



Country Solution Brazil

IFS Cloud 21 R2

Table of Contents

1	Company Set-up	2
2	Business Operation.....	4
3	Acquisition Origin	6
4	Goods/Services Statistical Codes definition per company.....	9
5	Goods/Services Statistical Codes set-up	10
6	Brazilian specific fiscal attributes.....	13
7	Company and Customer basic data for tax calculation and Fiscal Note	18
8	Address specific tax registration numbers.....	21
9	Automatic generation of official invoice number	25
10	Extended Tax Codes and Tax Calculation Structures set-up.....	32
11	Tax Determination via Integration to Brazilian External Tax System	41
12	Outgoing Fiscal Notes	56
13	Gross Revenue Accounting.....	71
14	Fiscal Note issue date as applied date on inventory transactions for goods issue	75
15	Incoming Fiscal Notes	77
16	Boleto – Bank Collection Bill.....	85
17	Appendix	91

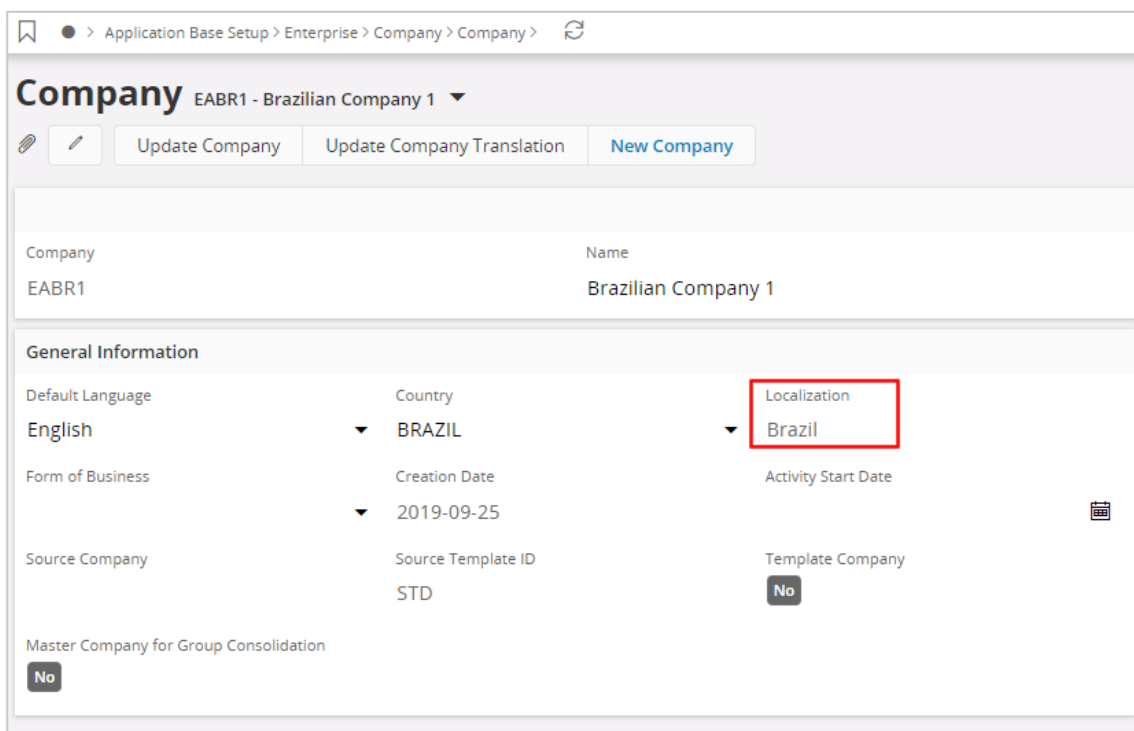
1 Company Set-up

1.1 Overview

In order to utilize the Brazilian functionality, the company must be set up as using the Brazilian localization. This is defined in the page *Company*.

1.2 Define Localization

- Open the page *Company*.
- Search for the company.
- Select “Brazil” in the drop-down list in the **Localization** field and **Save**. Note that this cannot be changed once transactions are created for the company.



The screenshot shows the 'Company' setup page for 'EABR1 - Brazilian Company 1'. The page includes a breadcrumb trail: 'Application Base Setup > Enterprise > Company > Company'. Below the breadcrumb, there are three buttons: 'Update Company', 'Update Company Translation', and 'New Company'. The main content area displays the company details in a table format:

Company	Name
EABR1	Brazilian Company 1

Below the table, there is a 'General Information' section with the following fields:

- Default Language: English
- Country: BRAZIL
- Localization: Brazil (highlighted with a red box)
- Form of Business: [Dropdown]
- Creation Date: 2019-09-25
- Activity Start Date: [Calendar icon]
- Source Company: [Dropdown]
- Source Template ID: STD
- Template Company: No
- Master Company for Group Consolidation: No

1.3 Select Localization functionality

Specify which functionality to use.

- Open *Localization Control Center* sub-menu in the *Company* page.
- The localization selected in previous step is displayed in the **Localization Control Center** field and cannot be changed.
- All functionality available for Brazil is presented in the list. Enable/Disable the functionality based on the requirements for the company by enabling/disabling the toggle. Note that some functionality is mandatory and cannot be disabled.

Localization Control Center EABRSYSTEST - Brazilian Company System Test - Brazil 1 of 1

Company: EABRSYSTEST | Name: Brazilian Company System Test | Association No: | Created By: ERARSE

Functionality	Description	Mandatory	Enabled
Acquisition Origin	Enables functionality for defining acquisition origin for parts, needed for legal reporting.	Yes	Yes
Address Specific Tax Registration Numbers	Enables the definition of multiple, address specific tax registration numbers on Company, Customer and Supplier for legal repo	Yes	Yes
Use Automatic Generation of Official Invoice Number	Enables the use of components to be combined with a sequence number per branch to create an official customer invoice num	Yes	Yes
Boleto - Bank Collection Bill	Enables the generation of Remittance Information and print out of Brazilian Boleto automatically when Customer Order Invoice	No	Yes
Brazilian Specific Attributes	Enables additional attributes specific for Brazil on Sales Part, Purchase Part and Master Part registration.	Yes	Yes
Business Operation	Enables functionality to define if a specific operation is taxable or not, needed for legal reporting.	Yes	Yes
Fiscal Note issue date applied on inventory transactions f	Enables functionality ensuring the Fiscal Note issue date is applied on inventory transactions for goods issue to fulfill accountin	Yes	Yes
Extended Tax Codes and Tax Calculation Structures set-up	Enables functionality for calculation of taxes and reporting by make use of extended tax codes and tax calculation structures.	Yes	Yes
Goods/Services Statistical Codes Definition per Company	Enables the identification/classification of goods and services for operational and statutory reporting purposes.	Yes	Yes
Goods/Services Statistical Codes Set-Up	Enables the set-up of statistical codes on sales parts, non-inventory sales parts, sales charges, sales objects, project report code	Yes	Yes
Gross Revenue Accounting	Enables functionality for gross-up revenue by adding tax amount.	Yes	Yes
Incoming Fiscal Notes	Enables functionality for handling inbound Brazilian e-invoices (Fiscal Notes).	Yes	Yes
Outgoing Fiscal Notes	Enables functionality for handling outbound Brazilian e-invoices (Fiscal Notes).	Yes	Yes

Attachments

2 Business Operation

2.1 Overview Legal Requirement

The Business Operation (Brazilian CFOP code) is a code specified by the Brazilian tax system and determined by the federal government. It can be used to define if a specific operation is taxable or not and is mandatory information for the NF-e XML (electronic version of the Fiscal Note).

2.2 Process Overview



2.3 Prerequisites

The company must be set-up to use Brazilian localization, see the Company Set-Up chapter, and the “Business Operation” parameter must be enabled.

2.4 Define basic data

Enter the CFOP codes for your company in the *Application Base Setup/General Data/Business Operation* page.



Business Operation	Description	Validity
<input type="checkbox"/> 5.100	Sales of own production or by third party (within state)	Active
<input type="checkbox"/> 5.250	Sales of electric energy (within state)	Active
<input type="checkbox"/> 6.100	Sales of own production or by third party (outside the state)	Active

2.5 Enter Customer Order

Enter and process a customer order using standard functionality.

2.6 Create Customer Order Invoice

Create a preliminary Customer Order Invoice and enter a business operation value for each invoice line in column **Business Operation**.

Customer Invoice BRCUST1 - Brazilian Customer 1 - 201716 - CUSTORDDEB - P10486 Preliminary

Share Cancel Preliminary Invoice Posting Installment Plan and Discounts Notes Send Electronic Fiscal Note

Customer No	Customer Address Name	Series ID	Invoice No	Company	Site	Invoice Created	Order Created
BRCUST1	Brazilian Customer 1	PR	201716	EABR1	BR1	2019-11-04	2019-11-04

Amounts

Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
BRL	2880,00	2304,00	576,00	1	1

LINES GENERAL HISTORY

Pos	Invoice Item	Description	Invoiced Qty	Sales UoM	Price Qty	Price UoM	Sales Price/Curr	Sales Price Incl Tax/Curr	Acquisition Origin	Business Operation	Charge (%)	Charge (%) Basis/Curr	Dis
1	165	Remote control, Radio	2	pcs	2	pcs	1200,00	1500,00	1 - Foreign, direct import	5,250			

2.7 CFOP with the AVALARA Integration

From IFS Cloud 21R2 release onwards the Business Operation (CFOP) is associated with integration to 3rd party tax calculation engine, hence this value will be received from the tax calculation engine for each Customer Invoice Line. The user can manually edit the Business Operation value in the Invoice line if the Customer Order Invoice is in Preliminary status but it will be overridden with the CFOP value coming from tax calculation engine, if the tax is fetched again by changing quantity or Brazil specific attributes like Acquisition Origin and Goods/Services Statistical Code.

2.8 Generate NF-e XML file

The Business Operation value (CFOP) will be included in the NF-e XML file for each item. See further information in the *Outgoing Fiscal Notes* chapter and in the *Appendix* for the mapping between IFS and XML file.

2.9 Delimitations

No known delimitations.

3 Acquisition Origin

3.1 Overview Legal Requirement

The Brazilian tax authority provides a list of numeric codes to be used to indicate the acquisition origin for a part. The information is used for tracking if a company is applying the proper tax rates. The acquisition origin of a sold part is mandatory information in the NF-e XML file.

3.2 Process Overview

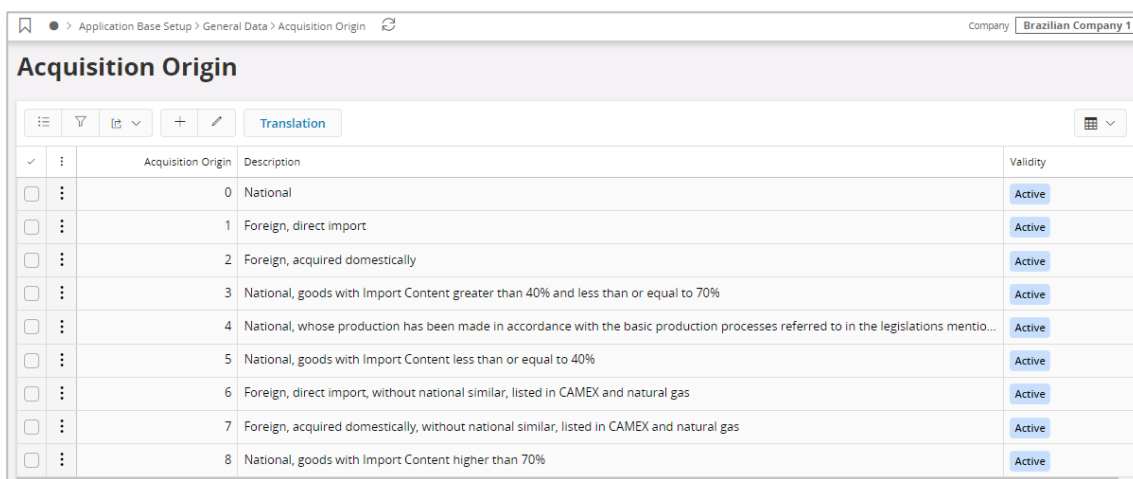


3.3 Prerequisites

The company must be set-up to use Brazilian localization, see the Company Set-Up chapter, and the “Acquisition Origin” parameter must be enabled.

3.4 Define basic data

Enter Acquisition Origin basic data for your company in the *Application Base Setup/General Data/Acquisition Origin* page.



Acquisition Origin	Description	Validity
0	National	Active
1	Foreign, direct import	Active
2	Foreign, acquired domestically	Active
3	National, goods with Import Content greater than 40% and less than or equal to 70%	Active
4	National, whose production has been made in accordance with the basic production processes referred to in the legislations mentio...	Active
5	National, goods with Import Content less than or equal to 40%	Active
6	Foreign, direct import, without national similar, listed in CAMEX and natural gas	Active
7	Foreign, acquired domestically, without national similar, listed in CAMEX and natural gas	Active
8	National, goods with Import Content higher than 70%	Active

Enter the default acquisition origin value for each sales part in the *Sales/Part/Sales Part* page.

Sales Part 181 - Garage door handle, Belucci design - BR1

Inventory Part Availability Planning Complementary Parts Substitute Sales Part Inventory Part Document Text Customer Warranty

Sales Part No: 181 Part Description In Use: Garage door handle, Belucci design Site: BR1 Sales Type: Sales Only Active:

GENERAL DESCRIPTIONS CHARACTERISTICS CHARGES MAINTENANCE PART SPECIFIC OVERHEADS

Inventory Part				Sourcing	
Part No	Description	Configurable	DOP	Sourcing Option	Sourcing Rule
181	Garage door handle, Belucci design	No	No	Inventory Order	
Unit Of Measure				Grouping	
Inventory UoM	Inventory Conversion Factor	Price UoM	Price Conversion Factor	Sales Price Group	Sales Group
pcs	1	pcs	1	G1 - Basis	61 - Basic
Sales UoM	Inverted Conversion Factor	Catch UoM		Rebate Group	
pcs	1				
Pricing			Tax		
Price	Price Including Tax	Expected Average Price	Tax Code	Tax Class	
200,00 BRL	200,00 BRL		0 - Tax 0%		
Rental Price	Rental Price Including Tax		Taxable	Use Price Incl Tax	Acquisition Origin
0,00 BRL	0,00 BRL		<input type="checkbox"/>	<input type="checkbox"/>	3 - National, goods with Import...

3.5 Enter Customer Order

Enter a customer order header with lines in the *Sales/Order/Customer Order* page. The default value for Acquisition Origin per each order line will be fetched from the Sales Part but can be manually changed.

Customer Order P10490

Share Operations Invoice RMA Related Pages Copy Order Order History Sales Promotions Commissions Project Access Document

Order No: P10490 Customer: BRCUST1 - Brazilian Customer 1 Site: BR1 Order Type: NO Wanted Delivery Date/Time: 2019-11-04 00:00

Order Amounts

Total Net Amount/Base	Total Contribution Margin/Base	Contribution Margin(%)	Total Net Amount/Curr	Total Tax Amount/Curr	Total Gross Amount/Curr
1152,00 BRL	352,00 BRL	30,56	384,00 USD	96,00 USD	480,00 USD

LINES RENTAL LINES ORDER DETAILS CHARGES INVOLVED PARTIES

Line No	Del No	Sales Part No	Description	Sales Qty	Sales UoM	Status	Price/Curr	Price Incl Tax/Curr	Price UoM	Acquisition Origin
1	1	165	Remote control, Radio	1	pcs	Invoiced/Closed	400,00	500,00	pcs	1 - Foreign, direct import

3.6 Create Customer Order Invoice

Create a preliminary Customer Order Invoice. The Acquisition Origin value for each invoice item is automatically fetched from the customer order but can be manually changed as long as the invoice is in "Preliminary" status.

Customer Invoice BRCUST1 - Brazilian Customer 1 - 970000005 - CUSTORDDEB - P10490

Share | Credit/Correction Invoice | Posting | Installation Plan and Discounts | Notes

Customer No	Customer Address Name	Series ID	Invoice No	Company	Site	Invoice Cr
BRCUST1	Brazilian Customer 1	CD	970000005	EABR1	BR1	2019-11

Amounts

Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
USD	480,00	384,00	96,00	3	3

LINES | GENERAL | HISTORY

Pos	Invoice Item	Description	Invoiced Qty	Sales UoM	Price Qty	Price UoM	Sales Price/Curr	Sales Price Incl Tax/Curr	Acquisition Origin
1	165	Remote control, Radio	1	pcs	1	pcs	400,00	500,00	1 - Foreign, direct import

3.7 Generate NF-e XML file

Acquisition Origin will be included in the NF-e XML file for each item. See further information in the *Outgoing Fiscal Notes* chapter and in the *Appendix* for the mapping between IFS and XML file.

3.8 Delimitations

No known delimitations.

4 Goods/Services Statistical Codes definition per company

4.1 Overview Legal Requirement

NCM is the Brazilian classification system of goods which determines the import duties and taxes need to pay for a product. The codes are based on the international Harmonized System (HS) for classifying imported and exported products, but with 2 additional digits in the codes. NCM code is mandatory information in the NF-e XML file.

4.2 Process Overview



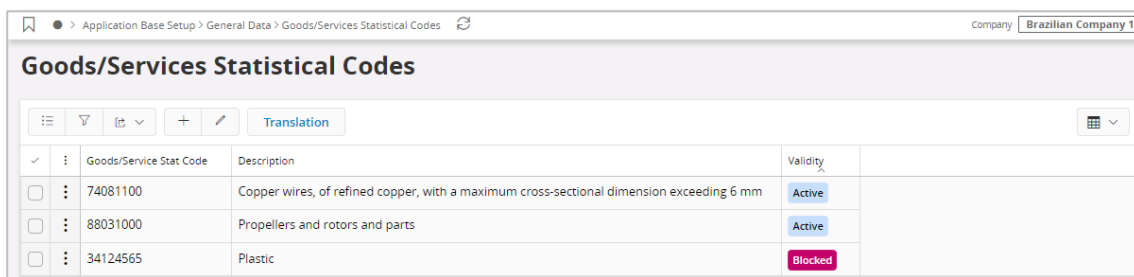
Enter Goods/Services Statistical Codes per Company

4.3 Prerequisites

The company must be set-up to use Brazilian localization, see the Company Set-Up chapter, and the “Goods/Services Statistical Codes Definition per Company” parameter must be enabled.

4.4 Enter basic data

Enter the NCM codes for your company in the *Application Base Setup/General Data/Goods/Services Statistical Codes* page.



Goods/Service Stat Code	Description	Validity
74081100	Copper wires, of refined copper, with a maximum cross-sectional dimension exceeding 6 mm	Active
88031000	Propellers and rotors and parts	Active
34124565	Plastic	Blocked

4.5 Delimitations

Note that this chapter only describes the functionality to define the codes per Company. Parameter “Goods/Services Statistical Codes Set-Up” enables the set-up of statistical codes on sales parts, non-inventory sales parts, sales charges, sales objects, project report codes, package parts and purchase parts.

5 Goods/Services Statistical Codes set-up

5.1 Overview Legal Requirement

NCM is the Brazilian classification system of goods and determine for example import duties and taxes needed to be paid. The codes are based on the international Harmonized System (HS) for classifying imported and exported products, but with 2 additional digits in the codes. NCM code is mandatory information in the NF-e XML file.

5.2 Process Overview

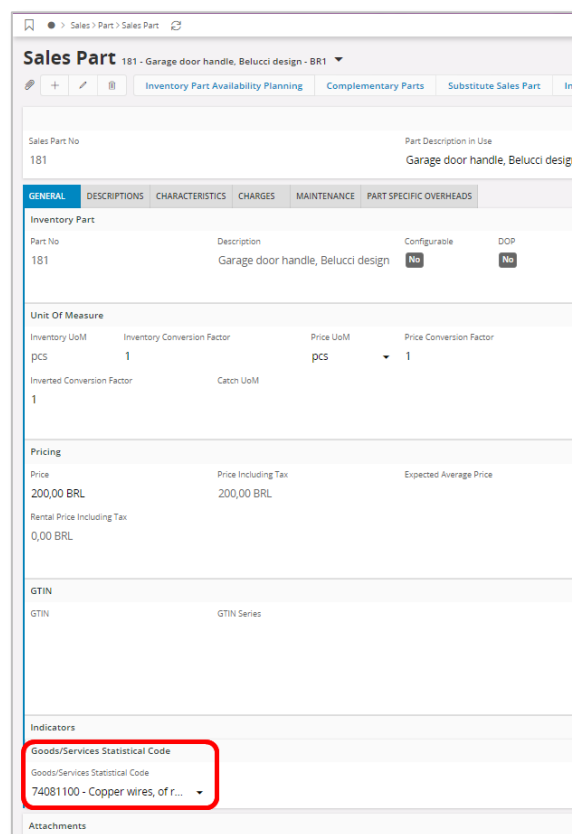


5.3 Prerequisites

The company must be set-up to use Brazilian localization, see the Company Set-Up chapter and the two parameters “Goods/Services Statistical Codes Definition per Company” and “Goods/Services Statistical Codes Set-Up” must be enabled.

5.4 Connect Goods/Services statistical codes to sales part

Connect the goods/service statistical code to sales parts in the *Sales/Part/Sales Part* page.



The screenshot shows the 'Sales Part' configuration page for '181 - Garage door handle, Belucci design - BR1'. The 'Indicators' section at the bottom is highlighted with a red box, showing the 'Goods/Services Statistical Code' dropdown menu. The selected code is '74081100 - Copper wires, of r...'.

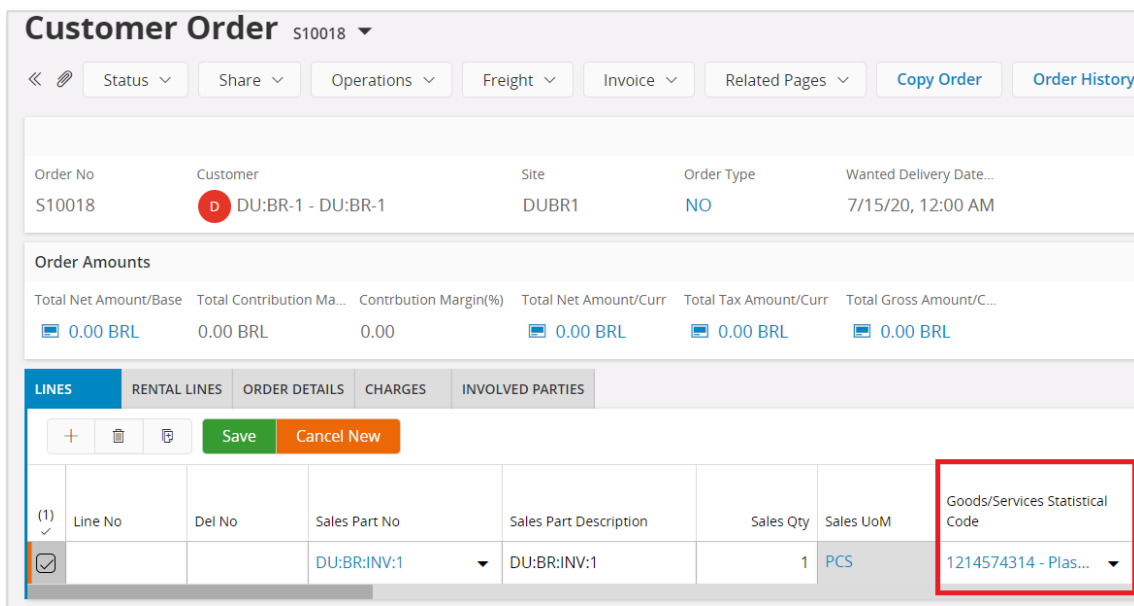
Inventory Part			
Part No	Description	Configurable	DOP
181	Garage door handle, Belucci design	No	No
Unit Of Measure			
Inventory UoM	Inventory Conversion Factor	Price UoM	Price Conversion Factor
PCS	1	pcs	1
Inverted Conversion Factor	Catch UoM		
1			
Pricing			
Price	Price Including Tax	Expected Average Price	
200,00 BRL	200,00 BRL		
Rental Price Including Tax			
0,00 BRL			
GTIN			
GTIN	GTIN Series		
Indicators			
Goods/Services Statistical Code			
Goods/Services Statistical Code			
74081100 - Copper wires, of r...			
Attachments			

5.5 Enter Customer Order

Enter a customer order header with lines in the *Sales/Order/Customer Order* page (standard functionality). Then enter a customer order line and select the above Sales Part with the “Goods/Services Statistical Codes” connected.


