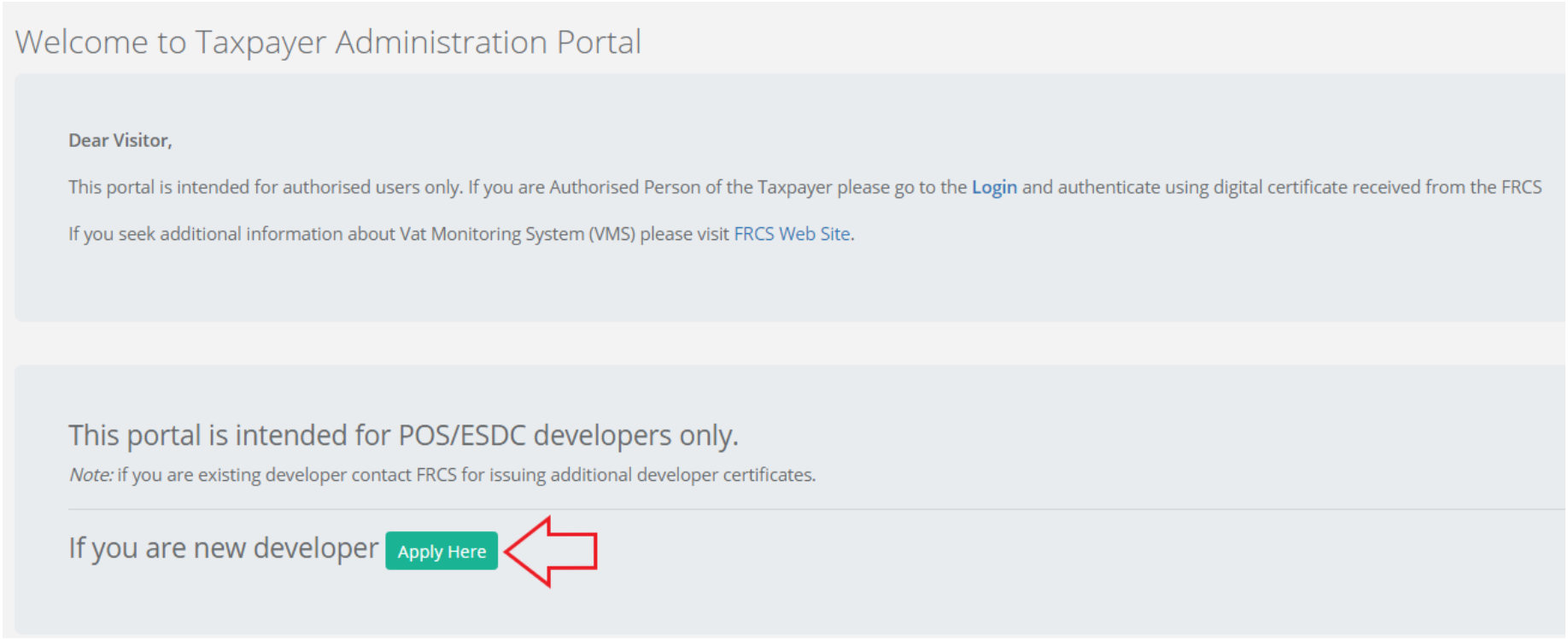
Tools of the Trade

Introduction to development portal

Self-Service Development center



URL will be provided later

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Accreditation process and publications

Instructions Documents	PDF
TaxCore Technical Instructions for E-SDC Developers	Download
TaxCore – Technical Instructions for CIS (POS) and Cash Register Developers	Download
Tax Labels For POS Vendors for Staging and Production Environments	Download
VMS Production Certificates	Download
RCA and ICA Installation Guide	Download

Self-assessment check lists

2. Has display screen showing the inputs and output of the sale to user ◉Yes ○No

Page 10 of user manual

User display is explained in detail at page 10.

2. Has display screen showing the inputs and output of the sale to user ◉Yes ○No

Tested at Tax Office

Comment

You Have Successfully Finished POS Accreditation Questionnaire

We acknowledge receipt of your application and sincerely appreciate your interest in the process of EFD Accreditation in Fiji and one of our representatives will contact you shortly. In the meantime, should you have any additional questions please check the Instructions for developers on the FRCS website.

