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Answers to Common Brazil E-invoicing Questions

1. Is e-invoicing allowed?
Yes. However, it is not unified. There are three different e-invoicing frameworks depending on invoice type. State-level tax invoices comprise so-called 'NF-e' for goods and 'CT-e' for transportation. Municipality tax invoices apply to services and are specified on a per-municipality basis under the umbrella term 'NFS-e'.
2. Is e-invoicing ever mandatory?
Yes. In principle, e-invoicing is mandatory for both State and Municipality tax invoices, but exceptions exist.
3. Is outsourcing of invoice issuance allowed?
Yes. There are no explicit rules about using a service provider for performing tax-relevant processes for a Brazilian taxable person. However, the latter always remains fully responsible to the tax administration.
4. Is the tax administration involved in each transaction?
Yes. For goods and transportation services (NF-e and CT-e) the tax administration is involved in the clearance process for every invoice. Contingency processes are foreseen in case the clearance services are not available, but the resulting invoices are provisional and must ultimately be cleared. Similarly, for services invoices (NFS-e), the municipalities are involved in the clearance process.
5. Does the VAT invoice need to be in a specific format?
Yes. The invoice must be in defined XML formats/schemas.
6. Are different methods allowed to ensure invoice integrity and authenticity?
No. Standard W3C XML Digital Signatures are mandatory. Digital certificates are issued by several authorized Brazilian certification authorities.
7. Do these requirements cover other documents as well?
Yes. In addition to the invoice, a DANFE/DACTE document (a simplified graphical representation of an NF-e/CT-e) is needed for tracking goods in transit.
8. Are there constraints in relation to archiving?
Yes. Invoices must be stored electronically in their original format. In case of contingency, the DANFE/DACTE also must be stored. Outsourcing is allowed. Storage abroad is not explicitly regulated. Online access and download capabilities or offline access for tax authorities have to be ensured.