When the Sales Part is entered to the Customer Order line, newly introduced column, Goods/Services Statistical Code will automatically be filled with the Goods/Services Statistical Code connected to the Sales Part.

User can edit the Customer Order line and manually change the Goods/Services Statistical Code.







Customer Order S10018

[Status](#) [Share](#) [Operations](#) [Freight](#) [Invoice](#) [Related Pages](#) [Copy Order](#) [Order History](#)

Order No	Customer	Site	Order Type	Wanted Delivery Date...
S10018	 DU:BR-1 - DU:BR-1	DUBR1	NO	7/15/20, 12:00 AM

Order Amounts

Total Net Amount/Base	Total Contribution Ma...	Contribution Margin(%)	Total Net Amount/Curr	Total Tax Amount/Curr	Total Gross Amount/C...
 0.00 BRL	0.00 BRL	0.00	 0.00 BRL	 0.00 BRL	 0.00 BRL

[LINES](#) [RENTAL LINES](#) [ORDER DETAILS](#) [CHARGES](#) [INVOLVED PARTIES](#)

[+](#) [-](#) [🗑️](#) [📄](#) [Save](#) [Cancel New](#)

(1) <input checked="" type="checkbox"/>	Line No	Del No	Sales Part No	Sales Part Description	Sales Qty	Sales UoM	Goods/Services Statistical Code
<input checked="" type="checkbox"/>			DU:BR:INV:1	DU:BR:INV:1	1	PCS	1214574314 - Plas...

5.6 Create Customer Order Invoice

Process the Customer Order and create a preliminary Customer Invoice. The Goods/Services Statistical Code value for each invoice line is automatically fetched from the Customer Order. User can edit the invoice line and manually change the Goods/Services Statistical Code as long as the invoice is in “Preliminary” status.

Customer Invoice DU:BR-1 - DU:BR-1 - 205011 - CUSTORDDEB - S10018 1 of 1

Customer No	Customer Address Na...	Series ID	Invoice No	Company	Site	Invoice Created	Order Created
DU:BR-1	DU:BR-1	PR	205011	DU:BRAZIL-01	DUBR1	7/15/2020	7/15/2020

Amounts

Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
BRL	136.11	100.00	36.11	1	1

LINES GENERAL NF-E INFORMATION HISTORY

Line	Type	Tax Code	Tax Calculation Structure	Business Operation	Acquisition Origin	Goods/Services Statistical Code	Tax (%)	Multiple Tax Lines
1			BRTS-1			DU:ST:C:0001 - DU:ST:...		Yes

5.7 Generate NF-e XML file

In the final step of the process, NF-e xml should be created from the Preliminary Customer Invoice and send to the tax authority. The Goods/Services Statistical Code (NCM) connected to the Customer Invoice line is a part of the information to be included in the NF-e xml.

See further information in the *Outgoing Fiscal Notes* chapter and in the *Appendix* for the mapping between IFS and XML file.

5.8 Connection of Goods/Services statistical codes to other parts and objects

Description to be added in coming versions.

5.9 Delimitations

Connection of goods/services statistical codes is limited to Sales Parts in this version.

6 Brazilian specific fiscal attributes

6.1 Overview Legal Requirement

The **Business Transaction Code** is required in 3rd party tax calculation engine in order to properly identify the business scenario details performed and return calculated tax amounts, as well as other relevant tax related information in accordance.

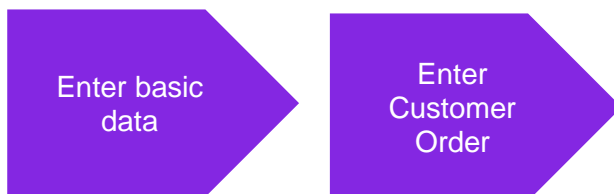
The **Product Type** is the tax classification of goods. This is a methodology used in Brazil to standardize the goods in groups, providing the possibility to classify the groups and assign them the taxes and regulations. Product Type is required in 3rd party tax calculation engine to properly identify the group in which the good is framed into and return calculated tax amounts as well as other relevant tax related information. This classification is also needed when submitting the Taxes Reporting to Brazilian Tax Authority per period.

The **CEST** is the Tax Substitution Specifier Code that identifies products framed in Tax Substitution protocols. This is used by the 3rd party tax calculation engine as one of possible ways to find the set of taxes for a good (with EAN and Harmonized Codes - NCM).

This code is also needed in the xml files for Fiscal Notes as well as when submitting the Taxes Reporting to Brazilian Tax Authority per period.

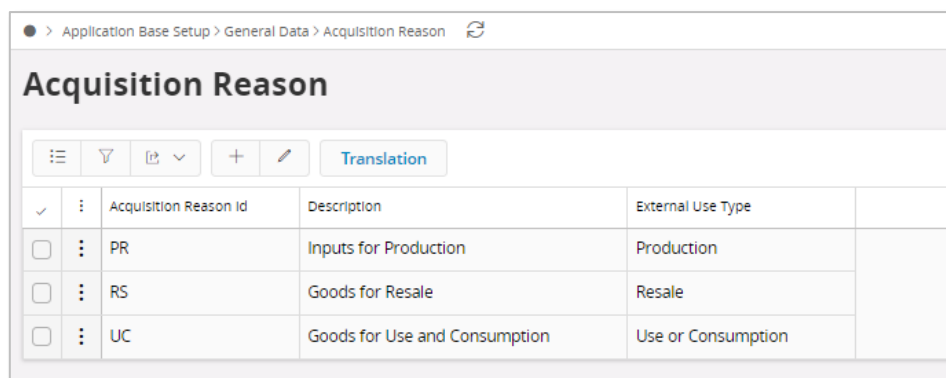
The **Acquisition Reason** is used by the customers and recipients of Fiscal Note when applying for given a good. This is required for 3rd party tax calculation engine in order to properly identify the business scenario details performed and return calculated tax amounts, with other relevant tax related information accordingly.

6.2 Process Overview



6.3 Enter basic data

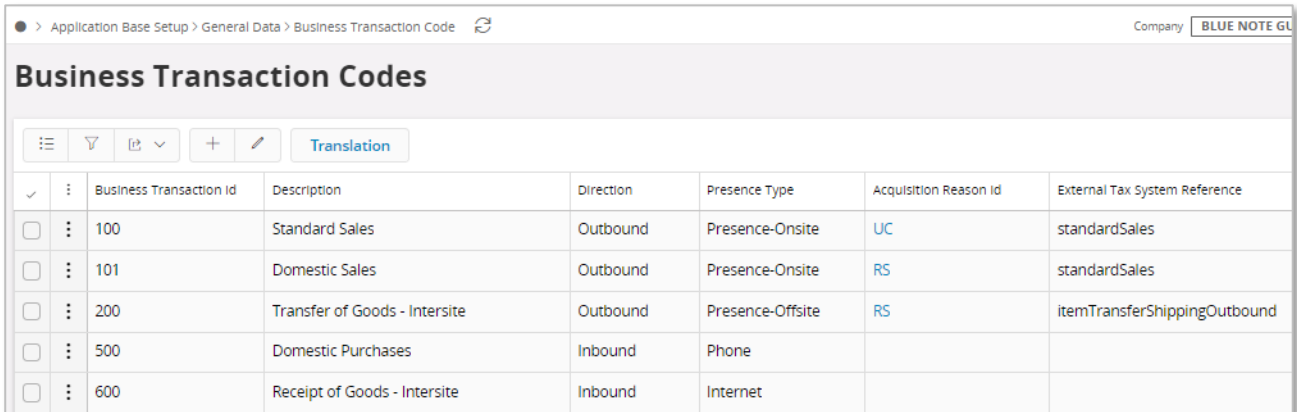
Navigate to Acquisition Reason page available in Application Base Setup/General Data/Acquisition Reason. Enter the Acquisition Reason ID, description and choose External Use Type from the dropdown list.



The screenshot shows the 'Acquisition Reason' configuration page. The breadcrumb trail is 'Application Base Setup > General Data > Acquisition Reason'. The page title is 'Acquisition Reason'. Below the title, there are several icons (list, filter, refresh, add, edit) and a 'Translation' button. The main content is a table with the following data:

✓	:	Acquisition Reason Id	Description	External Use Type
<input type="checkbox"/>	:	PR	Inputs for Production	Production
<input type="checkbox"/>	:	RS	Goods for Resale	Resale
<input type="checkbox"/>	:	UC	Goods for Use and Consumption	Use or Consumption

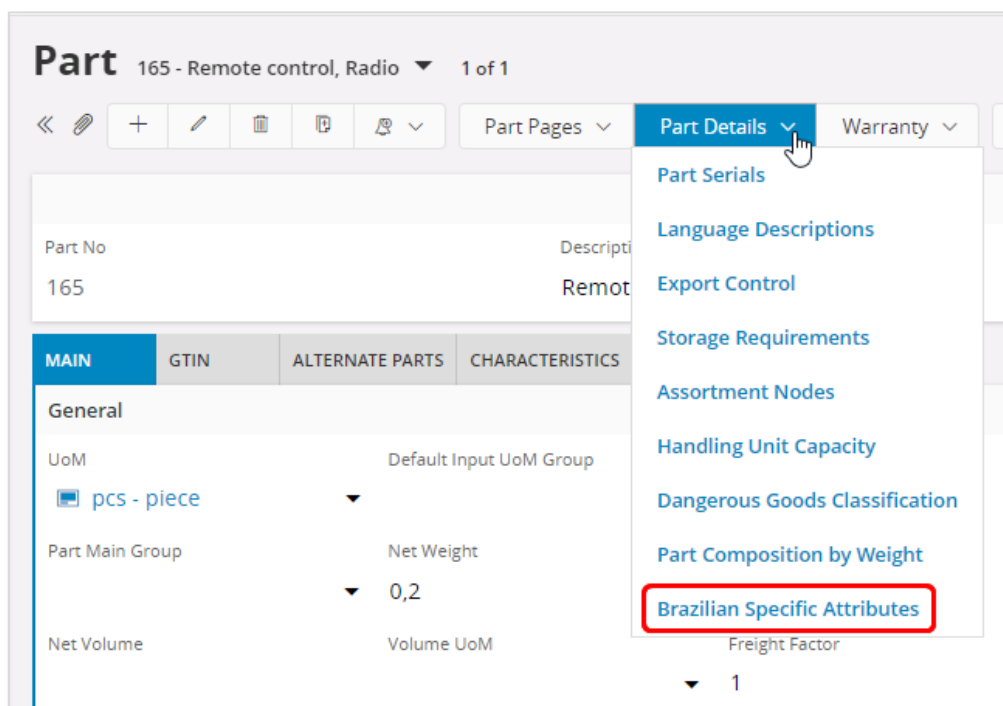
Navigate to Business Transaction Codes page available in *Application Base Setup/General Data/Business Transaction Code*. Enter Business Transaction ID, description, and direction (Inbound/Outbound). Choose Presence Type from dropdown list and Acquisition Reason from list of values and enter the reference string in the field External Tax System Reference.



The screenshot shows the 'Business Transaction Codes' page in SAP. The breadcrumb trail is 'Application Base Setup > General Data > Business Transaction Code'. The company name is 'BLUE NOTE GL'. The page title is 'Business Transaction Codes'. Below the title is a toolbar with icons for list, filter, print, add, edit, and a 'Translation' button. The main content is a table with the following data:

Business Transaction Id	Description	Direction	Presence Type	Acquisition Reason Id	External Tax System Reference
100	Standard Sales	Outbound	Presence-Onsite	UC	standardSales
101	Domestic Sales	Outbound	Presence-Onsite	RS	standardSales
200	Transfer of Goods - Intersite	Outbound	Presence-Offsite	RS	itemTransferShippingOutbound
500	Domestic Purchases	Inbound	Phone		
600	Receipt of Goods - Intersite	Inbound	Internet		

To enter Product Type Classification and CEST for the parts, select “Brazilian Specific Attributes” in the *Part Master Data/Master Part/part* page, command group *Part Details*.



The screenshot shows the 'Part' page for '165 - Remote control, Radio'. The breadcrumb trail is 'Part Master Data/Master Part/part'. The page title is 'Part 165 - Remote control, Radio 1 of 1'. Below the title is a toolbar with icons for back, edit, add, delete, print, and a dropdown menu. The main content is a form with the following data:

Part No: 165
Description: Remote control, Radio

The 'Part Details' dropdown menu is open, showing the following options:

- Part Serials
- Language Descriptions
- Export Control
- Storage Requirements
- Assortment Nodes
- Handling Unit Capacity
- Dangerous Goods Classification
- Part Composition by Weight
- Brazilian Specific Attributes** (highlighted with a red box)
- Freight Factor

The 'General' tab is selected, showing the following data:

UoM: pcs - piece
Default Input UoM Group: [dropdown arrow]
Part Main Group: [dropdown arrow]
Net Weight: 0,2
Volume UoM: [dropdown arrow]
Freight Factor: 1

Select Product Type Classification value from the dropdown list.

Brazilian Specific Attributes F060100 - Texas High Roller Overdrive ▾ 1 of 1

Part
F060100 - Texas High Roller Overdrive

Product Type Classification
For Use/Consumption ▾

Cest Code
2899900

Enter the 7-digit code that fits the part number from the official CEST list (provided by Brazilian Government) in the field **Cest Code** and save the record.

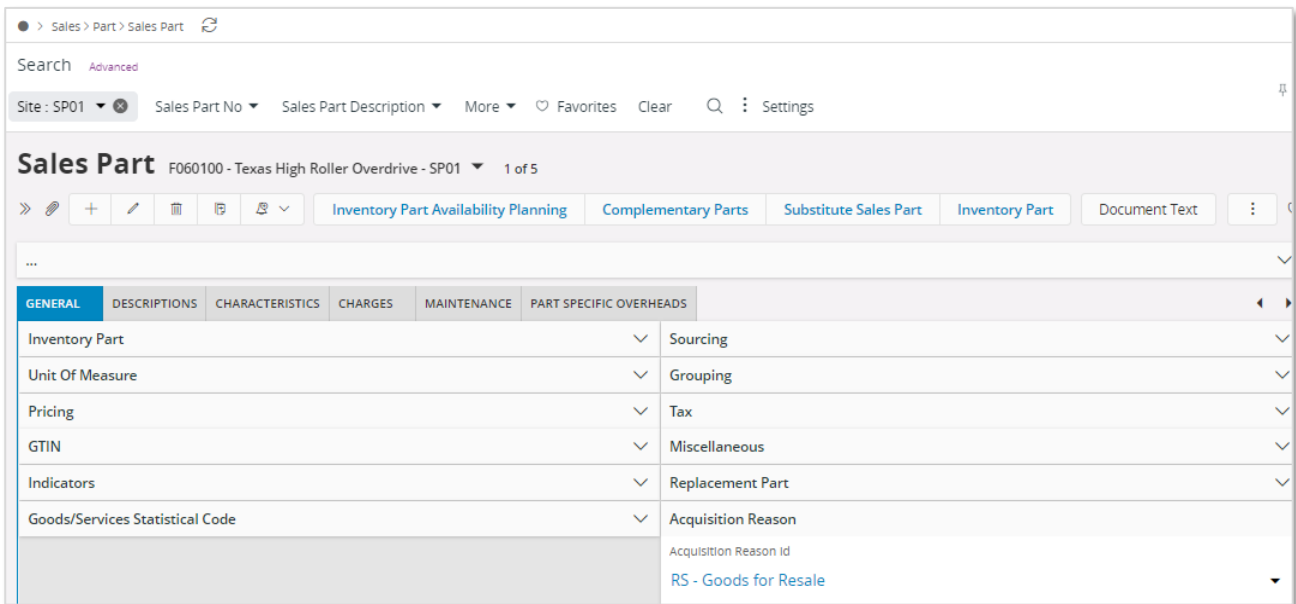
Brazilian Specific Attributes F060100 - Texas High Roller Overdrive ▾ 1 of 1

Part
F060100 - Texas High Roller Overdrive

Product Type Classification
For Use/Consumption ▾

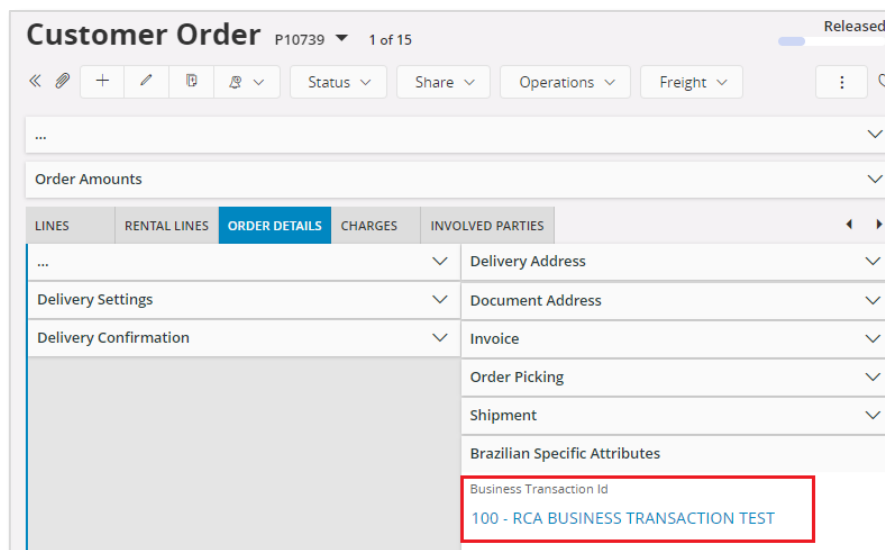
Cest Code
2899900

The Acquisition Reason can also be defined in part level. Select it from list of values in the field **Acquisition Reason Id** in Sales Part.



6.4 Enter Customer Order

Follow standard functionality to enter a Customer Order. Select an option for Business Transaction ID in the corresponding field in Customer Order/Order Details tab, group Brazilian Specific Attributes.



6.5 Enter Customer Order Line

Enter the Customer Order lines. The Acquisition Reason is automatically fetched into the field **Acquisition Reason Id** when line is saved. The fetching of Acquisition Reason Id to the Customer Order line is done in two ways.

1st – Acquisition Reason Id value is inherited from the Sales Part

2nd – If Acquisition Reason Id is not set in the Sales Part, then the value is retrieved from Business Transaction Id defined for the Customer Order.

The Acquisition Reason Id can also be entered/modified manually if the Customer Order is not Invoiced/Closed.

LINES											
RENTAL LINES											
ORDER DETAILS											
CHARGES											
INVOLVED PARTIES											
✓	:	🔗	Line No	Del No	Sales Part No	Sales Part Description	Sales Qty	Sales UoM	Price/Curr	Acquisition Reason Id	Price Incl Tax/Curr
<input type="checkbox"/>	:	🔗	1	1	F060100	Texas High Roller Overdr	1	pcs	250,00	RS - Goods for Resale	250,00
<input type="checkbox"/>	:	🔗	2	1	F060200	Smoking Blues Reverb	1	pcs	180,00	RS - Goods for Resale	180,00
<input type="checkbox"/>	:	🔗	3	1	F060300	Killing Floor Fuzz	1	pcs	210,00	RS - Goods for Resale	210,00
<input type="checkbox"/>	:	🔗	4	1	F060400	Dirty Blues Chorus	1	pcs	275,00	RS - Goods for Resale	275,00
<input type="checkbox"/>	:	🔗	5	1	F060500	Whammy Bar Simulator	1	pcs	320,00	RS - Goods for Resale	320,00

6.6 Delimitations

Support for additional Brazilian specific attributes will be developed in coming releases.

7 Company and Customer basic data for tax calculation and Fiscal Note

7.1 Overview Legal Requirement

“Tax Regime” and “Entity Type” are legally required to determine the Brazilian tax calculation and tax reporting in Fiscal Note.

- Tax Regime is determined according to the company's profit. Most important tax regimes are Real Profit, Estimated Profit and Simplified.
- “Entity Type” refers the type of administration

7.2 Solution overview

To support this requirement, IFS Application core functionalities were slightly enhanced to define the required basic data.

- New page, **Classification of Business** is introduced with system defined values. User can manually define “*External Tax System Reference*”.
- Brazilian specific **Forms of Business** added

7.3 Process overview



7.4 Prerequisites

IFS Application core generic functionalities are used to define these basic data, hence not controlled by Brazilian specific Localization Control Center parameters.

7.5 Enter Basic data

Classification of Business

Go to the page, *Application Base Setup/Enterprise/Company/Basic Data/Classification of Business*. From this page, query, Country as “*BR-Brazil*” and find the system defined Brazilian specific *Classification of Business* records.

In the **External Tax System Reference** column, user can manually define the *External Tax System References* according to the value and format given by the 3rd party tax calculation integrator. In example below, you can see the *External Tax System References* mapped according to the AVALARA requirements.

Classification of Business

✓	:	Country	Classification of Business	Description	External Tax System Reference
<input type="checkbox"/>	:	BR - BRAZIL	1	Lucro Real	realProfit
<input type="checkbox"/>	:	BR - BRAZIL	2	Lucro Presumido	estimatedProfit
<input type="checkbox"/>	:	BR - BRAZIL	3	Simplificado	simplified
<input type="checkbox"/>	:	BR - BRAZIL	4	Simplificado Sobre o Limite Bruto	simplifiedOverGrossthreshold
<input type="checkbox"/>	:	BR - BRAZIL	5	Empreendedor Simplificado	simplifiedEntrepreneur
<input type="checkbox"/>	:	BR - BRAZIL	6	Individual	individual
<input type="checkbox"/>	:	BR - BRAZIL	7	Não Aplicável	notApplicable

Forms of Business

Go to the page *Application Base Setup/Enterprise/Company/Basic Data/Forms of Business* page. where entity types for country Brazil were added. From this page, query, Country as “BR-Brazil” and find the system defined Brazilian specific *Forms of Business* records.

Forms of Business

✓	:	Country	Form of Business	Description
<input type="checkbox"/>	:	BR - BRAZIL	1	Empresa
<input type="checkbox"/>	:	BR - BRAZIL	2	Individual
<input type="checkbox"/>	:	BR - BRAZIL	3	Governo Federal
<input type="checkbox"/>	:	BR - BRAZIL	4	Governo Estadual
<input type="checkbox"/>	:	BR - BRAZIL	5	Prefeitura Municipal
<input type="checkbox"/>	:	BR - BRAZIL	6	Estrangeiro

Company: Form of Business and Classification of Business

Go to the page *Company* and the *General Information* tab where user can select the "Form of Business" and "Classification of Business" from the drop-down lists.