If you seek further clarification please email to **EFDCompliance@frcs.org.fj.**

Note to POS developers: As a registered developer you are entitled to get the access to test development environment via VPN E-SDC, no smart card reader nor smart card required. This is only a development environment and you cannot use it for live testing.

Dev-SDD

- Develop, Test and Accredit your POS without having to procure E-SDC devices or Applications
- Avaialble as web service to any POS developer
- Works as local E-SDC
- Simulate hardware events
  - Device unavailable or switched off
  - Smart Card is locked
  - Smart Card removed

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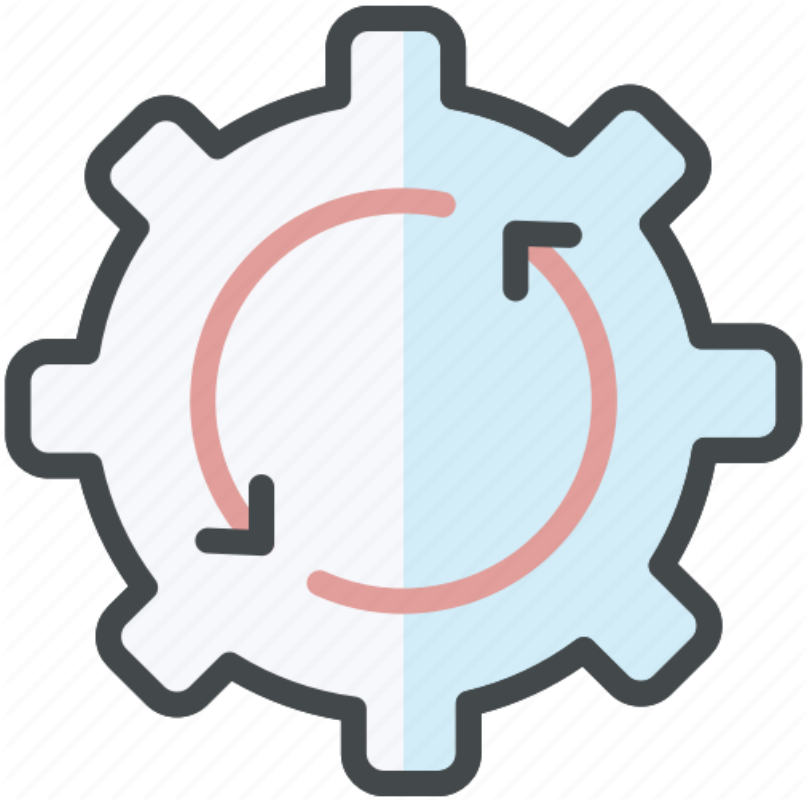
Automated tests for E-SDCs

- Check if E-SDC complies with all predetermined specifications and behaviors, such as:
  - How device responds to Correct/Incorrect requests on Attention, Get Status, Verify Pin, Sign Invoice commands.
  - If request is valid, does it contain all properties
  - If request is invalid, does it display errors in proper form



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Technical Support

- Help center (compliance guides, manuals, news)
- For Technical Issues: taxcore.support@dti.rs

Project Timeline

When do I have to comply?

How it's going to happen

- Awareness Sessions
- Setting up local Development Portal for Vendors
- Publication of Technical Instructions
- In Parallel
  - Accreditation of POS and E-SDC Solutions
  - Enrollment of Taxpayers
  - Rollout Group 1, Group 2, Group n….

Recap

1. TIMS is a Tax Invoice Monitoring System and it brings new rules and definitions to the ECR/POS/ERP market
2. EFD Electronic Fiscal Device comprises of 3 components:
    1. POS
    2. SDC
    3. Secure Element (smart card or PFX file)
3. All taxpayers will use EFD eventually
4. Accreditation of EFD compatible products is FREE and EASY
5. EFD suppliers can provide other services to assist taxpayers in meeting compliance

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Thank You!

www.dti.rs