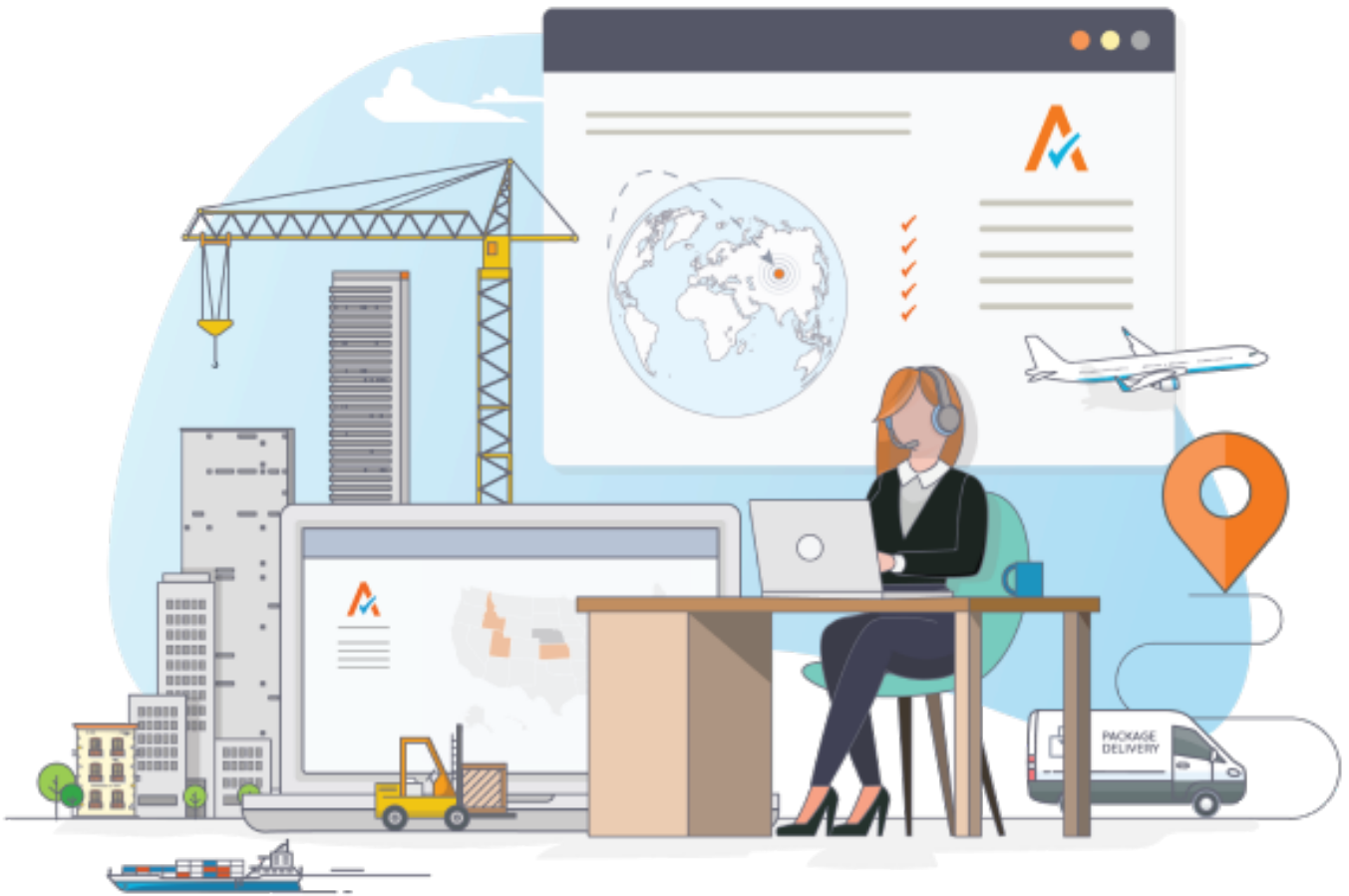




Israeli Invoice Model (Number Allocation Service) B2B mandate (IL-B2B-CLEARANCE)



Update to align with the latest Israel Tax Authority regulations, effective January 1, 2025

Release Date: Monday 9th December 2024

Environment: Sandbox/Production

Country Mandate: "IL-B2B-CLEARANCE"

This enhancement has been deployed in both Sandbox and Production environments, however customers using this mandate will be required to take specific actions that are listed in this document.

Scope of changes and Impact

Avalara E-Invoicing and Live Reporting now supports the Israel Tax Authority (ITA)'s Version 2.0 technical specifications, which have updated the requirements to meet the Continuous Transaction Control (CTC) model.

New Approval API (Version 2)

To meet the January 2025 mandate, the JSON file for clearing tax invoices has been extended to include additional required fields. This extension aligns with the updated UBL (Universal Business Language) invoice 2.1 standards, facilitating standardized electronic business document exchanges.

The updated UBL mapping now supports the following fields:

Field Name	Field Description
authorized_company	Certified corporation/entity
user_id	Service Operator ID card
user_name	Service Operator User Name
customer_country_code	Customer Country Code
additional_information_1	Additional details field 1
additional_information_2	Additional details field 2
additional_information_3	Additional details field 3

New Decisions API

A new service is introduced for suppliers when the allocation number or invoice holding is not available (i.e. the invoice is temporarily withheld, suspended, or delayed in the approval process by the ITA).

The new ELR API allows users to respond in compliance with the ITA's requirements by presenting four alternative responses.