Company EABR1 - Brazilian Company 1 1 of 1

Update Company Update Company Translation New Company

Company	Name
EABR1	Brazilian Company 1

General Information

Default Language	Country	Localization
English	BRAZIL	Brazil (Preview)
Form of Business	Classification of Business	Creation Date
2 - Individual	1 - Lucro Real	2021-03-16
Activity Start Date	Source Company	Source Template ID
		STD
Template Company	Master Company for Group Consolid...	
No	No	

Customer: Form of Business and Classification of Business

Go to the page *Customer* and the *General Information* tab where user can select the "Form of Business" and "Classification of Business" for the customer from the drop-down lists.

Customer BRCUST1 - Brazilian Customer 1 1 of 1

Copy Customer View End Customer Connections

Customer	Name	Association No
BRCUST1	Brazilian Customer 1	
One-Time Customer	B2B Customer	
<input type="checkbox"/>	<input type="checkbox"/>	

General Information

Default Language	Country
English	BRAZIL
Form of Business	Classification of Business
4 - Governo Estadual	6 - Individual
Customer Tax Usage Type	

The field **Form of Business** must be 6 for foreign customers, that indicates this is an international customer. The description must be "Foreign" ("Estrangeiro").

The field **Classification of Business** must be 7 for foreign customer, that indicates this is an international customer. The description must be "Not Applicable" ("Não Aplicável").

8 Address specific tax registration numbers

8.1 Overview Legal Requirement

In Brazil, all entities are required to obtain the tax registration number **CNPJ** before they can commence business activities. The CNPJ must be detailed on all invoices and receipts issued by a company. CNPJ is specified per physical address.

The **State Registration** is a tax registration number given by the Brazilian State Tax authorities. This number is also specified per physical address.

The above tax registration numbers are mandatory information for both NF-e issuer and receiver in the NF-e XML.

8.2 Process Overview

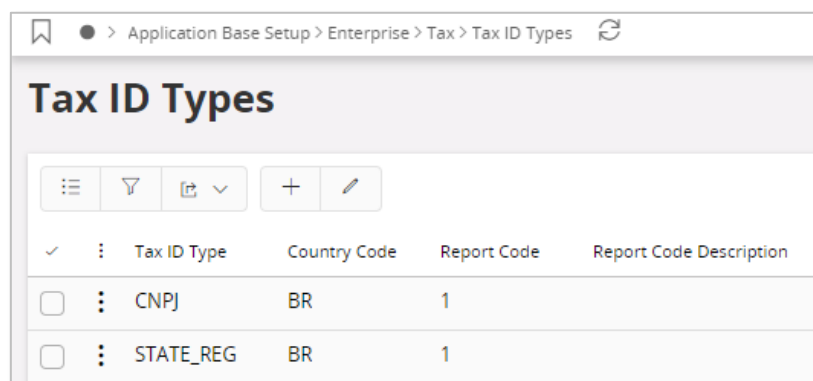


8.3 Prerequisites

The company must be set-up to use Brazilian localization, see the Company Set-Up chapter, and the “Address Specific Tax Registration Numbers” parameter must be enabled.

8.4 Enter basic data for tax id types

Ensure the Tax ID Types “CNPJ” and “STATE_REG” are defined for Country Code “BR” in the *Application Base Setup/Enterprise/Tax/Tax ID Types* page (standard functionality)

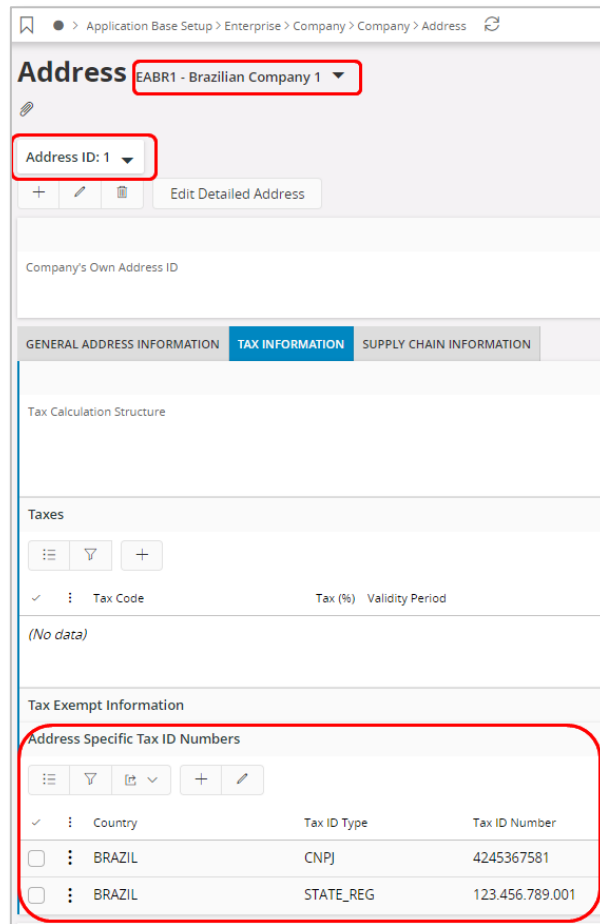


✓	:	Tax ID Type	Country Code	Report Code	Report Code Description
<input type="checkbox"/>	:	CNPJ	BR	1	
<input type="checkbox"/>	:	STATE_REG	BR	1	

8.5 Enter address specific tax id numbers

8.5.1 Company

Enter address specific tax ID numbers for your company in the *Application Base Setup/Enterprise/Company/Company/Address* page.



Application Base Setup > Enterprise > Company > Company > Address

Address EABR1 - Brazilian Company 1

Address ID: 1

Company's Own Address ID

GENERAL ADDRESS INFORMATION | **TAX INFORMATION** | SUPPLY CHAIN INFORMATION

Tax Calculation Structure

Taxes

✓	:	Tax Code	Tax (%)	Validity Period
		(No data)		

Tax Exempt Information

Address Specific Tax ID Numbers

✓	:	Country	Tax ID Type	Tax ID Number
<input type="checkbox"/>	:	BRAZIL	CNPJ	4245367581
<input type="checkbox"/>	:	BRAZIL	STATE_REG	123.456.789.001

8.5.2 Customer

Enter address specific tax ID numbers for your customer on tab *Document Tax Information* in the *Application Base Setup/Enterprise/Customer/Customer/Address* page, in the nested list below your Brazilian company.

Address BRCUST1 - Brazilian Customer 1 1 of 1

Customer: BRCUST1 Name: Brazilian Customer 1 Association: 1

Address ID: 1

Customer's Own Address ID: Customer Name: End Customer: End Customer:

GENERAL ADDRESS INFORMATION DELIVERY TAX INFORMATION **DOCUMENT TAX INFORMATION** SALES ADDRESS INFORMATION

Company	Supply Country	Delivery Country	Tax ID Type	Tax ID
EABRSYSTEST	BRAZIL	BRAZIL		
ADDRESS SPECIFIC TAX ID NUMBERS				
Tax ID Type	Tax ID Number			
<input type="checkbox"/> CNAE	41414141			
<input type="checkbox"/> CNPJ	9874.1254.1			
<input type="checkbox"/> STATE_REG	ISENTO			
<input type="checkbox"/> SUFRAMA	313131245			

Note that tax ID numbers can not be entered on the upper level if address specific tax ID numbers are already entered in the nested list. This is to ensure no duplicate records are entered.

8.5.3 Supplier

Enter address specific tax ID numbers for your supplier on tab *Document Tax Information* in the *Application Base Setup/Enterprise/Supplier/Supplier/Address* page, in the nested list below your Brazilian company.

Address BRSUP1 - Brazilian Supplier 1 ▾ 1 of 1

Supplier: BRSUP1 Name: Brazilian Supplier 1

Address ID: 1 ▾

Supplier's Own Address ID Supplier Name

GENERAL ADDRESS INFORMATION DELIVERY TAX INFORMATION **DOCUMENT TAX INFORMATION** PURCHASE AD

Company	Tax ID Type	Tax ID Number	Tax ID Validated Date
Company	EABR1		
ADDRESS SPECIFIC TAX ID NUMBERS			
	Tax ID Type	Tax ID Number	
<input type="checkbox"/>	STATE_REG	1478	
<input type="checkbox"/>	CNPJ	12457	

Note that tax ID numbers cannot be entered on the upper level if address specific tax ID numbers are already entered in the nested list. This is to ensure no duplicate records are entered.

8.6 Delimitations

Address specific tax registration numbers for Forwarder is not supported in this version, unless the forwarder is defined as a supplier.

9 Automatic generation of official invoice number

9.1 Overview Legal Requirement

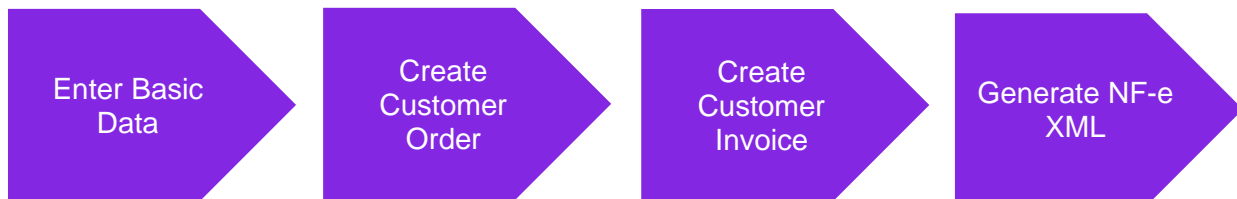
In Brazil, Fiscal Note series are needed to segregate and control the fiscal note numbering. Fiscal Note number intervals are assigned to companies by the tax authority and there is a legal requirement to use the assigned numbers for the issued Fiscal Notes. Each series has its own Fiscal Note number interval. When the last number in the interval has been used, a new series must be started.

The Brazilian law admits a branch of the company to have a separate series, which is a commonly used business practice. The Fiscal Note series are separating goods and services.

Fiscal Note number and series is mandatory information in the NF-e XML file sent to the tax authority before goods delivery.

9.2 Process Overview

The “Automatic Generation of official invoice number” functionality is a generic solution to support generation of official invoice numbers and is used in several IFS countries. It can be configured to support the requirements in Brazil, following the below process:



9.3 Prerequisites

The company must be set-up to use Brazilian localization, see the Company Set-Up chapter, and the “Use Automatic Generation of Official Invoice Number” parameter must be enabled.

9.4 Enter basic data

The basic data described in below chapters must be entered to support the fiscal note numbering.

9.4.1 Define Official Invoice Components per Company

The official invoice components are defined in two steps:

1. Specify names and descriptions for each component
2. Define the values of the components

Open the *Financials/Customer Invoice/Basic Data/Official Invoice Number Components* page and select the relevant company. Specify names and descriptions as per below on the “Components” tab;

- Component A: Series
- Sequence Number: Fiscal Note Number

The “Generate Official Invoice Number” parameter should be set to “At Preliminary Invoice”.

Official Invoice Number Components

COMPONENTS	SERIES	COMPONENT B	COMPONENT C	BRANCHES
<input checked="" type="checkbox"/>	Component	Name	Description	
<input type="checkbox"/>	Component A	Series	Series	
<input type="checkbox"/>	Component B			
<input type="checkbox"/>	Component C			
<input type="checkbox"/>	Sequence Number	Fiscal Note Number	Fiscal Note Number	

Generate Official Invoice Number
At Preliminary Invoice ▼

After saving, the “Component A” tab will be renamed to “Series”. As a result, these components will be used when generating the official invoice number for Customer (Order) Invoices.

9.4.2 Define fiscal note series

In the “Series” tab (Component A) the fiscal note series to be used for goods and to be used for services in the company can be defined.

Official Invoice Number Components

COMPONENTS	SERIES	COMPONENT B	COMPONENT C	BRANCHES
<input checked="" type="checkbox"/>	Value	Description		
<input type="checkbox"/>	009	Goods		
<input type="checkbox"/>	NFS	Services		

Generate Official Invoice Number
At Preliminary Invoice ▼

9.4.3 Define Fiscal Note number series per branch

Define company branches in the *Application Base Setup/Enterprise/Company/Basic Data/Branches* page.

✓	:	Branch	Description	Company Address ID
<input type="checkbox"/>	:	B-2	B-2	
<input type="checkbox"/>	:	B1	B-1	COM BR1-ADD1

Open the “Branches” tab in *Official Invoice Number Components* page and enter the company Branch ID:s that need fiscal note numbers to be generated.

Official Invoice Number Components

COMPONENTS SERIES COMPONENT B COMPONENT C **BRANCHES**

✓	:	Series	Valid From	Component B	Component C	Start Value	End Value	Next Value	Length	Default Series
<input type="checkbox"/>	:	009 - Goods	2020-10-06			10001	10999	10026	9	Yes
<input type="checkbox"/>	:	NFS - Services	2020-10-06			20001	20999	20001	9	No

Select a Branch in the Financials/Customer Invoice/Basic Data/Official Invoice Number Components page, tab “Branches”. Use the drop-down list to connect Fiscal Note Series and enter the Fiscal Note number interval (start and end value) for the series. The length of the fiscal note series can also be entered here. A default series to represent the company’s main business can be entered for the specific branch. The default series will be applied on the customer orders created for that branch but can be manually changed by the user.

9.4.4 Connect branch to site

Connect Sites to company branches in the *Application Base Setup/Enterprise/Site/Site/Sales and Procurement* tab (IFS standard functionality).

Sales and Procurement DUBR1 - DU:BR:S1 - DU:BRAZIL-01 1 of 1

[Create Internal Customer](#)
[Create Internal Supplier](#)

Company Site Group

Site	Site Description	Company
DUBR1	DU:BR:S1	DU:BRAZIL-01 - DU:BRAZIL-01

Document Address
COM BR1-ADD1

SALES | **PROCUREMENT**

General

Branch B1	Print Pick Report Detailed	Order Type
Priority	Forwarder ID	Replicate Doc Text
Reserve from Transport Task	Create CO in Released Status <input checked="" type="checkbox"/>	Use Part Catalog Description for Sales Part <input type="checkbox"/>
Use Inventory Default		

9.5 Create customer order

When the Customer Order is created, the default fiscal note series defined for the branch (connected to the Customer Order site) is shown in the *Sales/Order/Customer Order/Order Details* tab. This value can be manually changed by the user.

Customer Order P11302 1 of 24+

[Share](#)
[Operations](#)
[Invoice](#)
[RMA](#)
[Related Pages](#)
[Copy Order](#)
[Order History](#)
[Sales Promotions](#)

Order No: P11302 | Customer: BRCUST1 - Brazilian Customer 1 | Site: BRST | Order Type: NO | Wanted Delivery Date/Time: 2020-10-06 00:00

Order Amounts

Total Net Amount/Base	Total Contribution Margin/...	Contribution Margin(%)	Total Net Amount/Curr	Total Tax Amount/Curr	Total Gross Amount/Curr
96,00 BRL	11,00 BRL	11,46	96,00 BRL	24,46 BRL	120,46 BRL

LINES | **RENTAL LINES** | **ORDER DETAILS** | **CHARGES** | **INVOLVED PARTIES**

Coordinator ALAIN - Alain Prost	Currency BRL	Customer's PO ... 0	Additional Disc... 0	Priority Final Consumer No
Reference	Agreement ID	Language Code en - English	Main Representative	
Salesperson	Add Rebate Customer			
Ordering Region	Ordering District	Market	Classification St... Created 2020-10-06	
Limit Sales to A... No	Order Net Weight 0,2	Order Volume 0	Document Text No	Notes No
Service Code				

Delivery Settings

Deliver-from Supplier	Ship-Via 30 - Bilfrakt	Delivery Terms * - IFS Applications
Del Terms Location	Route	Forwarder

Delivery Address

Delivery Address: 1 - Brazilian Customer 1 | Single Occur...: No | Tax Free Co: No

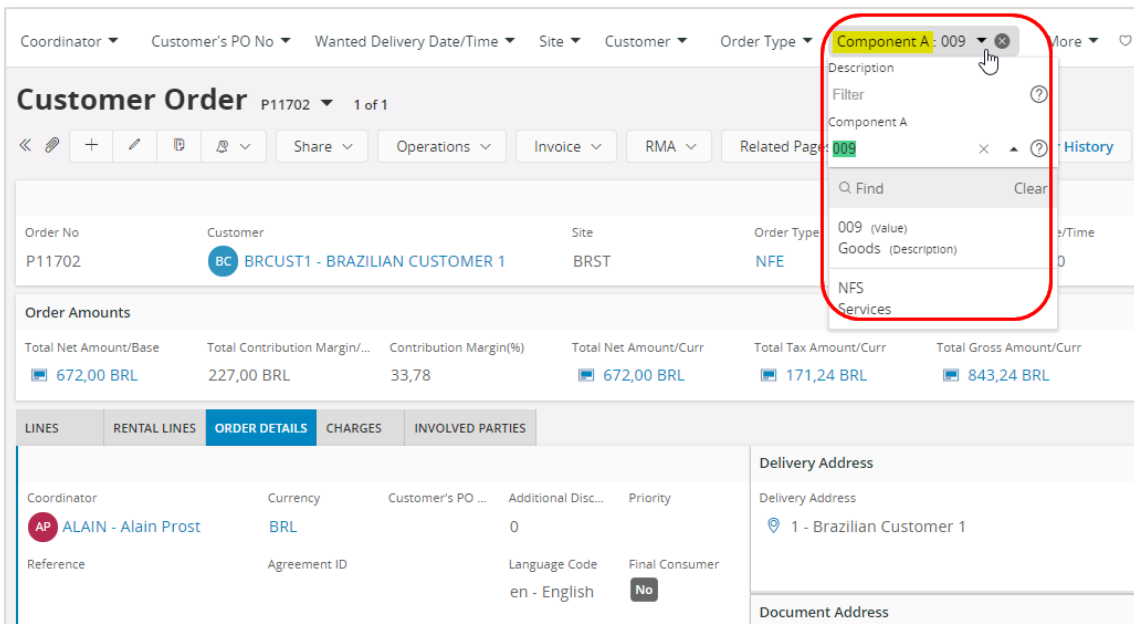
Document Address

Document Address: 1 - Brazilian Customer 1

Invoice

Tax ID	Tax ID Validate...	Tax Liability TAX	Pay Term 10 - 10 Days Net	Pay Term B...
Invoice Customer	Addr ID	Invoice Cust Reference	Use Price In	No
Required Prepa...	Advance/Prepa... No	Supply Country BRAZIL	Tax Paying Part... No Tax	Customer Branch No
Customer Tax Usage Type	Invoice Reason	Series 009 - Goods	Jinsui Invoic	No

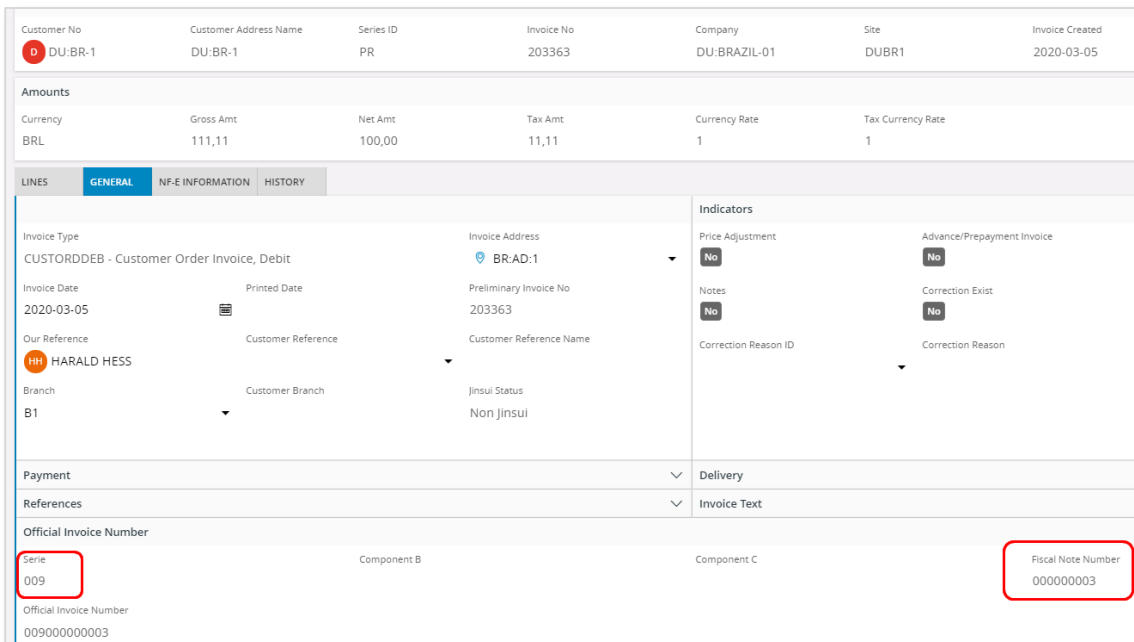
Please note that “Component A” is the field to use in the Search panel when searching for Customer Orders with a specific fiscal note series.



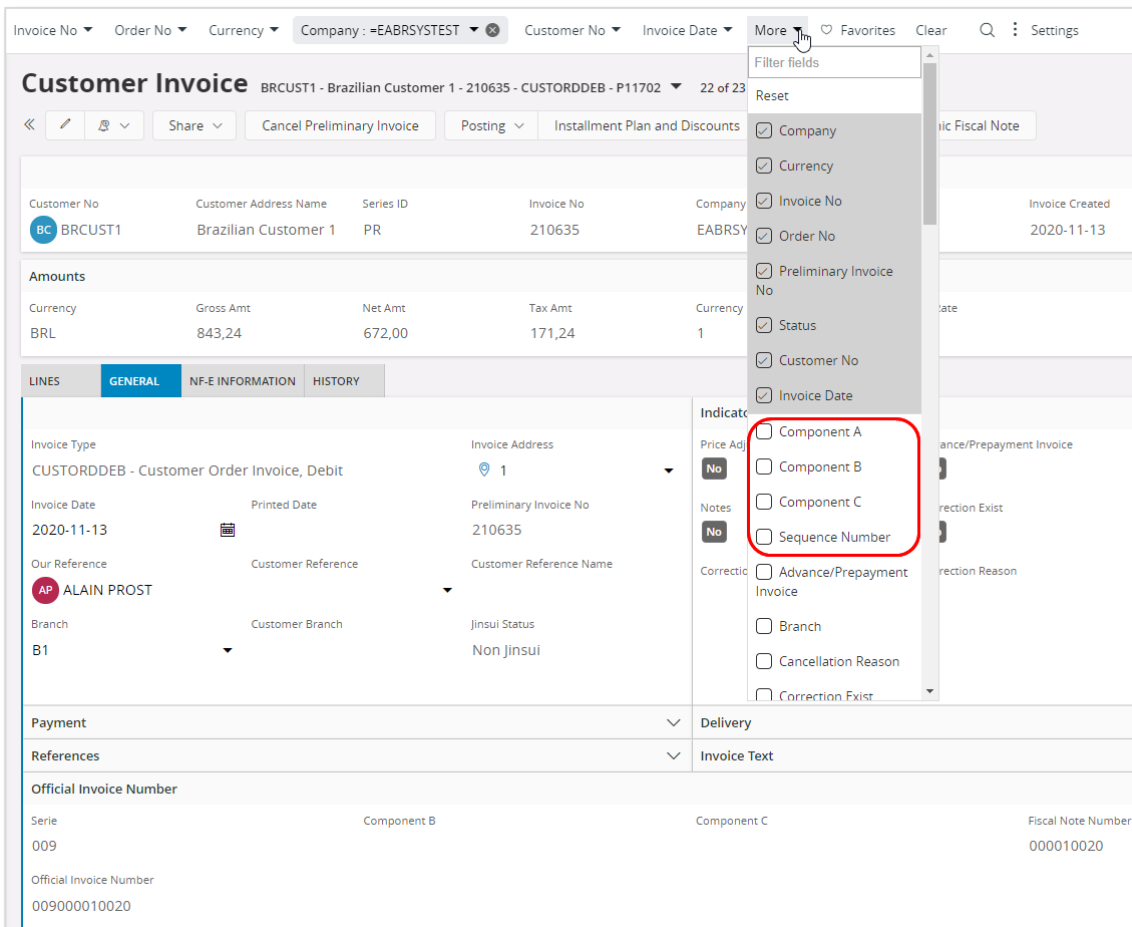
The screenshot shows the IFS Customer Order interface. At the top, there are navigation tabs: Coordinator, Customer's PO No, Wanted Delivery Date/Time, Site, Customer, Order Type, and Component A: 009. The Component A dropdown is open, showing a search bar and a list of options: 009 (value), Goods (Description), NFS, and Services. The main content area displays the Customer Order P11702, including customer details (BRCUST1 - BRAZILIAN CUSTOMER 1), order amounts (Total Net Amount/Curr: 672,00 BRL), and order details (Coordinator: ALAIN - Alain Prost, Currency: BRL, Customer's PO: 0, Priority: 0, Language Code: en - English, Final Consumer: No). The Delivery Address is 1 - Brazilian Customer 1.

