SAUDI ARABIA · E-INVOICING

ZATCA Wave 25 Checklist: Ready by 1 February 2027

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IN SHORT

Wave 25 of ZATCA's Phase 2 e-invoicing, announced on 24 July 2026, covers businesses with VAT-relevant revenue over SAR 187,500 in any year from 2022 to 2025. They must integrate their invoicing systems with ZATCA's Fatoora platform by 1 February 2027. ZATCA notifies affected taxpayers directly; after integration, standard (B2B) invoices are cleared before issue and simplified (B2C) invoices are reported within 24 hours.

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Who is in Wave 25 — and why it reaches small businesses

The Wave 25 threshold is the lowest yet: VAT-relevant revenue above **SAR 187,500** in any single year from 2022 to 2025 — half the Wave 24 threshold of SAR 375,000. That is roughly SAR 15,600 a month of taxable sales, which pulls in single-shop retailers, small contractors and freelancers with a VAT registration.

ZATCA notifies in-scope taxpayers directly, but do not wait for the letter: if any year from 2022 to 2025 cleared the threshold, plan for 1 February 2027. Check your own status on zatca.gov.sa if unsure.

Phase 1 vs Phase 2: what "integration" adds

Almost every Saudi VAT business already does Phase 1 (generating e-invoices with a QR code, mandatory since December 2021). Phase 2 connects your system to Fatoora and changes who sees the invoice first:

WHAT CHANGES AT PHASE 2

Invoice type	Phase 1 (since Dec 2021)	Phase 2 (your wave date)
Standard (B2B/B2G)	Generated electronically with QR	**Cleared by ZATCA before issue** — a rejected invoice is not a valid invoice
Simplified (B2C)	Generated electronically with QR	**Reported to ZATCA within 24 hours** of issue
Technical duties	QR code	Signed XML, invoice hash chain (ICV/PIH), cryptographic stamp, UUID

The checklist to 1 February 2027

Worked backwards from the deadline, with the onboarding steps as they actually run:

- **1. Confirm scope (now).** Check 2022–2025 VAT-relevant revenue against SAR 187,500 and

watch for ZATCA's notification

- **2. Pick the system that will issue invoices.** Phase 2 is per e-invoicing unit: every till and invoicing tool you use must either integrate or be retired
- **3. Onboard with Fatoora.** In ERP HRM Solution this runs under **Settings → E-invoicing**: enter the business details with your 15-digit VAT number, choose the environment and generate a CSR, enter the OTP from the Fatoora portal, pass ZATCA's compliance checks, and receive the production certificate (CSID)
- **4. Run on the test environment first.** Clear and report sample invoices; fix address, VAT-number and tax-category data while a rejection costs nothing
- **5. Go productive before the deadline.** From then on every invoice and sales credit note is signed and sent automatically — B2B cleared before issue, B2C reported in the background
- **6. Set up the failure path.** Decide who watches rejected drafts and the 20-hour alert for simplified invoices still unreported (the software raises it before the 24-hour limit)

What clearance changes about everyday invoicing

Two habits have to change the day Phase 2 goes live:

- A standard invoice ZATCA rejects **stays a draft with the reason shown** — you fix it and issue again; nothing reaches the customer until clearance passes
- A cleared invoice cannot be edited. Corrections are made with a credit note, which is itself cleared — so "just change the invoice" stops being a thing your team can do
- The hash chain (ICV/PIH) means invoices must come from the integrated system in sequence; issuing a manual invoice outside it breaks the chain
- The production certificate (CSID) expires — the software warns 30 days ahead, but someone should own the renewal

An honest note on "ZATCA approved" claims

ZATCA runs a directory of e-invoicing solution providers, and listing there is not an approval of your compliance — your own e-invoicing unit still passes ZATCA's compliance checks during onboarding. ERP HRM Solution supports Phase 2 onboarding, clearance and reporting, and runs those compliance checks for your unit; it is not currently listed in ZATCA's solution-provider directory. Whatever software you choose, the question that matters is whether your unit passes onboarding, not whose logo is in a directory.

After Wave 25

No Wave 26 had been announced as of 28 October 2026. ZATCA gives at least six months' notice of each wave, so if your revenue is under SAR 187,500 you are not integrating yet — but the thresholds have only moved down. Keeping invoices in a system that already clears and reports for other businesses makes your eventual wave a settings change instead of a software migration.

Frequently asked questions

Who is in ZATCA Wave 25 and what is the deadline?

Businesses with VAT-relevant revenue over SAR 187,500 in any year from 2022 to 2025. ZATCA announced the wave on 24 July 2026 and notifies affected taxpayers directly; they must integrate

with Fatoora by 1 February 2027.

What happens if ZATCA rejects a standard invoice?

The invoice is not issued. In ERP HRM Solution it stays a draft with ZATCA's reason shown, so you can fix it and issue it again. An invoice that ZATCA has already cleared can only be corrected with a credit note.

What is the difference between clearance and reporting?

Standard (B2B) invoices are cleared: ZATCA validates and stamps them before they are issued to the customer. Simplified (B2C) invoices are issued immediately and reported to ZATCA within 24 hours.

Is ERP HRM Solution ZATCA approved?

The software supports ZATCA Phase 2 onboarding, clearance and reporting, and during onboarding it runs ZATCA's compliance checks for your e-invoicing unit before the production CSID is issued. It is not currently listed in ZATCA's directory of e-invoicing solution providers.

When will Wave 26 be announced?

No Wave 26 had been announced as of 28 October 2026. ZATCA announces each wave at least six months before its deadline, so watch zatca.gov.sa — and expect the revenue threshold to keep falling.

Sources

- ZATCA: Wave 25 of Phase 2 e-invoicing (24 July 2026)
  https://zatca.gov.sa/en/MediaCenter/News/Pages/Wave25-E-invoicing.aspx
- ZATCA: e-invoice specifications
  https://zatca.gov.sa/en/E-Invoicing/SystemsDevelopers/Pages/E-Invoice-specifications.aspx
- Zakat, Tax and Customs Authority (ZATCA)
  https://zatca.gov.sa/en/

If Wave 25 is yours, the deadline work is onboarding, testing and habits — not panic. **ERP HRM Solution's ZATCA e-invoicing** walks the Fatoora onboarding under Settings → E-invoicing and then signs, clears and reports every invoice automatically.
https://erphrmsolution.com/guides/zatca-wave-25-checklist