Mapping and Document Type

The New Decisions API requires specific mapping using the UBL 2.1 ApplicationResponse template. Below are the key elements to map:

Mandatory Fields

- ApplicationResponse/cbc:ID
Internal ID/Relationship: Bookkeeping number/single-value ID reported during the allocation attempt
- ApplicationResponse/cac:SenderParty/cac:PartyIdentification/cbc:ID
Invoice issuer's licensed dealer number: The dealer number reported at the time of the attempted allocation
- ApplicationResponse/cac:SenderParty/cac:ServiceProviderParty/cbc:ID
Software registration number: The registration certificate number of the software on which the document was generated. If there is no certificate of registration, the Pvt. Co. number of the producer of the document must be indicated.
- ApplicationResponse/cac:DocumentResponse/cac:Response/cbc:ResponseCode
Indicates the action type. Acceptable values:
 - CN: Cancelled
 - UQ: Further Objection
 - IP: Continue

Conditional/Mandatory Fields

- ApplicationResponse/cac:SenderParty/cac:ServiceProviderParty/cac:Party/cac:PartyIdentification/cbc:ID
Service Operator ID - Mandatory if no username is sent
- ApplicationResponse/cac:SenderParty/cac:ServiceProviderParty/cac:Party/cac:PartyName/cbc:Name
Service Operator Username - Mandatory if no username is sent
- ApplicationResponse/cac:SenderParty/cac:PartyLegalEntity/cac:HeadOfficeParty/cac:PartyIdentification/cbc:ID
Corporation/Qualified Entity no.: To be included when the competent corporation issues the invoices

Body parameters

It's necessary to fill-out the Metadata key with dataFormat to "ubl-applicationresponse".

Example:

```
{ "workflowId": "{{workflowId}}", "dataFormat": "ubl-applicationresponse", "dataFormatVersion":  
"{{dataFormatVersion}}", "countryCode": "IL", "countryMandate": "IL-B2B-CLEARANCE" }
```

Decision Actions Explained

Below are the available decision actions and their corresponding use cases:

1. **Cancel the Invoice (CN)**
Use this option if the invoice cannot proceed without an Allocation Number, and no alternative action is suitable or allowed.
2. **Continue Without Allocation Number (IP)**
Use this option when:
 - An invoice is generated without an Allocation Number, a specific note is displayed: "Input tax should not be deducted in respect of this invoice."
 - Invoices can still be generated and shared with customers. However, in this case the recipient of the invoice will not be able to offset input tax on it
 - Suppliers can retroactively request a hearing through the service portal to address the issue.
3. **Use Reverse Charge (requires Approval Service)**
Use this option when the responsibility for VAT payment is transferred to the buyer under a reverse charge mechanism.
 - The supplier will request a special allocation number for "Reverse Charge". The field Action is set to 3 (Inversion of the charge) and VAT amount must be 0.
 - The supplier will issue an invoice at a zero VAT rate and report it to the VAT in the periodic report
 - The buyer will issue a self-invoice with the allocation number given to the invoice issuer for this transaction
 - The buyer will report and pay the output VAT and, to the extent permitted by law, will deduct the input tax.
4. **Request a Hearing with the Tax Authority (UQ)**
Use this option if the situation is unclear or requires further clarification from the ITA, such as disputes or unusual cases.

Service for Retrieving Allocated Invoice Details

This service allows invoice recipients to retrieve detailed invoice information from the ITA (Israeli Tax Authority) using the Confirmation Number and Customer VAT Number. It simplifies the process of entering invoice details into the customer's accounting system, improving both efficiency and accuracy.

The new API does not require a specific UBL format or mapping. Instead, the API endpoint accepts a JSON payload with specific parameters. After submitting the request, you can retrieve the transaction status and download the invoice in UBL 2.1 format.

API Details

Endpoint URL (POST):

Sandbox: [https://document-exchange-gateway.zeta.sbx.eu-central-1.aws.avalara.io/ctp/documents/\\$fetch](https://document-exchange-gateway.zeta.sbx.eu-central-1.aws.avalara.io/ctp/documents/$fetch)

Production: [https://document-exchange-gateway.zeta.prd.eu-central-1.aws.avalara.io/ctp/documents/\\$fetch](https://document-exchange-gateway.zeta.prd.eu-central-1.aws.avalara.io/ctp/documents/$fetch)

JSON Payload

Mandatory

Confirmation_Number	Invoice allocation number
Vat_Number	Invoice issuer's licensed dealer number
Customer_VAT_Number	Customer's licensed dealer number
TaxIdentifier	Customer Tax identification Number

Fixed information

```
"workflowId": "partner-invoicing",  
"dataFormat": "ubl-invoice",  
"dataFormatVersion": 2.1,  
"countryCode": "IL",  
"countryMandate": "IL-B2B-CLEARANCE"
```

Body Payload, example

```
{  
  "data": [  
    {  
      "key": "Confirmation_Number",  
      "value": "34214234234232342"  
    },  
    {  
      "key": "taxIdentifier",  
      "value": "580321693"  
    },  
    {  
      "key": "Customer_VAT_Number",  
      "value": "516137122"  
    },  
    {  
      "key": "Vat_Number",  
      "value": "18"  
    }  
  ],  
  "metadata": {  
    "workflowId": "partner-invoicing",  
    "dataFormat": "ubl-invoice",  
    "dataFormatVersion": 2.1,  
    "countryCode": "IL",  
    "countryMandate": "IL-B2B-CLEARANCE"  
  }  
}
```