9.6 Create customer invoice

Follow the IFS standard process to create a Customer Invoice. In the *Sales/Invoicing/Customer Invoice/General* tab, the “Series” and “Fiscal Note Number” is visible in the “Official Invoice Number” section.



The screenshot shows the IFS Customer Invoice interface. The 'Official Invoice Number' section is highlighted, showing the 'Serie' field with the value '009' and the 'Fiscal Note Number' field with the value '000000003'. The interface also displays customer information (Customer No: DU:BR-1, Customer Address Name: DU:BR-1, Series ID: PR, Invoice No: 203363, Company: DU:BRAZIL-01, Site: DUBR1, Invoice Created: 2020-03-05), amounts (Currency: BRL, Gross Amt: 111,11, Net Amt: 100,00, Tax Amt: 11,11, Currency Rate: 1, Tax Currency Rate: 1), and various indicators (Price Adjustment: No, Advance/Prepayment Invoice: No, Notes: No, Correction Exist: No, Correction Reason ID: , Correction Reason:).



Customer Invoice BRCUST1 - Brazilian Customer 1 - 210635 - CUSTORDDEB - P11702 22 of 23

Company: EABRSYSTEST Customer No: Invoice Date: More Favorites Clear Search Settings

Filter fields
Reset

- Company
- Currency
- Invoice No
- Order No
- Preliminary Invoice No
- Status
- Customer No
- Invoice Date
- Component A
- Component B
- Component C
- Sequence Number
- Advance/Prepayment Invoice
- Branch
- Cancellation Reason
- Correction Exist

Customer No: BRCUST1 Customer Address Name: Brazilian Customer 1 Series ID: PR Invoice No: 210635 Company: EABRSY

Invoice Created: 2020-11-13

Amounts

Currency	Gross Amt	Net Amt	Tax Amt	Currency
BRL	843,24	672,00	171,24	1

LINES GENERAL NF-E INFORMATION HISTORY

Invoice Type: CUSTORDDEB - Customer Order Invoice, Debit Invoice Address: 1

Invoice Date: 2020-11-13 Printed Date: Preliminary Invoice No: 210635

Our Reference: ALAIN PROST Customer Reference: Customer Reference Name:

Branch: B1 Customer Branch: Jinsui Status: Non Jinsui

Indicate: Price Adj: No Notes: No

Payment Delivery

References Invoice Text

Official Invoice Number

Serie	Component B	Component C	Fiscal Note Number
009			000010020

Official Invoice Number: 009000010020

Please note that “Component A” is the field to use in the Search panel when searching for Customer Invoices with a specific fiscal note series. “Sequence Number” is the field to use when searching for Fiscal Note Number.

9.7 Generate NF-e XML

Send the electronic fiscal note to generate the NF-e XML file. The Fiscal Note series, Fiscal Note number and the IFS Invoice No for the preliminary invoice is fetched to the below XML tags:

```

- <NFe xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance" xmlns="http://www.portalfiscal.inf.br/nfe">
- <infNFe versao="4" Id="12200312345678901234650090000000031002033639">
- <ide>
  <cUF>12</cUF>
  <cNF>00203363</cNF>
  <natOp>Vendas</natOp>
  <mod>65</mod>
  <serie>009</serie>
  <nNF>000000003</nNF>
  <dhEmi>2020-03-23T21:20:36+00:00</dhEmi>
  <dhSaiEnt>2020-03-23T21:20:36+00:00</dhSaiEnt>
  <tpNF>1</tpNF>
  <idDest>1</idDest>
  <cMunFG />
  <tpImp>1</tpImp>
  <tpEmis>1</tpEmis>
  <cDV>9</cDV>
  <tpAmb>2</tpAmb>
  <finNFe>1</finNFe>
  <indFinal>0</indFinal>
  <indPres />
  <procEmi>0</procEmi>
  <verProc>4</verProc>
</ide>

```

- nNF - Fiscal Note number, the Component "Sequence Number" field is used. XML tag must be 9 characters (left zeros is used if number is less than 9 positions)
- cNF - IFS internal number, the preliminary (Customer) Invoice No is used. XML tag must be 8 characters (left zeros will be used if number is less than 8 positions)
- Serie - Is fetched from the Component A. XML tag must be 3 characters (left zeros will be used if number is less than 3 positions)

9.8 Delimitations

No known delimitations.

10 Extended Tax Codes and Tax Calculation Structures set-up

10.1 Overview Legal Requirement

In Brazil it's a legal requirement that some tax types are included in the tax base amount. This could be referred as 'Price Including Tax' or more precisely, 'Price Including Selected Taxes'. It is important to note that this is different from 'price including tax' terminology used in IFS standard application.

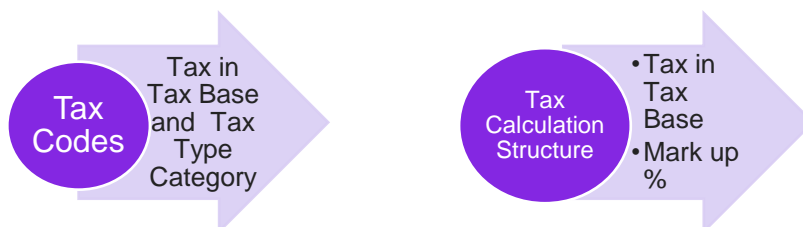
For legal tax reporting purposes, a tax type category must be defined for each tax code.

In CONVÊNIO ICMS 52/62 2017 the Brazilian tax authority introduced a new formula for calculating ICMS ST (ICMS Tax Substitution) tax base amount, including a markup percentage (%).

10.2 Process Overview

Set up basic data for Tax Codes, define Tax Calculation Structures, connect a Tax Calculation Structure to each customer order line and view the taxes on Customer Order Tax Lines and Customer Invoice Tax Lines. Tax amounts are calculated according the Brazilian requirements.

Tax Calculation Structures functionality can be used on the Procurement side as well.



- Tax Codes
 - In *Tax Codes* page two new columns are introduced, “Tax in Tax Base” to facilitate Inclusion of taxes to the tax base amount and “Tax Type Category” to be able to separate the different Brazilian taxes (e.g. ICMS and IPI taxes).
- Tax Calculation Structure
 - In *Tax Calculation Structures* two new columns are introduced, **Tax in Tax Base** and **Mark up (%)**.

10.3 Prerequisites

The company must be set-up to use Brazilian localization, see chapter Company Set up, and you will notice that the mandatory localization parameter “Extended Tax Codes and Tax Calculation Structures set-up” in Localization Control Center is enabled.

- Standard IFS “Price including tax” functionality should not be used.
- Sales parts should be entered without a tax code since taxes from the connected tax calculation structure will be applied.

- All prices (sales part, sales price list, campaigns, agreements etc) should be entered as Brazilian Net Price = “Raw Price” (standard IFS have a different definition of Net Price).

10.4 Tax Type Category in tax codes page

Define a Tax Type Category for each tax code in page *Accounting Rules/Tax/Tax Codes*.

Tax Codes										
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>										
Tax Code ▾ Description ▾ Tax Type ▾ More ▾ Favorites Clear Q Settings										
✓	:	Tax Code	Description	Tax Type	Tax (%)	Deductible (%)	Valid From	Valid To	Tax Type Category	Tax Method Tax Received
<input type="checkbox"/>	:	COFINS-5	COFINS 5%	Tax	5	100	2019-12-04	2049-12-31	COFINS	Invoice Entry
<input type="checkbox"/>	:	ICMS-17	ICMS 17%	Tax	17	100	2019-11-22	2049-12-31	ICMS	Invoice Entry
<input type="checkbox"/>	:	ICMS13	ICMS 13%	Tax	13	100	2019-11-04	2049-12-31	ICMS	Invoice Entry
<input type="checkbox"/>	:	IPI-5	IPI 5%	Tax	5	100	2019-11-22	2049-12-31	IPI	Invoice Entry
<input type="checkbox"/>	:	PIS-2	PIS 2%	Tax	2	100	2019-12-04	2049-12-31	PIS	Invoice Entry

10.5 Tax in Tax Base in Tax Codes Page

10.5.1 Tax in Tax Base Calculations

In Brazilian context, ICMS/ISS, PIS, COFFINS are taxes included in the price (in Brazilian way of explaining). This means tax amounts are included in the tax base amount. The tax % is expressed for the tax base amount which includes tax amount as well.

For example, if the tax percentage is 17% and the price with tax is 100, then the tax amount is equal to 17.00 BRL. In other words, the net amount excluding taxes is 83.00 BRL. The Tax amount is 17.00 BRL. Which means price including tax is 83+17 = 100 BRL. But still the Tax Base amount is 100 BRL which should include tax amount as well.

$$\text{Net Price} = 100 - 17 = 83$$

This is not equal to the 17% tax in the core application

$$\text{Tax Amount in core for 17\%} = 87 \times 17\% = 14.11$$

Therefore, it is clear that Brazilian Tax calculation method yields a different value to that of core calculation. In fact, tax amount itself is included in the tax base amount in Brazilian ICMS and other Brazilian tax types which are included in the price.

Mathematically, tax base amount can be calculated as follows,

$$\text{Tax Base Amount} = \frac{p * 100}{100 - t}$$

Where;

p – Net Amount

t -Tax Rate

10.5.2 Define Tax in Tax Base in Tax Codes

A new toggle button, “Tax in Tax Base” added to the Tax Codes.

Whether the tax amount itself to be included in the tax calculation or not is decided by a toggle button introduced to the Tax Codes form. Users should select this toggle button for ICMS/ISS, PIS, and COFFINS tax type categories since their tax values are included in price. In other words, tax amounts include in the tax base amount.

Tax Codes						
☰ 🔍 📄 + ✎ 🗑️ 📄 Tax Texts per Tax Code Copy to Companies Translati						
Tax Code	Description	Tax Type	Tax in Tax Base	More	♥ Favorites	Clear 🔍 ⋮ Settings
(1) ✓	:	Tax Code	Description	Tax Type	Tax (%)	Tax in Tax Base
<input type="checkbox"/>	:	COFINS	COFINS	Tax	20	Yes
<input checked="" type="checkbox"/>	:	ICMS-1	ICMS-1	Tax	10	Yes
<input type="checkbox"/>	:	PIS	PIS	Tax	5	Yes
<input type="checkbox"/>	:	E0	EU Tax 0%	Calculated Tax	0	No
<input type="checkbox"/>	:	E1	EU Tax with no reduction, goods, 25%	Calculated Tax	25	No

For an example, if we take 10% Tax Code enable to “Tax in Tax Base”,

$$\begin{aligned} \text{Net Amount} &= 100.00 \text{ (100\%-10\% = 90\%)} \\ \text{Net Amount as a \%} &= 90\% \end{aligned}$$

$$\text{Tax Base Amount (TB)} = \frac{p \times 100}{100 - t}$$

(Tax Base Amt for Tax Calculation)

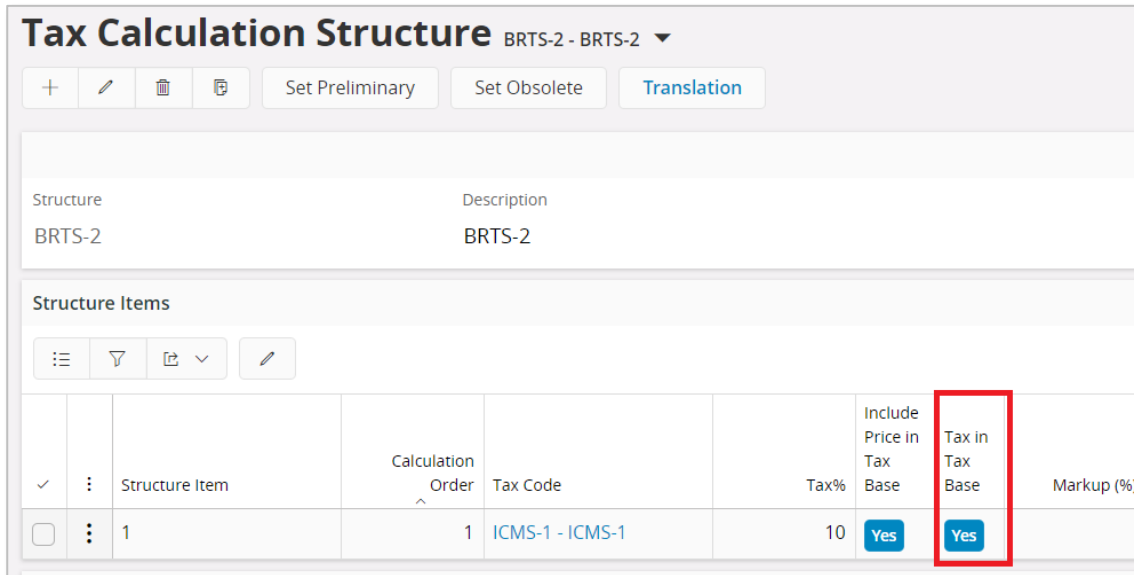
$$TB = \frac{100 \times 100}{100 - 10} = 111.11$$

$$\text{Tax Amount (T)} = 111.11 \times 10\% = 11.11$$

10.5.3 Tax in Tax Base in Tax Calculation Structure

A new column **Tax in Tax Base** is added to the Tax Calculation Structure.

When a new structure item is created and connected a tax code with “Tax in Tax Base” enabled, this new field is automatically set to “Yes” indicating the connected tax code set up.



Tax Calculation Structure BRTS-2 - BRTS-2								
+ ✎ 🗑️ 🔄 Set Preliminary Set Obsolete Translation								
Structure	Description							
BRTS-2	BRTS-2							
Structure Items								
☰ 🔍 📄 ✎								
✓	:	Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Tax in Tax Base	Markup (%)
<input type="checkbox"/>	:	1	1	ICMS-1 - ICMS-1	10	Yes	Yes	

10.6 Markup (%) in Brazilian Tax Calculation

10.6.1 Markup (%) to the Tax Calculation Structure

Increasing the Tax Base amount by certain percentage is required for some Brazilian taxes like, ICMS and referred as ICMS Substitute.

A new column “Markup %” added to the Tax Calculation Structure to facilitate this requirement.

Mathematically, tax base amount with a Markup % is calculated as follows,

Calculate new tax base amount for tax codes in the customer order line and customer invoice line.

- Take the Net Amount as, “ p ” and the Net Amount as a %, as “ $p\%$ ”
- Markup % as “ m ”
- Tax Percentage as “ t ”
- First, Increase “ p ” by markup %, “ m ” as follows,

$$(P + m)$$

- Then to get the new tax base amount “ TB ”

$$\text{Tax Base Amount } (TB) = \frac{(P + m) * 100}{(100 - t)}$$

f. In the final step, tax (T) to be calculated as follows,

$$\text{Tax } (T) = TB * t$$

$$(t = \text{tax } \%)$$

For an example, if we take 20% Tax Code enable to “Tax in Tax Base”, and “Markup %” as 10%.

Tax Percentage (t) = 20%
 Net Amount (p) = 100.00 (100%-20% = 80%)
 Net Amount as a % = 80%

Markup % = 10%

First, Increase “p” by markup %, “m” as follows,
 $= (p + m)$
 $= (100+10\%)$

Tax Base Amount (TB) = $\frac{(p + m) * 100}{(100 - t)}$

(Tax Base Amt for Tax Calculation)
 $TB = \frac{100 + 10\%}{100 - 20} * 100 = 137.50$

Tax Amount (T) = $137.50 \times 20\% = 27.50$

10.6.2 Define Markup (%) in Tax Calculation Structure

A new column **Markup (%)** added to the Tax Calculation Structure.

When a new structure item is created and connected a tax code with “Tax in Tax Base” enabled, user can manually define a markup % to the connected tax code.

Tax Calculation Structure DU:BR:TCS1 - DU:BR:TCS1								
+ ✎ 🗑️ 📄 Set Preliminary Set Obsolete Translation								
Structure		Description						
DU:BR:TCS1		DU:BR:TCS1						
Structure Items								
☰ 🔍 📄 ✎								
		Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Tax in Tax Base	Markup (%)
<input type="checkbox"/>	☰	1	1	COFINS - COFINS	20	Yes	Yes	10

Below is an example of how the "Tax Base Amount" and "Tax Amount" is calculated in a CO line with a Markup percentage is set.

Customer Order Line Tax Lines						
Gross Amount		Net Amount		Tax Amount		
127.50		100.00		27.50		
<div style="display: flex; justify-content: space-between; align-items: center;"> ☰ 🔍 🔄 Set Default </div>						
	Tax Base Amount	Tax Code	Tax Type	Tax(%)	Tax Amount/Curr	Tax Amount/Base
⋮	137.50	ICMS 20%	Tax	20	27.50	27.50
<div style="display: flex; justify-content: space-between; align-items: center;"> OK Cancel </div>						

10.7 Tax calculation structure with Multiple Tax in Tax BASE TAX Codes

As per the Brazilian way of tax calculation, when there are multiple "Tax in Tax Base" tax codes contain in the transaction, those tax rates should be added together to get the tax calculation basis. As explained in the previous chapter, if the "Tax in Tax Base Amount" is selected in the tax code, the tax base amount is calculated as follows,

$$Tax\ Base\ Amount = \frac{p * 100}{100 - t}$$

Where;

p - Net Amount

t - Tax Rate

In multiple "Tax in Tax Base" tax codes scenarios, the above logic is altered to absorb the impact of the sum of all tax rates connected to the Tax Calculation Structure.

In multiple "Tax in Tax Base" tax codes scenario, instead of using the 't', the system will use the sum of all tax rates connected to the tax calculation structure , like $t_1 + t_2 + t_3 + \dots + t_n$ where t_1, t_2, t_3 to t_n indicate the sum of all tax rates connected to the Tax Calculation Structure.

$$Tax\ Base\ Amount = \frac{p * 100}{100 - (t_1 + t_2 + t_3 + \dots + t_n)}$$

Where;

p - Net Amount

$(t_1 + t_2 + t_3 + \dots + t_n)$ - Sum of all tax rates connected to the Tax Calculation Structure

Below example illustrate the how the calculation is done,

- 1) Set it up Tax Calculation Structure with two Tax Codes as follows,
 - a) ICMS 5% with Tax in Tax Base enabled
 - b) ICMS 20% with Tax in Tax Base enabled and added Markup percentage as 10%

Tax Calculation Structure BR:ST:3:M% - TCS with Markup %

Structure: BR:ST:3:M% Description: TCS with Markup %

Structure Items

Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Tax in Tax Base	Markup (%)
1	1	ICMS 5% - ICMS 5%	5	Yes	Yes	
2	2	ICMS 20% - ICMS 20% with M% 10%	20	Yes	Yes	10

- 2) Create a CO Line connecting the above Tax Calculation Structure

- a) ICMS 5% with “Tax in Tax Base” is calculated as follows,

$$\text{Tax Base Amount} = \frac{p * 100}{100 - (t1 + t2 + t3 + \dots .tn)}$$

$p - \text{Net Amount} = 100.00$

$(t1 + t2 + t3 + \dots .tn) - \text{Sum of all tax rates connected to the Tax Calculation Structure}$
 $= 100 - (5 + 20)$
 $= 100 - 25$
 $= 75$

$$\text{Tax Base Amount} = \frac{100 * 100}{100 - (5 + 20)}$$

$$\text{Tax Base Amount} = \frac{100 * 100}{75}$$

$$\text{Tax Base Amount} = 133.33$$

- b) ICMS 20% with “Tax in Tax Base” enabled and added Markup percentage as 10% is calculated as follows,

$$\text{Tax Base Amount} = \frac{(p + m) * 100}{100 - (t1 + t2 + t3 + \dots . tn)}$$

P = Net Amount

M = Markup percentage

(p+m) = Increase “p” by adding markup %, “m”

(t1+ t2+ t3+....tn) = Sum of all tax rates connected to the Tax Calculation Structure

$$\text{Tax Base Amount} = \frac{(100 + m) * 100}{100 - (t1 + t2 + t3 + \dots . tn)}$$

$$\text{Tax Base Amount} = \frac{(100 + 10) * 100}{100 - (5 + 20)}$$

$$\text{Tax Base Amount} = \frac{(110) * 100}{75}$$

$$\text{Tax Base Amount} = 146.67$$

- a) ICMS 5% “Tax” is calculated as follows,

$$\text{Tax Amount} = \text{Tax Base Amount} * t$$

$$\text{Tax Amount} = 133.33 * 5\%$$

$$\text{Tax Amount} = 6.67$$

- b) ICMS 20% with “Tax in Tax Base” enabled and added Markup percentage as 10% is calculated as follows,

$$\text{Tax Amount} = \text{Tax Base Amount} * t$$

$$\text{Tax Amount} = 146.67 * 20\%$$

Tax Amount = 29.33

×
Customer Order Line Tax Lines

Gross Amount	Net Amount	Tax Amount
136.00	100.00	36.00

☰ 🔍 🔄 ⌵ Set Default

	Tax Base Amount	Tax Code	Tax Type	Tax(%)	Tax Amount/Curr	Tax Amount/Base
⋮	133.33	ICMS 5%	Tax	5	6.67	6.67
⋮	146.67	ICMS 20%	Tax	20	29.33	29.33

OK
Cancel

10.8 Delimitations

No additional support for manual tax handling is planned in future releases.

11 Tax Determination via Integration to Brazilian External Tax System

11.1 Overview Business Requirement

IFS developed an integration with third party Brazilian External Tax System, Avalara Brazil, which allows the user to rely on Avalara for retrieval of correct tax information when performing a taxable business transaction in IFS Application in Brazilian companies. With this integration, the whole process of tax determination is done by Avalara instead of calculating and updating tax information manually on the business transaction level.

When a tax calculation is performed E.g. on Customer Order level, IFS Cloud uses the Avalara integration to calculate/fetch the correct tax information like, Tax Rates, Tax Amounts and other tax related information and insert it to the CO Line level.

The integration supports the following two functional flows in IFS:

- Customer Order
- Customer Order Invoice

All the other areas in IFS Cloud are using core functionality for calculating taxes.

Avalara offers a software application called AvaTax Brazil for the Brazilian market. AvaTax Brazil keeps track of valid tax information like tax types, tax rates, legislation, and rules applicable and then performs the tax calculations accordingly.

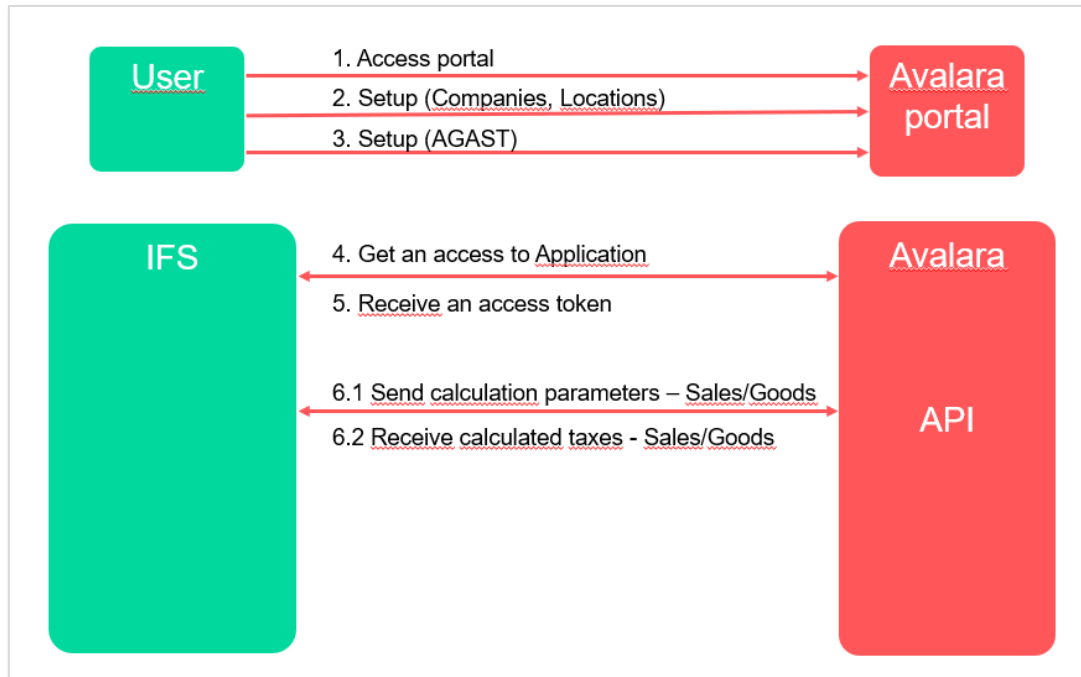
When a tax call is initiated from IFS Cloud, a call is made to the AvaTax Brazil software to fetch the correct tax types and tax rates based on the information on the customer order or the customer order invoice. Following main parameters are used to identify the correct tax rate:

- Company Ship from Address (the delivery address associated with the site where the customer order is placed)
- Company tax registration numbers, activity sector and tax regime
- Customer setting for ICMS Taxpayer
- Ship to Address (the address associated with the customer order line)
- Customer tax registration numbers, activity sector and tax regime
- Goods classification code
- Goods acquisition reason
- Business transaction code

In addition to these main parameters, information such as the price and quantity is also passed to the AvaTax software to ensure the correct tax types and tax rates are fetched. Based on the information sent, Avalara determines the correct tax rates and tax amounts and return the information to IFS Cloud back. The information is then uploaded into the relevant Customer Order Tax Lines and Customer Order Invoice Tax Lines.

11.2 Process Overview

Integration Overview



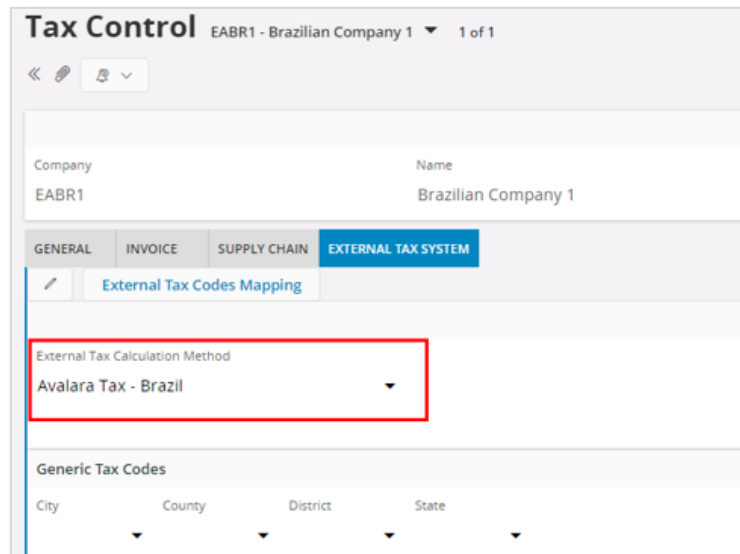
Process Overview



11.3 Prerequisites

The company must be set-up to use Brazilian localization, see the Company Set-Up chapter, and the “Tax Determination via Integration to Brazilian External Tax System” parameter must be enabled.

Select” Avalara Tax - Brazil” as the External Calculation Method in page *Application Base Setup/Enterprise/Company/Company/Tax Control and tab External Tax System*.



The prerequisites for IFS Cloud to communicate with Avalara is that the tax liability on the customer address is set to TAX and the sales part is taxable.

Note that also parameters “Acquisition Origin”, “Business Operation”, “Brazilian Specific Fiscal Attributes”, “Address Specific Tax ID Numbers”, “Goods/Services Statistical Codes”, “Extended Tax Codes Tax Calculation Structures set-up”, “Outgoing Fiscal Notes” and “Use Automatic Generation of Official Invoice Numbers” must be enabled to fulfill data requirements for the Integration. Also, company and customer basic data for tax calculation and Fiscal Note must be defined. Please see the specific chapters on how to set up the data needed.

11.4 Define Basic Data

In order to utilize the IFS integration for Avalara, some basic data set up is required with regards to the Tax Codes, the Company, the Customer and the Sales Parts.

11.4.1 External Tax System Parameters

The Avalara Brazil connection information is defined in page *Application Base Setup/Enterprise/Tax/External Tax Systems/External Tax Systems Parameters*.

External Tax System Parameters

Vertex O Series Connection Information

User Name Password

Avalara Connection Information

User Name Password

Avalara Brazil Connection Information

Client ID Client Secret

0aa49b97-6be1-46b4-b271-f4efaa221f60

11.4.2 Disable Customer Tax Code Validations

Disable Customer Tax Code Validations in the page *Application Base Setup/Enterprise/Company/Company/Tax Control* and the *General* tab.

Tax Control

EABR1 - Brazilian Company 1 1 of 1

Company Name

EABR1 Brazilian Company 1

GENERAL INVOICE SUPPLY CHAIN EXTERNAL TAX SYSTEM

Customer Tax Code Validation

Object Level Address Level Transaction Level

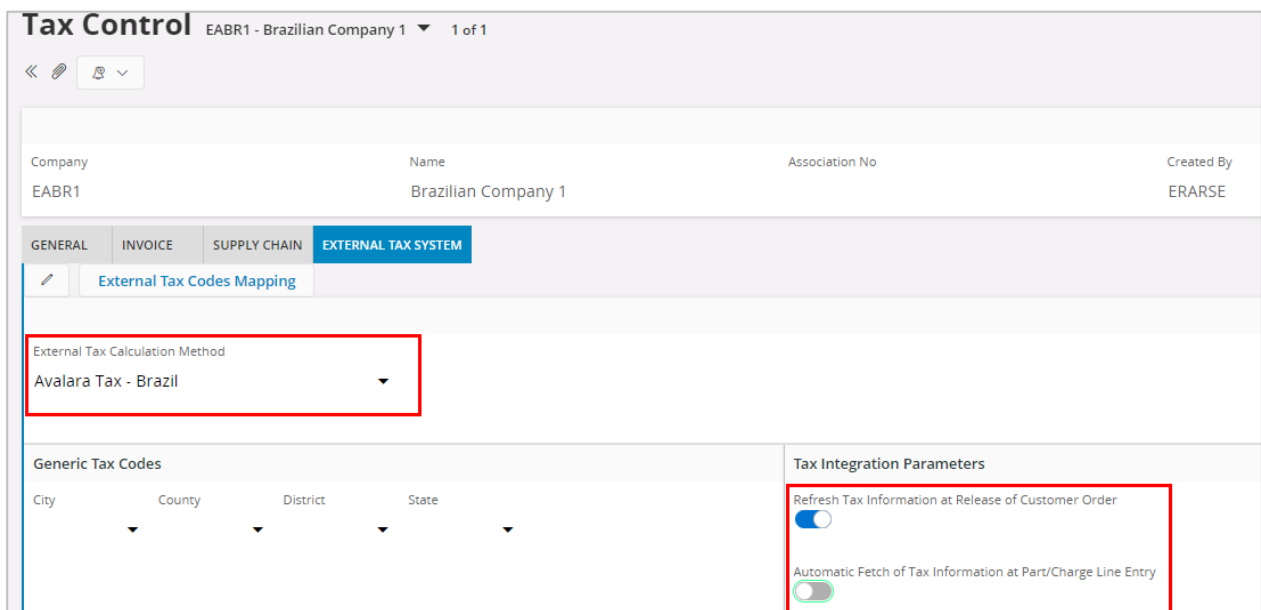
Max Overwriting Level on Tax

Level in Percent Level in Accounting Currency

11.4.3 Define Tax Integration Parameters

Enable the toggle “Refresh Tax Information at Release of Customer Order” in page *Application Base Setup/Enterprise/Company/Company/Tax Control* and tab *External Tax System*.

The user can control the number of requests sent from IFS Cloud to Avalara by enabling or disabling the “Automatic Fetch of Tax information at Part/Charge Line Entry” toggle.



Tax Control EABR1 - Brazilian Company 1 1 of 1

Company: EABR1, Name: Brazilian Company 1, Association No: , Created By: ERARSE

GENERAL | INVOICE | SUPPLY CHAIN | **EXTERNAL TAX SYSTEM**

External Tax Codes Mapping

External Tax Calculation Method: Avalara Tax - Brazil

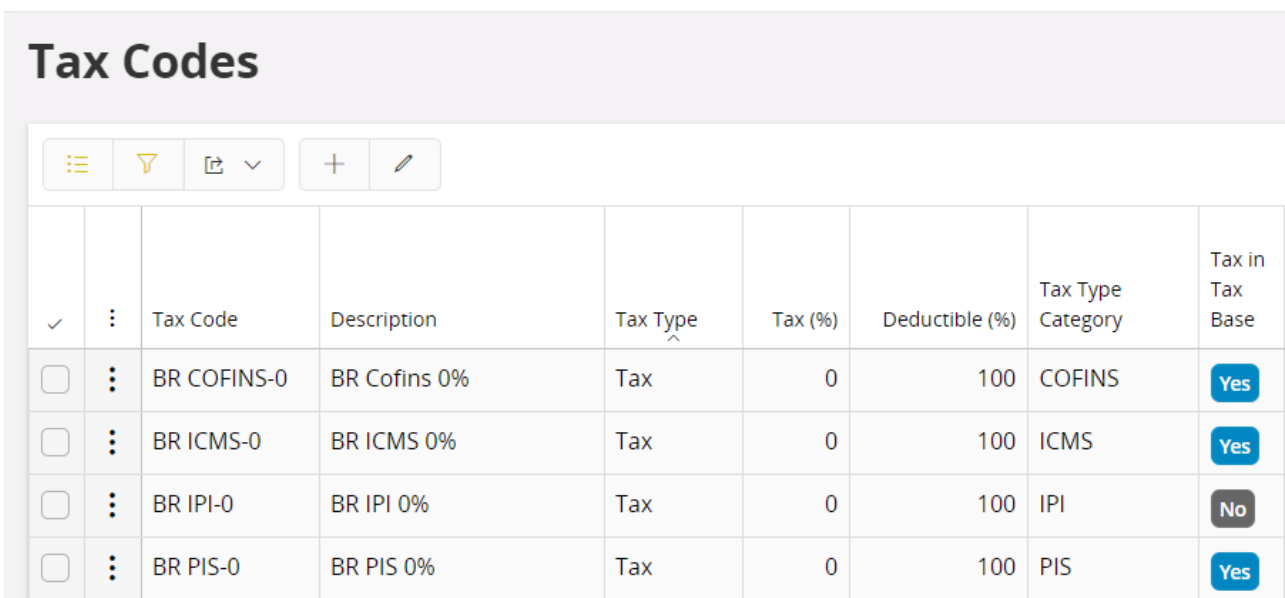
Generic Tax Codes: City, County, District, State

Tax Integration Parameters:

- Refresh Tax Information at Release of Customer Order:
- Automatic Fetch of Tax Information at Part/Charge Line Entry:

11.4.4 Enter 0% tax codes for the Brazilian tax types

Add one tax code per tax type category with 0% in page *Accounting Rules/Tax/Tax Codes*. The 0-percentage rate will be replaced by the correct percentage rate for the specific tax scenario in transaction level based on the tax response from 3rd party tax determination engine Avalara.



Tax Codes

✓	:	Tax Code	Description	Tax Type	Tax (%)	Deductible (%)	Tax Type Category	Tax in Tax Base
<input type="checkbox"/>	:	BR COFINS-0	BR Cofins 0%	Tax	0	100	COFINS	Yes
<input type="checkbox"/>	:	BR ICMS-0	BR ICMS 0%	Tax	0	100	ICMS	Yes
<input type="checkbox"/>	:	BR IPI-0	BR IPI 0%	Tax	0	100	IPI	No
<input type="checkbox"/>	:	BR PIS-0	BR PIS 0%	Tax	0	100	PIS	Yes

Next select the command “**External Tax Code Mapping**” in the page *Application Base Setup/Enterprise/Company/Company/Tax Control and tab External Tax System*. Add pre-defined 0% tax codes.

Tax Control EABR1 - Brazilian Company 1 1 of 1

Company: EABR1 Name: Brazilian Company 1

GENERAL INVOICE SUPPLY CHAIN **EXTERNAL TAX SYSTEM**

External Tax Codes Mapping

External Tax Calculation Method: Avalara Tax - Brazil

External Tax Codes Mapping

		Tax Type Category	Tax Code	Tax (%)	Tax in Tax Base
<input type="checkbox"/>	⋮	COFINS	BR COFINS-0 - BR Cofins 0%	0	<input type="button" value="Yes"/>
<input type="checkbox"/>	⋮	ICMS	BR ICMS-0 - BR ICMS 0%	0	<input type="button" value="Yes"/>
<input type="checkbox"/>	⋮	IPI	BR IPI-0 - BR IPI 0%	0	<input type="button" value="No"/>
<input type="checkbox"/>	⋮	PIS	BR PIS-0 - BR PIS 0%	0	<input type="button" value="Yes"/>

11.4.5 Define the Sales Part Price without taxes

Avalara is using 3 different calculation types, namely “Net”, “Gross” and “Final”. Currently IFS is only support tax base amount on “Net” basis. Therefore, the users need to define sales price without tax in sales part and other pricing sources.

Sales Part SARK01 - Sark Brazil Part 01 - SARKB 1 of 1

Inventory Part Availability Planning Complementary Parts Subs

Sales Part No: SARK01 Part Description in Use: Sark Brazil Part 01

GENERAL DESCRIPTIONS CHARACTERISTICS CHARGES EXTERNAL TAX PARAMETERS MAINTENANCE PART SPECIFIC OV

Inventory Part

Part No	Description	Configurable	DOP
SARK01	Sark Brazil Part 01	No	No

Unit Of Measure ▼

Pricing

Price	Price Including Tax	Expected Average Price
72.75 BRL	72.75 BRL	
Rental Price	Rental Price Including Tax	
0.00 BRL	0.00 BRL	

Refer the Appendix 2 for more details.

11.5 Create Customer Order

For Customer Order a new tax Calculated/Fetched is initiated resulting in new tax requests being sent to Avalara under the following circumstances:

- New customer order line is added
- Sales Qty is updated
- Sales Price is updated
- Order Address is updated
- Order Line Address is updated
- Goods/Services Statistical Code is updated
- Acquisition Origin updated
- Acquisition Reason Id is updated
- Order is Released

User can decide whether the taxes are Calculated/Fetched upon, "Release of Customer Order" or "CO Line Entry Level". This is controlled by the IFS Application core functionality, **Company/Tax Control/External Tax System** tab, "Tax Integration Parameters".

Example: If user decides not to send tax requests upon releasing the order. Then you need to not select the option **Refresh Tax Information at Release of Customer Order** in **Company/Tax Control/External Tax System** tab (standard functionality).

Tax Control EABR1 - Brazilian Company 1 1 of 1

Company: EABR1 Name: Brazilian Company 1 Association No:

Tabs: GENERAL INVOICE SUPPLY CHAIN **EXTERNAL TAX SYSTEM**

Buttons: Save Cancel Edit

External Tax Calculation Method: Avalara Tax - Brazil

Generic Tax Codes: City, County, District, State

Tax Integration Parameters: Refresh Tax Information at Release of Customer Order Automatic Fetch of Tax Information at Part/Charge Line Entry Yes

Customer Order P11278-3 1 of 1 Planned

Order No: P11278-3 Customer: SARKBRCUST - SARK BRAZIL CUSTOMER Site: SARKB Order Type: NO Wanted Delivery Date/Time: 2021-08-05 20:00

Order Amounts

Total Net Amount/Base	Total Contribution Margin/Base	Contribution Margin(%)	Total Net Amount/Curr	Total Tax Amount/Curr	Total Gross Amount/Curr
727,50 BRL	-22,50 BRL	-3,09	727,50 BRL	111,12 BRL	838,62 BRL

Tabs: **LINES** RENTAL LINES ORDER DETAILS CHARGES INVOLVED PARTIES

Line No	Del No	Sales Part No	Sales Part Description	Sales Qty	Sales UoM	Price/Curr	Price Incl Tax/Curr	Goods/Services Statistical Code	Acquisition Reason Id	Price UoM	Total Calc Sales Price/Curr
1	1	SARK01	Sark Brazil Part 01	10	pcs	72,75	83,86	74081100 - Copper Wir...	4 - Production	pcs	72,75

Application Messages 1739266 1 of 1

[View all Messages for this Queue and Status](#)
[Move To Queue](#)
[Message Queue Settings](#)
[Duplicate And Release](#)

Application Message ID 1739266	Subject Message has been successfully executed	Type CONNECT
Function AVALARA_BR_TAX_CALC_SERVICE	Receiver CONNECT	State Finished
State Date 2021-08-05 19:18	Options	Error Text
Initiated By ERARSE	Initiated 2021-08-05 19:18	Execute As Initiator
Queue DEFAULT	Inbound No	Routing Rule Used Example_Avalara_Brazil_Tax_Calculation_Service

Input Message Data

☰ ☑ ☰

☑	Name
☐	MESSAGE_REQUESTS.json

Output Message Data

☰ ☑ ☰

☑	Name
☐	MESSAGE_RESPONSE.txt

☰ ☑ ☰

☑	:	Chain Link No	Address Data	Transport Connector	State	Error Text	Envelope	Transformer
☐	:	1	https://avataxbr.sandbox.avalara.com.br	REST	Transferred			

```

*MESSAGE_REQUEST (5).json - Notepad
File Edit Format View Help
{"header":{
  "eDocCreatorType":"self"
  "amountCalcType":"net"
  "companyLocation":"77214253000192"
  "documentCode":"P11278-3"
  "invoiceNumber":null
  "invoiceSerial":null
  "messageType":"goods"
"Locations":{
  "entity":{
    "name":"SARKBRCOM"
    "federalTaxId":"77214253000192"
    "stateTaxId":"2563339899991"
    "suframa":"865302326"
    "taxRegime":"realProfit"
    "taxesSettings":{"icmsTaxPayer":"true"}
    "address":{
      "street":"Rua Trinta e Nove"
      "zipcode":"01000-000"
      "cityCode":"7107"
      "cityName":"SAO"
      "state":"SP"
      "countryCode":"1058"
      "country":"BRA"}
    "activitySector":{
      "type":"cnae","code":"2656265"}}
}
"establishment":{
  "name":"SARKBRCUST"
  "federalTaxId":"4345245000116"
  "stateTaxId":"65365365369841"
  "suframa":"986475096"
  "taxRegime":"realProfit"
  "taxesSettings":{"icmsTaxPayer":"false"}
  "address":{
    "street":"Rua Adelino Ant3nio Chaves"
    "zipcode":"69900-000"
    "cityCode":null
    "cityName":null
    "state":"AC"
    "countryCode":"1058"
    "country":"BRA"}
  "activitySector":{
    "type":"cnae"
    "code":"265563"}
}
"invoicesRefs":{
  {"documentCode":""}
}
"Lines":[{"LineCode":"1"
  "itemCode":"SARK01"
  "numberOfItems":10
  "lineUnitPrice":72.75
  "lineAmount":727.5
  "lineTaxedDiscount":null
  "useType":"production"
  "operationType":"standardSales"
  "orderNumber":"P11278-3"}
}

```

```

*MESSAGE_RESPONSE (4).txt - Notepad
File Edit Format View Help
{"header":{
  "eDocCreatorType":"self"
  "amountCalcType":"net"
  "companyLocation":"77214253000192"
  "documentCode":"P11278-3"
  "invoiceNumber":0
  "invoiceSerial":0
  "messageType":"goods"
  "Locations":{
    "entity":{
      "name":"SARKBRCOM"
      "federalTaxId":"77214253000192"
      "stateTaxId":"2563339899991"
      "suframa":"865302326"
      "taxRegime":"realProfit"
      "taxesSettings":{"icmsTaxPayer":true
        "enableCprb":false
        "usesInssCprbToGrossValue":false
        "pisCofinsIcmsTaxRelief":false}
      "address":{"street":"Rua Trinta e Nove"
        "zipcode":"01000-000"
        "cityCode":"3550308"
        "cityName":"S3o Paulo"
        "state":"SP"
        "countryCode":"1058","country":"BRA"}
      "activitySector":{"type":"cnae","code":"2656265"}},
    "establishment":{}},
  "Lines":[{"LineCode":1
    "itemCode":"SARK01"
    "numberOfItems":10
    "lineUnitPrice":83.862
    "lineAmount":838.62
    "lineTaxedDiscount":0
    "useType":"production"
    "operationType":"standardSales"
    "orderNumber":"P11278-3"}
}
"taxType":"cofins"
  "citation":"PIS/COFINS Lei n3 10.833/2003, Artigo 23"
  "citationId":"b476dea8-2442-4430-8854-3a794891bdef"
  "subtotalTaxable":838.62
  "rate":7.6
  "tax":63.74
  "exemptionCode":""
  "traceCode":"C006"
  "cst":"01"
  "calcMode":"rate"
  "isCustomCitation":false}
{"jurisdictionName":"Acre"
  "jurisdictionType":"State"
  "taxImpact":{"impactOnFinalPrice":"Included"
    "impactOnNetAmount":"Included","accounting":"Liability"}
}
"taxType":"icms"
  "citation":"ICMS/AC_Decreto n3 8/1998, Artigo 17, Par3grafo 23"
  "subtotalTaxable":838.62
  "rate":4
  "tax":33.54
  "exemptionCode":""
  "traceCode":"C006"
  "source":"1"
  "cst":"00"
  "modBC":"3"
}

```

The Customer Order Line/Tax Lines dialog will be updated with the data received from Avalara, including Tax Base Amount, IFS Tax Code (fetched based on the tax codes mapping set-up), Tax %, Tax Amount, CST Code, Legal Tax Class (for IPI taxes) and Tax Type Category.

×
Customer Order Line Tax Lines

Gross Amount	Net Amount	Tax Amount
838,62	727,50	111,12

☰ ▼ ⌵ + Set Default

	Tax Base Amount	Tax Code	Tax Type	Tax(%)	Tax Amount/Curr	Tax Amount/Base	CST Code	Legal Tax Class	Tax Type Category
⋮	838,62	BR COFINS-0	Tax	7,6	63,74	63,74	01		COFINS
⋮	838,62	BR ICMS-0	Tax	4	33,54	33,54	00		ICMS
⋮	838,62	BR IPI-0	Tax	0	0,00	0,00	51	999	IPI
⋮	838,62	BR PIS-0	Tax	1,65	13,84	13,84	01		PIS

OK
Cancel

11.5.1 Citation information in Customer Order level

In the Avalara response message, there is a placeholder called “Citation” which is information related to possible tax benefits applicable for the tax scenario, for example that the company might be subject to ICMS reduction benefits. The Citation information usually refers to the conditions in an article or paragraph to be observed in more details for possible application of said tax benefit.

```
"citation": "Subject to ICMS_Reduction Benefits: \\\"ICMS/SP_Decreto nº 45.490/2000, Anexo II, Artigo 66\\\"", "description": "Para aplicação do citado benefício fiscal pelo Artigo 51 e Anexo II, Artigo 66, RICMS/SP.", "isCustomCitation": false, "goods": {"subjectToIPIonInbound": false, "entityIcmsStSubstitute": "no"}, "LineNetFigure": [{"jurisdictionName": "Brazil", "jurisdictionType": "Country", "taxImpact": {"impactOnFinalPrice": "Included", "impactOnNetAmount": "Included", "accounting": "Liability"}},
```

```

"establishment":{}},
"Lines":{
  "LineCode":1
  "itemCode":"SARK01"
  "numberOfItems":10
  "lineUnitPrice":83.862
  "lineAmount":838.62
  "lineTaxedDiscount":0
  "useType":"production"
  "operationType":"standardSales"
  "orderNumber":"P11278-3"
  "taxType":"cofins"
  "citation":"PIS/COFINS Lei nº 10.833/2003, Artigo 2º"
  "citationId":"b476dea8-2442-4430-8854-3a794891bdef"
  "subtotalTaxable":838.62
  "rate":7.6
  "tax":63.74
  "exemptionCode":""
  "traceCode":"C006"
  "cst":"01"
  "calcMode":"rate"
  "isCustomCitation":false
  {"jurisdictionName":"Acre"
  "jurisdictionType":"State"
  "taxImpact":{"impactOnFinalPrice":"Included"
  "impactOnNetAmount":"Included","accounting":"Liability"}
  "taxType":"icms"
  "citation":"ICMS/AC Decreto nº 8/1998, Artigo 17, Parágrafo 2º"
  "subtotalTaxable":838.62
  "rate":4
  "tax":33.54
  "exemptionCode":""
  "traceCode":"C006"
  "source":"1"
  "cst":"00"
  "modBC":"3"

```

The Avalara “Citation Information” is saved as a “Note” on the Customer Order header and on the Customer Order lines.

Customer Order P11619 1 of 2

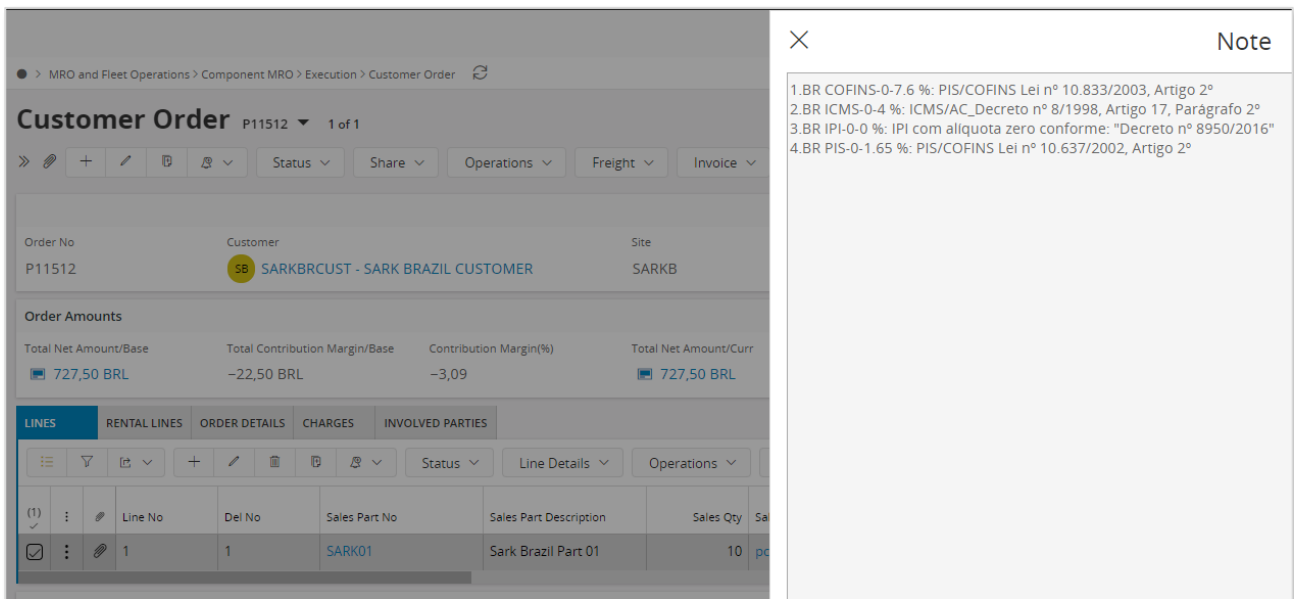
» + ✎ 📄 🔊 📄 Share Operations Invoice RMA Related Pages Copy Order Order History Sales Promotions

Order No	Customer	Site	Order Type	Wanted Delivery Date/Time
P11619	SB SARKBRCUST - SARK BRAZIL CUSTOMER	SARKB	NO	2021-08-18 00:00

Order Amounts					
Total Net Amount/Base	Total Contribution Margin/Base	Contribution Margin(%)	Total Net Amount/Curr	Total Tax Amount/Curr	Total Gross Amount/Curr
145,50 BRL	-4,50 BRL	-3,09	145,50 BRL	26,14 BRL	171,64 BRL

LINES	RENTAL LINES	ORDER DETAILS	CHARGES	INVOLVED PARTIES	
Coordinator	Currency	Customer's PO No	Additional Discount ...	Priority	Delivery Address HEAD OFFICE - SARK BRAZIL CUSTOMER
IA * - IFS Applications	BRL		0		
Reference	Agreement ID	Language Code	Final Consumer		Document Address HEAD OFFICE - SARK BRAZIL CUSTOMER
Salesperson	Add Rebate Customer	en - English	No		
Ordering Region	Ordering District	Market	Classification Stand...	Main Representative	Invoice Tax ID Tax ID Validated Date Tax Liability TAX Invoice Customer Addr ID
Limit Sales to Assort...	Order Net Weight	Order Volume	Document Text	Subject to ICMS_Reduction Ben...	

Subject to ICMS_Reduction Benefits:
"ICMS/SP Decreto nº 45.490/2000, Anexo II, Artigo 66" Para aplicação do citado benefício fiscal é necessário observar as condições determinadas pelo Artigo 51 e Anexo II, Artigo 66, RICMS/SP.



The screenshot shows the IFS Customer Order interface for order P11512. A 'Note' dialog box is open, displaying the following text:

```

1.BR COFINS-0-7.6 %: PIS/COFINS Lei nº 10.833/2003, Artigo 2º
2.BR ICMS-0-4 %: ICMS/AC_Decreto nº 8/1998, Artigo 17, Parágrafo 2º
3.BR IPI-0-0 %: IPI com allquota zero conforme: "Decreto nº 8950/2016"
4.BR PIS-0-1.65 %: PIS/COFINS Lei nº 10.637/2002, Artigo 2º
  
```

The background interface shows the following details:

- Customer Order:** P11512 (1 of 1)
- Order No:** P11512
- Customer:** SARKBRCUST - SARK BRAZIL CUSTOMER
- Site:** SARKB
- Order Amounts:**
 - Total Net Amount/Base: 727,50 BRL
 - Total Contribution Margin/Base: -22,50 BRL
 - Contribution Margin(%): -3,09
 - Total Net Amount/Curr: 727,50 BRL
- LINES Table:**

(1)	Line No	Del No	Sales Part No	Sales Part Description	Sales Qty	Sa
☑	1	1	SARK01	Sark Brazil Part 01	10	pc

Refer the Appendix 2 for the Avalara Request File Mapping details.

11.6 Create Customer Invoice

In Customer Order Invoice level, a new tax Calculated/Fetched is initiated resulting in new tax request being sent to Avalara under the following circumstances below:

- Invoice is created
- Invoice Qty is updated
- Invoice Price is updated
- Goods/Services Statistical Code is updated
- Acquisition Origin updated

Please note that in Brazilian localization, a new tax request is not initiated at the point when the invoice is printed/posted (as compared to IFS core). This is because of the no changes are allowed after Brazilian tax authority approved the electronic fiscal note.

The Customer Invoice Line/Tax Lines dialog will be updated with the data received from Avalara.

Refer the Appendix 2 to see the Avalara Request File Mapping details.

```

"establishment": {
  "name": "SH-BR-CUST",
  "federalTaxId": "13339532000209",
  "stateTaxId": "65369841653653",
  "suframa": "945214876",
  "taxRegime": "realProfit",
  "taxesSettings": {
    "icmsTaxPayer": false,
    "enableCprb": false,
    "usesInsscprbToGrossValue": false,
    "pisCofinsIcmsTaxRelief": false
  },
  "address": {
    "street": "Customer address 1",
    "zipcode": "06460-000",
    "cityCode": "3505708",
    "cityName": "Barueri",
    "state": "SP",
    "countryCode": "76",
    "country": "BRA"
  },
  "activitySector": {
    "type": "cnae",
    "code": "7452345"
  }
},
"invoicesRefs": [
  {
    "documentCode": "SH-BRAZIL202602-1",
    "found": false
  }
],
"eDocCreatorPerspective": true,
"accountId": "24196f38-adb3-49f0-8d6e-337e555d5779",
"subscriptionId": "0aa49b97-6be1-46b4-b271-f4efaa221f60",
"goods": {
  "class": "VENDA DE PRODUÇÃO DO ESTABELECIMENTO",
  "toIma": "1"
},
"additionalInfo": {
  "complementaryInfo": "IPI com alíquota zero conforme: \\\nDecreto nº 8950/2016\\\n\nPIS/COFINS Lei nº 10.637/2002, Artigo 2º\n\nPIS/COFINS Lei nº 10.833/2003, Artigo 2º\n\nICMS/SP Decreto nº 45.490/2000, Artigo 52, Inciso I"
}

```

11.6.1 Complementary information in CO Invoice

Complementary information (with reference to a specific law or regulation or to explain and prove that the taxes applied, and their rates, fulfill the Brazilian regulations) is sent in **additionalInfo** / **ComplementaryInfo** of the Avalara response JSON and saved as Invoice Text on header level of the Customer Invoice in "Preliminary" state.

Customer Invoice BRCUST1 - Brazilian Customer 1 - 202978 - CUSTORDDEB - P10608 2 of 3 Preliminary

Share Cancel Preliminary Invoice Posting Installation Plan and Discounts Notes Send Electronic Fiscal Note

Customer No	Customer Address Name	Series ID	Invoice No	Company	Site	Invoice Created	Order Created
BRCUST1	Brazilian Customer 1	PR	202978	EABR1	BRSA	2021-06-16	2021-05-14

Amounts					
Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
BRL	15200,00	15200,00	0,00	1	1

LINES GENERAL NFE INFORMATION HISTORY

Invoice Type		Invoice Address		Indicators		
CUSTORDDEB - Customer Order Invoice, Debit		1		Price Adjustment	Advance/Prepayment Invoice	Use Price Incl Tax
2021-06-16		Preliminary Invoice No		No	No	No
Our Reference		Customer Reference Name		Notes	Correction Exist	Correction Invoice
ALAIN PRESTON				No	No	No
Branch		Jinsui Status		Correction Reason ID		
A		Non Jinsui		Correction Reason		

Payment Delivery

References Invoice Text

Invoice Text ID Invoice Text

IPI com aliquota zero conforme: \ "Decreto nº 8950/2016\...

11.6.2 Handle Outgoing Fiscal Notes

Please read chapter “Outgoing Fiscal Notes” for description.

11.6.3 Create Postings

Please read chapter “Gross Revenue Accounting” and Appendix 2 for description.

11.7 Delimitations

This release only covers tax determination via integration to Brazilian external tax system for Customer Order sales and Customer Order invoicing of goods transactions. Scenarios supported in this release are:

- Interstate sale for ICMS tax payer
- Interstate sale for non ICMS tax payer
- Sale within the state

Supported tax types in this release are ICMS, ICMS Tax Substitution, PIS, COFINS and IPI.

Avalara is using 3 different calculation types, “Net”, “Gross” and “Final”. In this release, tax base amount on “Net” basis is supported.

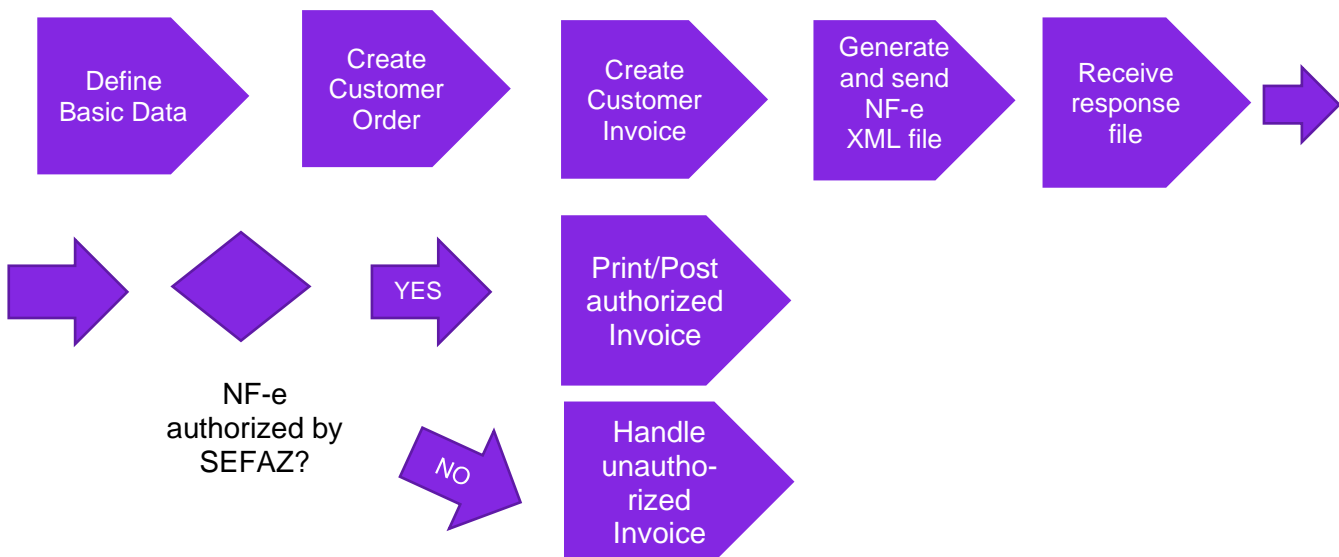
12 Outgoing Fiscal Notes

12.1 Overview Legal Requirement

In Brazil the Fiscal Note is a mandatory official document that must be issued to prove the existence of a commercial act, e.g. sale of goods. It's a tax document that registers transfer of ownership or possession of a good or commercial activity provided by a company to an individual or another company that is doing business in Brazil.

The NF-e is the Fiscal Note issued online, which allows real time reporting of transactions to the *Secretaria da Fazenda* (SEFAZ), which is the state government responsible for taxation and revenue. The NF-e must be sent to SEFAZ for authorization, and the goods may only be sent to the recipient after the Fiscal Note has been accepted by SEFAZ. A printed version of the Fiscal Note (DANFE) must accompany the goods during transportation.

12.2 Process Overview



12.3 Prerequisites

The company must be set-up to use Brazilian localization, see the Company Set-Up chapter, and the “Outgoing Fiscal Notes” parameter must be enabled.

Note that also parameters “Acquisition Origin”, “Business Operation”, “Address Specific Tax ID Numbers”, “Goods/Services Statistical Codes”, “Extended Tax Codes Tax Calculation Structures set-up” and “Use Automatic Generation of Official Invoice Numbers” must be enabled to fulfill data requirements for the NF-e XML file. Please see the specific chapters on how to set up the data needed.

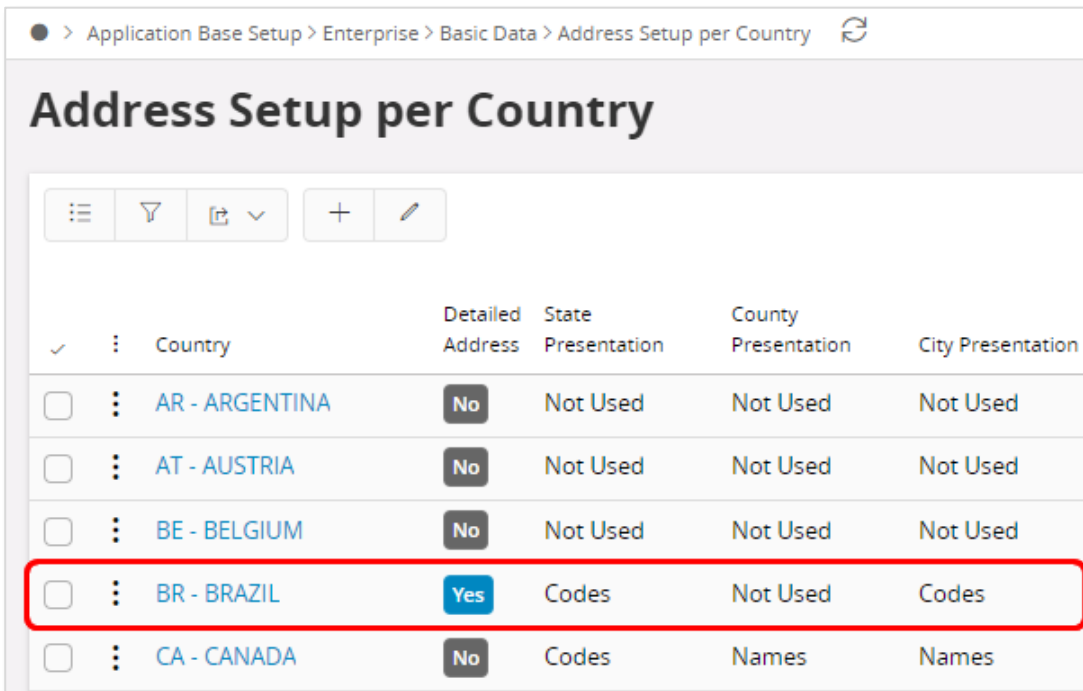
12.4 Define Basic Data

In order to fulfill the requirements for mandatory data in the NF-e XML sent to tax authority SEFAZ, please see details in the documentation of the xml file structure and mapping to IFS in the Appendix chapter.

Above the data set-up mentioned in the *Prerequisites* chapter, also the set-up described in below chapters must be made:

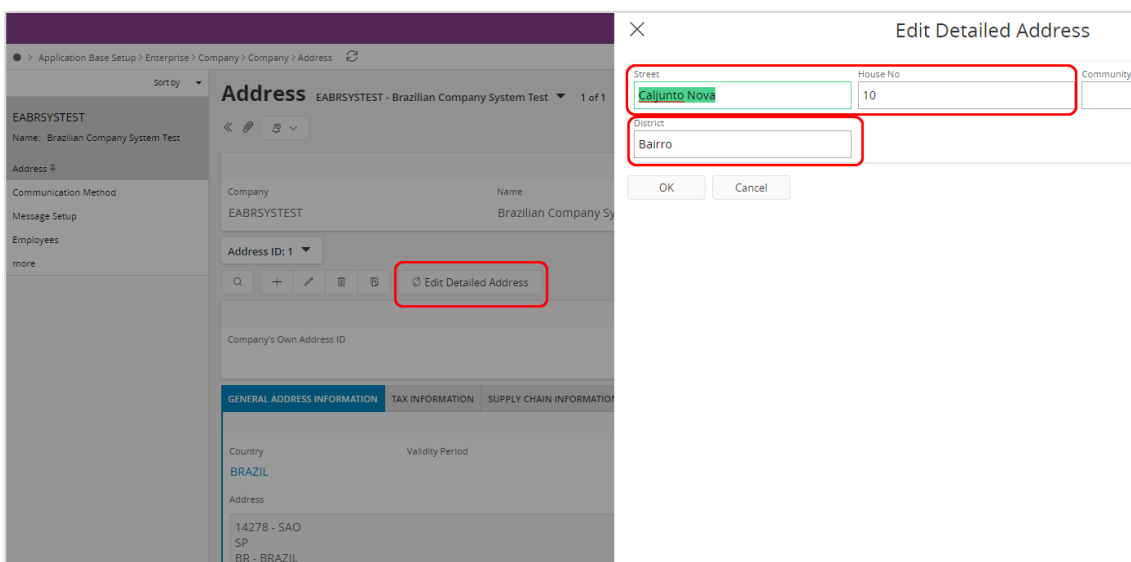
12.4.1 Address Setup Brazil

Use IFS standard functionality to define settings for Brazilian addresses in page *Application Base Setup/Enterprise/Basic Data/Address Setup per Country*. Detailed Address must be used to be able to store and fetch the address information needed for the Fiscal Note.



Country	Detailed Address	State Presentation	County Presentation	City Presentation
AR - ARGENTINA	No	Not Used	Not Used	Not Used
AT - AUSTRIA	No	Not Used	Not Used	Not Used
BE - BELGIUM	No	Not Used	Not Used	Not Used
BR - BRAZIL	Yes	Codes	Not Used	Codes
CA - CANADA	No	Codes	Names	Names

The detailed address makes it possible to enter **Street**, **House No** and **District** in specific address fields on Company, Customer etc. This is required in the NF-e xml file.



Edit Detailed Address

Street: House No: Community:

District:

OK Cancel

12.4.2 ICMS Tax Payer

If the option **ICMS Tax Payer** in the *Sales/Customer/Customer/Address/Delivery Tax Information* tab is enabled, it indicates that the customer is an ICMS tax payer for the specific address ID.

Address DU:BR-1 - DU:BR-1 ▾ 1 of 1

<< ✎

Customer	Name
DU:BR-1	DU:BR-1

Address ID: BR:AD:1 ▾

🔍 + ✎ 🗑️ 📄

Customer's Own Address ID	Customer Name
BR:AD:1	

GENERAL ADDRESS INFORMATION | **DELIVERY TAX INFORMATION** | DOCUMENT TAX INFORMATION

Company: DU:BRAZIL-01 - DU:BRAZIL-01 ▾

🔍 + ✎ 🗑️ 📄 IPD Tax Information

Tax Withholding	Tax Rounding Method
Blocked	▾ Round to the Nearest
Exclude from Spesometro Declaration	Icms Tax Payer
<input type="checkbox"/>	<input checked="" type="checkbox"/>

The setting controls which value to be included in the NF-e XML file, block “dest” and tag “indIEDest”.

```

- <dest>
  <CNPJ>98741254112145</CNPJ>
  <xNome>Brazilian Customer 1</xNome>
  - <enderDest>
    <xLgr>Rio Grande</xLgr>
    <nro>8</nro>
    <xBairro>RIO</xBairro>
    <cMun>1578</cMun>
    <xMun>Rio de Janeiro</xMun>
    <UF>RJ</UF>
    <CEP>14254</CEP>
    <cPais>1058</cPais>
    <xPais>BRAZIL</xPais>
    <fone>023144445</fone>
  </enderDest>
  <indIEDest>2</indIEDest>
  <IE/>
  <email>john.smith@ifsworld.com</email>
</dest>

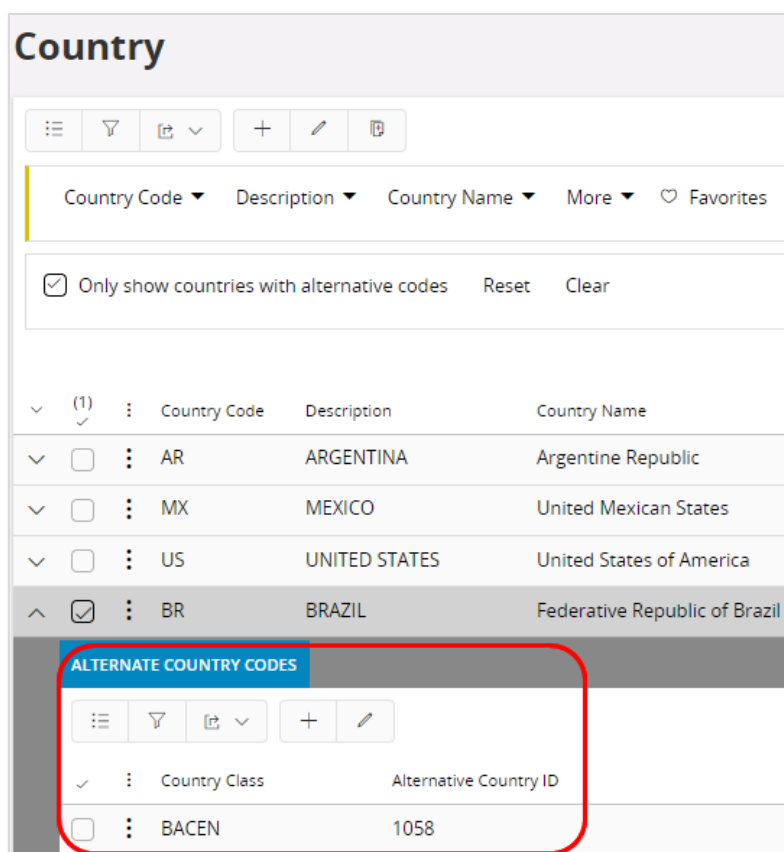
```

- If the customer is from abroad (Customer Invoice Document Address is not “Brazil”, the tag will be = **9** (not Tax Payer)
- If the customer is ICMS Tax Payer and no Tax Id Type STATE_REG (State Registration) is defined for Customer Invoice Document Address, the tag will be = **2** (Tax Payer without state registration).
- If the customer is ICMS Tax Payer and has Tax Id Type STATE_REG (State Registration) defined for the Customer Invoice Document Address, the tag will be = **1** (Tax Payer with state registration)
- If the customer is not an ICMS Tax Payer, the tag will be = **9** (not Tax Payer)

12.4.3 BACEN codes (Non-ISO country codes)

BACEN Code is a country code provided by the Brazilian Central Bank (Banco Central do Brasil). The BACEN codes of the issuing company and receiving party will be included in the NF-e XML file.

Use IFS standard functionality to enter the BACEN codes in the *Application Base Setup/System Setup/ISO Code Usage/Country* page. For Brazil the Country Class “BACEN” must be used to fetch values to the NF-e XML file.



The screenshot shows the 'Country' configuration page in IFS. The main table lists countries with columns for Country Code, Description, and Country Name. The 'BR' row is expanded to show 'ALTERNATE COUNTRY CODES'.

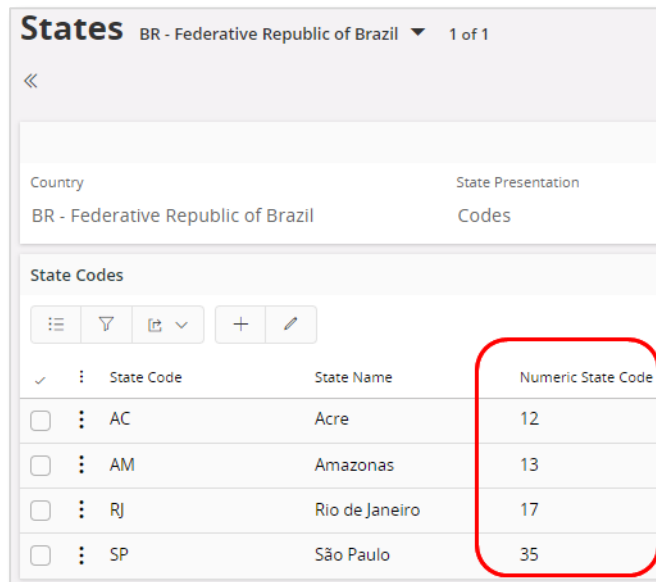
Country Code	Description	Country Name
AR	ARGENTINA	Argentine Republic
MX	MEXICO	United Mexican States
US	UNITED STATES	United States of America
BR	BRAZIL	Federative Republic of Brazil

Country Class	Alternative Country ID
BACEN	1058

12.4.4 IBGE State Codes (Numeric State Codes)

The IBGE state code specified by the Brazilian Institute of Geography and Statistics is needed in the NF-e XML for the issuer address.

Use IFS standard functionality to enter the numeric state codes in the *Application Base Setup/Enterprise/Basic Data/States* page.



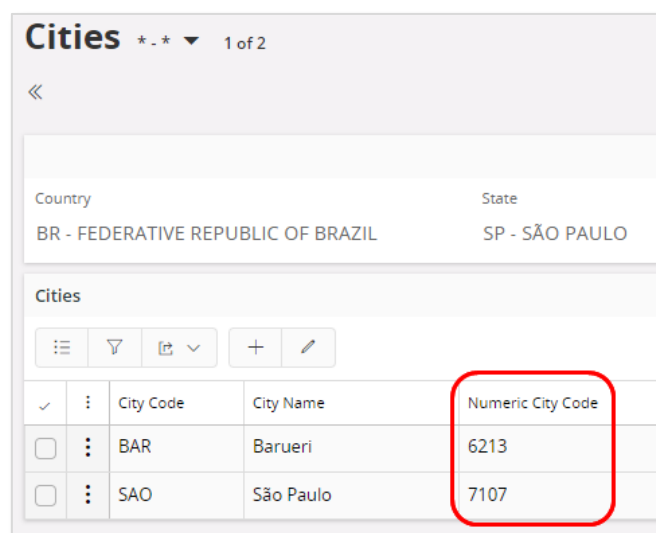
Country	State Presentation
BR - Federative Republic of Brazil	Codes

State Code	State Name	Numeric State Code
AC	Acre	12
AM	Amazonas	13
RJ	Rio de Janeiro	17
SP	São Paulo	35

12.4.5 IBGE City Codes (Numeric City Codes)

The IBGE state code specified by the Brazilian Institute of Geography and Statistics is needed in the NF-e XML for both the issuer and the receiver address.

Use IFS standard functionality to enter the numeric city codes in the *Application Base Setup/Enterprise/Basic Data/Cities* page.



Country	State
BR - FEDERATIVE REPUBLIC OF BRAZIL	SP - SÃO PAULO

City Code	City Name	Numeric City Code
BAR	Barueri	6213
SAO	São Paulo	7107

12.4.6 Final consumer

In the NF-e XML file there is a mandatory tag for “Final Consumer” (indFinal) with value Yes or No.

In the *Sales/Order/ Customer Order/ Order Details* tab an option with default value NO has been added. The option is to be manually enabled by the user if some criteria specified by the Brazilian authorities are met, e.g:

- The customer is a physical party (and not juridical)
- The order value is not greater than an amount in BRL specified by the Brazilian authorities
- Depending on type of sales operation

Customer Order P10452 ▾ 5 of 24+

Share ▾
Operations ▾
Invoice ▾
RMA ▾
Related Pages ▾
Copy Order

Order No	Customer	Site	Order Type
P10452	BC BRCUST1 - Brazilian Customer 1	BR1	NO

Order Amounts				
Total Net Amount/Base	Total Contribution Margin/B...	Contribution Margin(%)	Total Net Amount/Curr	Total Tax Amount/Curr
1400,00 BRL	480,00 BRL	34,29	1400,00 BRL	300,00 BRL

LINES	RENTAL LINES	ORDER DETAILS	CHARGES	INVOLVED PARTIES	
Coordinator	Currency	Customer's PO No	Additional Discou...	Priority	Delivery Address
AP ALAIN - Alain Prost	BRL	0			Delivery Address 1 - Brazilian Custo
Reference	Agreement ID	Language Code	Final Consumer		Document Address
		en - English	No		Document Address
Salesperson	Add Rebate Customer	Main Representative			

```

- <NFe xmlns:xs="http://www.w3.org/2001/XMLSchema" xmlns:xsi="http://www.w
- <infNFe versao="4" Id="35210612345679123450650090000100021002029788">
- <ide>
  <cUF>35</cUF>
  <cNF>00202978</cNF>
  <nat Op>Vendas</nat Op>
  <mod>65</mod>
  <serie>009</serie>
  <nNF>000010002</nNF>
  <dhEmi>2021-06-21T15:55:00+00:00</dhEmi>
  <dhSaiEnt>2021-06-21T15:55:00+00:00</dhSaiEnt>
  <tpNF>1</tpNF>
  <idDest>2</idDest>
  <cMunFG>50308</cMunFG>
  <tpImp>1</tpImp>
  <tpEmis>1</tpEmis>
  <cDV>8</cDV>
  <tpAmb>2</tpAmb>
  <finNFe>1</finNFe>
  <indFinal>0</indFinal>
  <indPres>1</indPres>
  <procEmi>0</procEmi>
  <verProc>4</verProc>
</ide>
- <emit>
  <CNPJ>12.345.679/1234-50</CNPJ>
  <xNome>Brazilian Company 1</xNome>
- <enderEmit>

```

12.4.7 Presence Type

In the NF-e XML file there is a mandatory tag for “Presence Type” (indPres). The “Presence Type” value is fetched from the Business Transaction Code selected for the Customer Order referenced on the Customer Order Invoice.

Business Transaction Codes

Business Transaction Id	Description	Direction	Presence Type	Acquisition Reason Id
100	Domestic Sales - Use and	Outbound	Presence-Onsite	2
110	Sales without taxes	Outbound	Internet	
130	Triangular sales	Outbound	Phone	

Not Applied: 0

Presence-Onsite: 1

Internet: 2

Phone: 3

Presence-Offsite: 5

Non-Presence: 9

```

- <NF-e xmlns:xs="http://www.w3.org/2001/XMLSchema" xmlns:xsi="http://www.w
- <infNFe versao="4" Id="35210612345679123450650090000100021002029788">
  - <ide>
    <cUF>35</cUF>
    <cNF>00202978</cNF>
    <natOp>Vendas</natOp>
    <mod>65</mod>
    <serie>009</serie>
    <nNF>000010002</nNF>
    <dhEmi>2021-06-21T15:55:00+00:00</dhEmi>
    <dhSaiEnt>2021-06-21T15:55:00+00:00</dhSaiEnt>
    <tpNF>1</tpNF>
    <idDest>2</idDest>
    <cMunFG>50308</cMunFG>
    <tpImp>1</tpImp>
    <tpEmis>1</tpEmis>
    <cDV>8</cDV>
    <tpAmb>2</tpAmb>
    <finNFe>1</finNFe>
    <indFinal>0</indFinal>
    <indPres>1</indPres>
    <procEmi>0</procEmi>
    <verProc>4</verProc>
  </ide>
  - <emit>
    <CNPJ>12.345.679/1234-50</CNPJ>
    <xNome>Brazilian Company 1</xNome>
  - <enderEmit>

```

12.4.8 Complementary information in NF-e

Complementary information related to the Fiscal Note is needed to explain to the tax authorities how taxes in different scenarios have been calculated and to show that you as a taxpayer follow the tax laws. The complementary information can refer to a specific law or regulation or to explain and prove that the taxes applied, and their rates, fulfill the Brazilian regulations.

Use IFS standard functionality to connect pre-defined Invoice Text ID:s or to enter free text in the *Sales/Invoicing/Customer Invoice/General* tab for the Customer Invoice in status "Preliminary".

Customer Invoice

BRCUST1 - Brazilian Customer 1 - 202310 - CUSTORDDEB - P10596
1 of 3
Preliminary

Cancel Preliminary Invoice
Posting
Installation Plan and Discounts
Notes
Send Electronic Fiscal Note

Customer No	Customer Address Name	Series ID	Invoice No	Company	Site	Invoice Created	Order Created
BC BRCUST1	Brazilian Customer 1	PR	202310	EABR1	BRSA	2021-05-10	2021-05-10

Amounts					
Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
BRL	15439,31	15200,00	239,31	1	1

LINES

GENERAL

NF-E INFORMATION

HISTORY

Invoice Type
CUSTORDDEB - Customer Order Invoice, Debit

Invoice Date
2021-05-10

Our Reference
ALAIN PRESTON

Branch
A

Invoice Address
1

Preliminary Invoice No
202310

Customer Reference Name

Customer Branch

Jinsui Status
Non Jinsui

Indicators

Price Adjustment: No

Advance/Prepayment Invoice: No

Use Price Incl Tax: No

Notes: No

Correction Exist: No

Correction Invoice: No

Correction Reason ID:

Correction Reason:

Payment

References

Order No: P10596

Debit/Corr Invoice Series:

SBI Ref No:

Delivery

Invoice Text

Invoice Text ID:

Invoice Text:

Q Find Clear

1 (Text id)
General complementary text to be included in all fiscal notes (Text)
FALSE (Ending Text)

Customer Invoice BRCUST1 - Brazilian Customer 1 - 202978 - CUSTORDDEB - P10608 2 of 3 Preliminary

Cancel Preliminary Invoice Posting Installation Plan and Discounts Notes Send Electronic Fiscal Note

Customer No	Customer Address Name	Series ID	Invoice No	Company	Site	Invoice Created	Order Created
BRCUST1	Brazilian Customer 1	PR	202978	EABR1	BRSA	2021-06-16	2021-05-14

Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
BRL	15200,00	15200,00	0,00	1	1

LINES GENERAL NF-E INFORMATION HISTORY

Invoice Type	Invoice Address	Price Adjustment	Advance/Prepayment Invoice	Use Price Incl Tax
CUSTORDDEB - Customer Order Invoice, Debit	1	No	No	No
Invoice Date	Printed Date	Notes	Correction Exist	Correction Invoice
2021-06-16		No	No	No
Our Reference	Customer Reference	Correction Reason ID	Correction Reason	
ALAIN PRESTON				
Branch	Customer Branch	Jinsui Status		
A		Non Jinsui		

Payment Delivery

References

Order No	Shipment ID	RMA No
P10608		

Invoice Text

Invoice Text ID	Invoice Text
	Material segue para amostra, sem retorno.;Isento de IC...

The complementary information entered as Invoice Text on the Customer Invoice is fetched to the NF-e XML file and added in the **infAdic** block and tag "infCpl".
 With an integration to 3rd party tax determination engine for Brazilian taxes enabled, this complementary information can be received in the response file and automatically saved as Invoice Text on the Customer Invoice.

```

- <transp>
- <vol>
  <pesoL>0</pesoL>
  <pesoB>0</pesoB>
</vol>
</transp>
- <cobr>
- <fat>
  <nFat>202978</nFat>
  <vOrig>15200</vOrig>
  <vDesc>0</vDesc>
  <vLiq>15200</vLiq>
</fat>
</cobr>
- <pag>
- <det pag>
  <tPag>99</tPag>
  <vPag>15200</vPag>
</det pag>
</pag>
- <infAdic>
  <infCpl>Material segue para amostra, sem retorno.;Isento de ICMS nos termos do Art. 3. do Anexo I do livro VI do Dec. n. 45.490/00 - RICMS - SP</infCpl>
</infAdic>
</infNFe>
</NFe>
  
```

12.4.9 Invoice series used for NF-e

Enable the toggle "Used for NF-e" in the *Financials/Customer Invoice/Basic Data/Invoice Series* page for the invoice serie used for invoicing of customer order delivery of goods. This setting will add value "55 = NF-e" in the corresponding xml tag for generated electronic fiscal notes.

Invoice Series

Series ID: PR,II,PJ,SI Description Voucher Type More Favor

✓	:	Series ID	Description	Used for NF-e	Voucher Type
<input type="checkbox"/>	:	SI	Manual Supplier Invoice	No	
<input type="checkbox"/>	:	PR	Preliminary Customer Invoice	Yes	
<input type="checkbox"/>	:	PJ	Project Invoices	No	
<input type="checkbox"/>	:	II	Instant Customer Invoice	No	

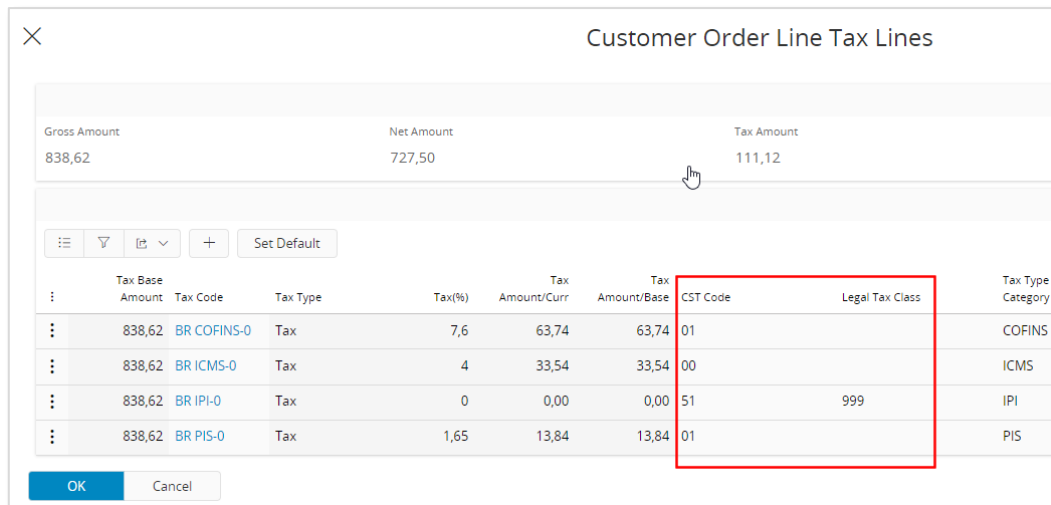
12.5 Create Customer Order

Create the Customer Order using IFS standard functionality and process it further until the order reaches status “Delivered”. A Customer Order Type which stops the processing before the “Print Invoice” event is performed must be used.

✓	:	Events	Stop After
<input type="checkbox"/>	:	RELEASE ORDER	No
<input type="checkbox"/>	:	PRINT ORDER CONFIRMA	No
<input type="checkbox"/>	:	RESERVE ORDER	No
<input type="checkbox"/>	:	CREATE PICK LIST	No
<input type="checkbox"/>	:	PRINT PICK LIST	No
<input type="checkbox"/>	:	REPORT PICKING	No
<input type="checkbox"/>	:	DELIVER ORDER	No
<input type="checkbox"/>	:	CREATE DELIVERY NOTE	No
<input type="checkbox"/>	:	PRINT DELIVERY NOTE	No
<input type="checkbox"/>	:	CREATE INVOICE	Yes
<input type="checkbox"/>	:	PRINT INVOICE	No

Tax Lines information can be automatically fetched from integration to 3rd party Avalara Brazil if LCC parameter “Tax Determination via Integration to Brazilian External Tax System” is enabled or using the core Tax Calculation Structures functionality together with enabled LCC parameter for “Extended Tax Codes and Tax Calculation Structures set-up”.

Applicable CST Code and Legal Tax Class (only for IPI taxes) should be manually entered if not automatically received in the integration to Avalara Brazil, as it’s mandatory information for the electronic Fiscal Note to be sent to the Brazilian tax Authority. These values will be transferred to the Customer Invoice in the next step of the process.



Customer Order Line Tax Lines

Gross Amount	Net Amount	Tax Amount
838,62	727,50	111,12

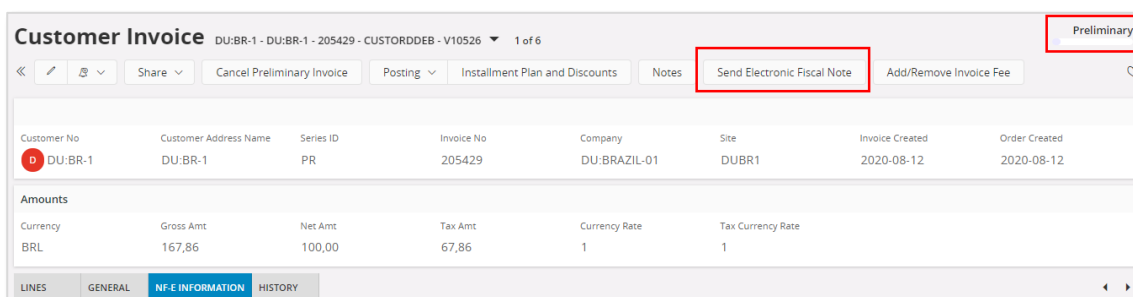
Tax Base Amount	Tax Code	Tax Type	Tax(%)	Tax Amount/Curr	Tax Amount/Base	CST Code	Legal Tax Class	Tax Type Category
838,62	BR COFINS-0	Tax	7,6	63,74	63,74	01		COFINS
838,62	BR ICMS-0	Tax	4	33,54	33,54	00		ICMS
838,62	BR IPI-0	Tax	0	0,00	0,00	51	999	IPI
838,62	BR PIS-0	Tax	1,65	13,84	13,84	01		PIS

12.6 Create Customer Invoice

Create the Customer (Order) Invoice in Preliminary state using IFS standard functionality.

12.7 Generate and Send NF-e XML File

Once the “Preliminary” CO Invoice is created, use the command **Send Electronic Fiscal Note** to generate the NF-e XML. (When the command **Send Electronic Fiscal Note** is enabled, the IFS standard command **Print Invoice** will be disabled.)



Customer Invoice DU:BR-1 - DU:BR-1 - 205429 - CUSTORDDEB - V10526 1 of 6 Preliminary

Buttons: Share, Cancel Preliminary Invoice, Posting, Installation Plan and Discounts, Notes, **Send Electronic Fiscal Note**, Add/Remove Invoice Fee

Customer No	Customer Address Name	Series ID	Invoice No	Company	Site	Invoice Created	Order Created
DU:BR-1	DU:BR-1	PR	205429	DU:BRAZIL-01	DUBR1	2020-08-12	2020-08-12

Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
BRL	167,86	100,00	67,86	1	1

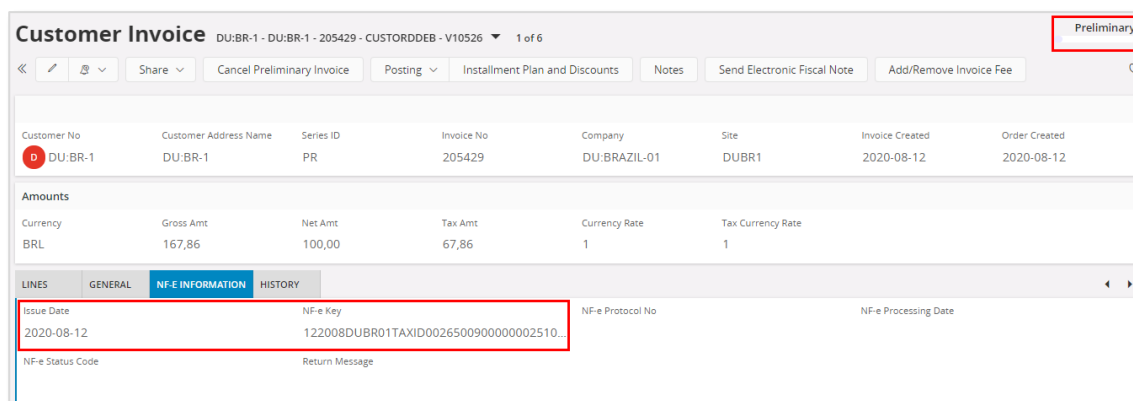
Tabs: LINES, GENERAL, **NF-E INFORMATION**, HISTORY

Every NF-e XML generated is assigned a unique identification number as the “NF-e Key” following a logic defined by the authorities. The identification number is saved in the new *Customer Invoice/NF-e Information* tab, field “NF-e Key”. With this key every individual Fiscal Note can be identified, and it’s also used to match the SEFAZ response to the right IFS Customer Invoice.

The 44 character NF-e Key is composed according to the description in the below table:

Data item	Description	Number of characters
cUF	State Code of Issuer	2
AAMM	Year and Month from Issuing Date of Fiscal note	4
CNPJ	CNPJ registration of Issuer	14
Mod	Fiscal Note model from Fiscal Note	2
Serie	Fiscal Note Series from Fiscal Note	3 (left zeros are used if series is less than 3 positions)
nNF	Fiscal Note Number from Fiscal Note	9 (left zeros are used if series is less than 9 positions)
tpEmis	Emission Type from Fiscal Note (=1)	1
cNF	IFS Invoice No	8 (left zeros are used if series is less than 8 positions)
cDV	Check digit (calculation logic provided by the tax authority)	1

The date in the field “Issue Date” is automatically set when the user selects the command “Send Electronic Fiscal Note”. In case the fiscal note is not authorized by the tax authority, the user needs to do some adjustments and send it again. The new “Issue Date” will then overwrite the previous one at the time the new NF-e XML is created.



In this process IFS Cloud will produce an IFS style XML file which is generated to integrate with a 3rd party solution provider. The 3rd party service provider will convert the IFS style XML file into the official NF-e XML layout and can also add a digital signature to the file. The 3rd party solution provider will communicate the file to the Brazilian Tax Authority (SEFAZ).

```

<NFe xmlns="http://www.portalfiscal.inf.br/nfe" xmlns:xsi="http://www.w3.org/200
- <infNFe Id="35201115257504000105650090000100161002104318" versao="4">
  - <ide>
    <cUF>35</cUF>
    <cNF>00210431</cNF>
    <natOp>Vendas</natOp>
    <mod>65</mod>
    <serie>009</serie>
    <nNF>000010016</nNF>
    <dhEmi>2020-11-12T08:24:19+00:00</dhEmi>
    <dhSaiEnt>2020-11-12T08:24:19+00:00</dhSaiEnt>
    <tpNF>1</tpNF>
    <idDest>2</idDest>
    <cMunFG>7107</cMunFG>
    <tpImp>1</tpImp>
    <tpEmis>1</tpEmis>
    <cDV>8</cDV>
    <tpAmb>2</tpAmb>
    <finNFe>1</finNFe>
    <indFinal>0</indFinal>
    <indPres>2</indPres>
    <procEmi>0</procEmi>
    <verProc>4</verProc>
  </ide>
  - <emit>
    <CNPJ>15257504000105</CNPJ>
    <xNome>Brazilian Company System Test</xNome>
    - <enderEmit>
      <xLgr>Caljunto Nova</xLgr>
      <nro>10</nro>
      <xBairro>Bairro</xBairro>
      <cMun>7107</cMun>
      <xMun>SAO</xMun>
      <UF>SP</UF>
      <CEP>14278</CEP>
      <cPais>1058</cPais>
      <xPais>BRAZIL</xPais>
    </enderEmit>
    <IE>123456</IE>
    <CRT>3</CRT>
  </emit>
  - <dest>
    <CNPJ>98741254112145</CNPJ>
    <xNome>Brazilian Customer 1</xNome>
    - <enderDest>
      <xLgr>Rio Grande</xLgr>
      <nro>8</nro>
      <xBairro>RIO</xBairro>
      <cMun>1578</cMun>
      <xMun>Rio de Janeiro</xMun>
      <UF>RJ</UF>
      <CEP>14254</CEP>
      <cPais>1058</cPais>
      <xPais>BRAZIL</xPais>
      <fone>023144445</fone>
    </enderDest>
    <indIEDest>2</indIEDest>
    <IE/>
    <email>john.smith@ifsworld.com</email>
  </dest>
  - <det nItem="1">
    - <prod>
      <cProd>181</cProd>
      <cEAN>9300617000020</cEAN>
      <xProd>Garage door handle, Belucci design</xProd>
      <NCM>74081100</NCM>
    </prod>
  </det>
</infNFe>

```

12.8 Receive Response File

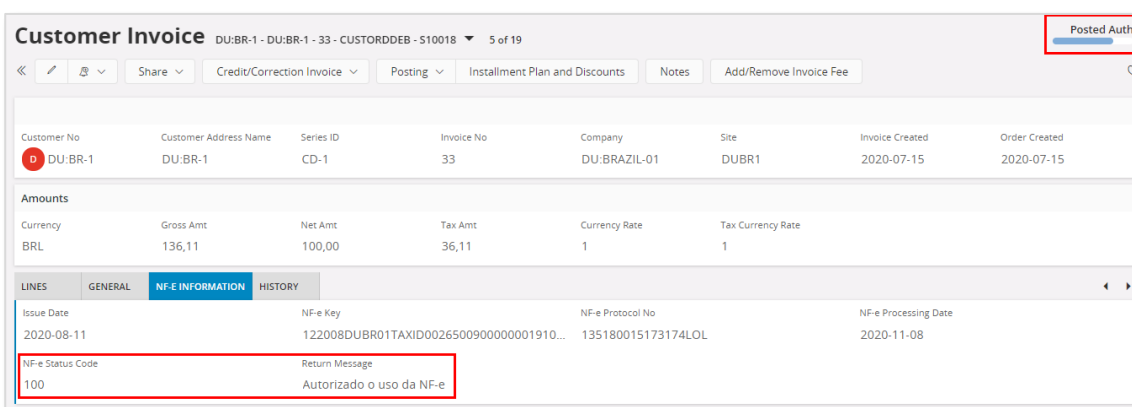
The Brazilian tax authority SEFAZ will in real time validate the received NF-e XML file and send back a response XML which must be received by IFS prior to the physical release of goods.

Similar to the sending of XML process, 3rd party service provider will receive the response file from SEFAZ first and send the response information to IFS in the IFS style XML layout.

Once the IFS style XML response is received from the 3rd party service provider, IFS reads the file and recognize the correct CO Invoice by validating the “Nf-e Key”.

Then the newly introduced “NF-e Information” tab will be updated with the values from xml file.

SEFAZ Status Code “100” indicates the response file is approved and these invoices are automatically printed and set to status “PostedAuth”.



The screenshot shows the 'Customer Invoice' interface for invoice DU:BR-1. The 'NF-e INFORMATION' tab is active, displaying the following details:

Customer No	Customer Address Name	Series ID	Invoice No	Company	Site	Invoice Created	Order Created
DU:BR-1	DU:BR-1	CD-1	33	DU:BRAZIL-01	DUBR1	2020-07-15	2020-07-15

Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
BRL	136,11	100,00	36,11	1	1

Issue Date	NF-e Key	NF-e Protocol No	NF-e Processing Date
2020-08-11	122008DUBR01TAXID002650090000001910...	135180015173174LOL	2020-11-08

NF-e Status Code	Return Message
100	Autorizado o uso da NF-e

```
<?xml version="1.0" encoding="UTF-8"?>
- <SOAP-ENV:Envelope xmlns:SOAP-ENV="http://schemas.xmlsoap.org/soap/envelope/">
  - <SOAP-ENV:Header>
    - <fndcn:Message xmlns:fndcn="urn:ifsworld-com:schemas:fndcn" SOAP-ENV:mustUnderstand="1">
      <fndcn:Type>CONNECT</fndcn:Type>
      <fndcn:Function>NFE_RESPONSE</fndcn:Function>
      <fndcn:Sender/>
      <fndcn:Receiver/>
      <fndcn:SentAt/>
      <fndcn:ExpiresAt/>
    </fndcn:Message>
  </SOAP-ENV:Header>
  - <SOAP-ENV:Body>
    - <NFE_RESPONSE xmlns="urn:ifsworld-com:schemas:receive_nfe_response_service_receive_nfe_response_request">
      <FNE_STATE_ID>35190804106230000190550090000058191000006895</FNE_STATE_ID>
      <FNE_ENVIRONMENT>2</FNE_ENVIRONMENT>
      <FNE_STATE_DATE>15/01/2019</FNE_STATE_DATE>
      <FNE_STATE_USE>135190000261186</FNE_STATE_USE>
      <FNE_SEFAZ_STATUS_CODE>100</FNE_SEFAZ_STATUS_CODE>
      <FNE_RETURN_MESSAGE>Autorizado o Uso da NF-e</FNE_RETURN_MESSAGE>
    </NFE_RESPONSE>
  </SOAP-ENV:Body>
</SOAP-ENV:Envelope>
```

SEFAZ responses with any other status codes will not be further processed (neither automatically nor through manual commands) and the Customer Invoice will remain in status “Preliminary”.

Customer Invoice DU:BR-1 - DU:BR-1 - 204915 - CUSTORDDEB - V10513 4 of 6 Preliminary

Share Cancel Preliminary Invoice Posting Installation Plan and Discounts Notes Send Electronic Fiscal Note Add/Remove Invoice Fee

Customer No	Customer Address Name	Series ID	Invoice No	Company	Site	Invoice Created	Order Created
DU:BR-1	DU:BR-1	PR	204915	DU:BRAZIL-01	DUBR1	2020-07-10	2020-07-10

Amounts					
Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
BRL	136,11	100,00	36,11	1	1

LINES	GENERAL	NF-E INFORMATION	HISTORY
Issue Date		NF-e Key	NF-e Protocol No
2020-07-10		351810DUBR01TA111111204915	135180015173174LOL
			NF-e Processing Date
			2020-07-13
NF-e Status Code		Return Message	
110		Declined	

12.9 Print/Post Authorized Customer Invoice

Once the NF-e XML has been approved by the tax authority the Customer Invoice is automatically further processed to status “Posted/Auth”. The **Send Electronic Fiscal Note** command will no longer be available.

It’s only the SEFAZ NF-e status “Approved” Preliminary Invoices which are possible to further process and print.

12.10 Handle Unauthorized Fiscal Note

In case if the NF-e XML is not approved the CO Invoice will remain in status Preliminary. NF-e Status Codes “110” indicates the file is declined and the NF-e Status Code “999” indicates the file has errors.

12.11 Delimitations

- In this version, Outgoing Fiscal Note is not supported in *Instant Invoice* and *Project Invoice* flows.
- Outgoing Fiscal Note is supported only in the CO flow and supports only the basic functionalities in CO flow.
- The process for handling unauthorized fiscal notes will be supported from the next release.

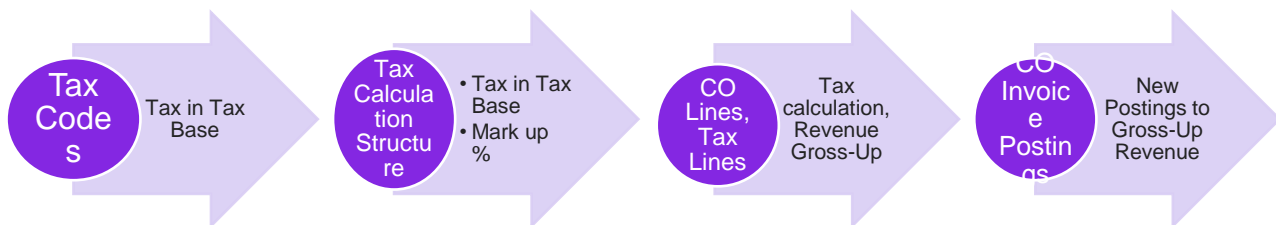
13 Gross Revenue Accounting

13.1 Overview Legal Requirement

In Brazil it's a legal requirement to post revenues including taxes. The requirement is to post gross amounts on the CO Invoice to a revenue account.

In Brazil, usually prices contain ICMS/PIS/COFINS/ISS taxes. This means that tax percentage is expressed for the gross price where sum of tax amounts of the aforesaid tax types also become a portion of the tax base amount. When it comes to the revenue accounting, it's the Gross Revenue which should be disclosed in the Profit & Loss Account.

13.2 Process Overview



- In Tax Codes page newly introduced a column, “Tax in Tax Base”, to facilitate Inclusion of taxes to the tax base amount. *(Explained in a separate chapter)*
- In Tax Calculation Structures page introduced two new columns, “Tax in Tax Base” and “Mark up (%)” functionality. *(Explained in a separate chapter)*
- CO Line and the CO Tax Lines indicate the tax amount calculated according to the new way of tax calculation
- CO Invoice lines and CO Invoice Tax Lines indicate the tax amount calculated according to the new way of tax calculation
- In CO Invoice postings, include two new postings to gross-up the revenue.

13.3 Prerequisites

The company must be set-up to use Brazilian localization, see chapter Company Set up, and the parameter “Gross Revenue Accounting” must be enabled.

13.4 Tax in Tax Base

Tax in Tax Base concept explained how the taxes are included in the Tax Base Amount. To facilitate this requirement, new LCC Parameter, “Extended Tax Codes and Tax Calculation Structures set-up” introduced, and the concept of Tax in Tax Base calculations and the IFS Solution explained in detail in the previous chapter.

13.5 Revenue Gross-up in Customer Order Line level

13.5.1 Sales price without tax in all price sources

In Brazilian context, taxes are included in the Tax Base Amount and the sales price should be able to define exclusive of taxes in all sales pricing sources. To comply with this requirement, Brazilian companies need to define price without tax in all the price sources like Sales Part, Price Lists, Customer Agreements.

Sales Part DU:BR:INV:1 - DU:BR:INV:1 - DUBR1 1 of 1

Inventory Part Availability Planning Complementary Parts Substitut

Sales Part No	Part Description in Use	Site
DU:BR:INV:1	DU:BR:INV:1	DUBR1

GENERAL	DESCRIPTIONS	CHARACTERISTICS	CHARGES	MAINTENANCE	PART SPECIFIC OVERHEADS
Inventory Part					Sourcing
Unit Of Measure					Grouping
Pricing					Tax
Price	Price Including Tax	Tax Code			
100.00 BRL	100.00 BRL	0 - TAX 0%			
Expected Average Price	Rental Price	Delivery Type			
	0.00 BRL				

13.5.2 Customer Order Line Level

When creating a Customer Order, in line level, "Price inclusive of Tax" is calculated based on the Tax Calculation Structure set up, "Tax in Tax Base". If the "Tax in Tax Base" is set to "Yes", Tax Base Amount is calculated with inclusion of tax and the corresponding tax amount will be calculated accordingly.

Customer order line is created with the net amount 100.00

Customer Order V10204

Status Share Operations Freight Invoice Related Pages Copy Order Order History

Order No	Customer	Site	Order Type	Wanted Delivery Date/Ti...
V10204	D DU:BR-1 - DU:BR-1	DUBR1	NO	2/17/20, 12:00 AM

Order Amounts					
Total Net Amount/Base	Total Contribution Margi...	Contribution Margin(%)	Total Net Amount/Curr	Total Tax Amount/Curr	Total Gross Amount/Curr
100.00 BRL	0.00 BRL	0.00	100.00 BRL	11.11 BRL	111.11 BRL

LINES	RENTAL LINES	ORDER DETAILS	CHARGES	INVOLVED PARTIES			
(1)							
☑							
Line No	Del No	Sales Part No	Description	Sales Qty	Sales UoM	Status	Price/Curr
1	1	DU:BR:INV:1	DU:BR:INV:1	1	PCS	Released	100.00

Customer order line level, Tax Base Amount calculated inclusive of tax and then the Tax Amount calculated accordingly.

Gross Amount	Net Amount	Tax Amount
111.11	100.00	11.11

☰
🔍
Set Default

	Tax Base Amount	Tax Code	Tax Type	Tax(%)	Tax Amount/Curr	Tax Amount/Base
	111.11	ICMS-1	Tax	10	11.11	11.11

OK
Cancel

13.6 Customer Order Invoice Postings

13.6.1 Customer Order Invoice Line Level

From the Customer Order Invoice Line level, Customer Invoice Tax Lines, again it's possible to verify the accuracy of Tax Base Amount and the Tax Amount.

× Customer Invoice Tax Lines

Gross Amount	Net Amount	Tax Amount
111.11	100.00	11.11 Tax Amount

Tax Line Details

☰
🔍
Set Default

	Tax Base Amount	Tax Code	Tax Type	Tax(%)	Tax Amount	Tax Amount in Accounting Currency	Tax Amount in Parallel Currency
	111.11	ICMS-1	Tax	10	11.11	11.11	22.22

OK
Cancel

13.6.2 Customer Invoice Postings to Revenue Gross-up

In core version of the application, Customer invoice postings contain only one posting control to post the tax, that is IP4- Tax Disbursed, invoice. On the contrary to the Core application, in Brazil, First, it's required to gross-up the Revenue by tax amount and disclosed in the P&L Account. Then in the next step, in P&L, Operational Revenue should be derived by deducting the Tax Amount.

To facilitate these requirements, two new postings introduced to the Brazilian localization, as follows,

- 1) M295: Tax in Sales Revenue -This posting is used to gross up the Revenue.
- 2) M296: Tax Deduct from Gross Revenue – This posting is used to derive “Operational Revenue” by deducting the Tax portion included in the Gross Revenue.

Posting Control			
✓	:	Posting Type	Control Type
<input type="checkbox"/>	:	M295 - Tax in Sales Revenue	AC7 - Tax code
<input type="checkbox"/>	:	M296 - Tax Deduct from Gross Revenue	AC7 - Tax code

Brazilian specific postings in CO Invoice F Voucher:

Voucher Rows									
✓	:	✎	Trans Code	Tax Code	Currency Code	Correction	Currency Debit Amount	Currency Credit Amount	Currency Amount
<input type="checkbox"/>	:	✎	IP2		BRL	No	111.11		111.11
<input type="checkbox"/>	:	✎	IP4	ICMS-10%	BRL	No		11.11	-11.11
<input type="checkbox"/>	:	✎	M28	ICMS-10%	BRL	No		100.00	-100.00
<input type="checkbox"/>	:	✎	M295	ICMS-10%	BRL	No		11.11	-11.11
<input type="checkbox"/>	:	✎	M296	ICMS-10%	BRL	No	11.11		11.11

14 Fiscal Note issue date as applied date on inventory transactions for goods issue

14.1 Overview Legal Requirement

According to the Brazilian tax legislation, taxes must be paid on the Fiscal Note issue date. The accounting practice says that revenues must be recognized at goods issue and that revenues are posted including taxes. These requirements can be fulfilled by ensuring that the Fiscal Note issue date is set as the applied date on related inventory transactions for goods issue.

14.2 Process Overview

This process ensures the applied date on inventory transactions for goods issue is updated with the Fiscal Note issue date, in a scenario where the Fiscal Note is issued on a date after the Customer Order has been set to “Delivered” in IFS.



14.3 Prerequisites

The company must be set-up to use Brazilian localization, see the Company Set-Up chapter and the “Fiscal Note issue date applied on inventory transactions for goods issue” parameter must be enabled.

14.4 Deliver customer order

Deliver the Customer Order following IFS standard process. During this step OESHIP inventory transactions will be created with the date on which the record was created as Applied Date (standard functionality).

14.5 Create Customer Invoice and send NF-e XML to Tax Authority

Create the preliminary Customer Invoice and send the NF-e XML to tax authority (SEFAZ) for authorization. Once the NF-e XML file is approved by the tax authority, the Customer Invoice can be printed and posted, the Fiscal Note issue date is defined and is set on the F Voucher created.

See further information in the *Outgoing Fiscal Notes* chapter.

14.6 Set Fiscal Note Issue Date as applied date on inventory transactions

In this automated step the IFS standard function “Modify Date Applied” is used to compare the Applied Date on the OESHIP inventory transactions (generated when the customer order was delivered in IFS) with the Fiscal Note issue date (after acceptance from the tax authority). If the Fiscal Note issue date is later than the date on the transactions, the Applied Date on these will be updated automatically to be the same as the Fiscal Note issue date (if the conditions described in the Delimitations chapter are fulfilled).

Inventory Transactions History

Modify Date Applied

(1) ✓	Transaction ID	Transaction Code	Part	Site	Direction	Quantity	Applied Date
<input checked="" type="checkbox"/>	227194	OESHIP - Ship Inventory I	DU:BR:INV:1 - DU:BR:I...	DUBR1 - DU:BR:S1	-	1 PCS	2020-09-01

Customer Invoice

DU:BR-1 - DU:BR-1 - 38 - CUSTORDDEB - V10540 1 of 1

Posted Auth

Customer No	Customer Address Name	Series ID	Invoice No	Company	Site	Invoice Created	Order Created
DU:BR-1	DU:BR-1	CD-1	38	DU:BRAZIL-01	DUBR1	2020-09-02	2020-09-02

Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
BRL	131,95	100,00	31,95	1	1

LINES	GENERAL	NF-E INFORMATION	HISTORY
Issue Date	NF-e Key	NF-e Protocol No	NF-e Processing Date
2020-09-02	122009608812990004056500900000031100...	135180015173174LOL	2020-09-02
NF-e Status Code	Return Message		
100	Autorizado o uso da NF-e		

Inventory Transactions History

✓	Transaction ID	Transaction Code	Part	Site	Direction	Quantity	Applied Date
<input type="checkbox"/>	227194	OESHIP - Ship Inventory I	DU:BR:INV:1 - DU:BR:I...	DUBR1 - DU:BR:S1	-	1 PCS	2020-09-02

14.7 Transfer Inventory Transactions

Use the IFS standard function **Transfer Inventory Transactions** to transfer the transactions to IFS Financials. In this step vouchers will be created in General Ledger and the date on the created MPL voucher will be equal to the date on the Customer Invoice F voucher.

14.8 Delimitations

The solution is based on the IFS standard function “Modify Date Applied”. This function has a number of conditions that must be fulfilled before the date on an inventory transaction can be changed:

- The inventory transaction may not have **Has Transferred Postings** selected.
- The transaction may not have been transferred to IFS Financials.
- The transaction may not be included in the inventory statistics.
- The new date of the transaction must be later than or the same as the start date of the latest period in the inventory value statistics and cannot be later than the current date.
- The new date may not belong to an accounting period that has already been closed.
- The date for a reverse transaction must not be earlier than the original transaction.

15 Incoming Fiscal Notes

15.1 Overview Legal Requirement

In Brazil, it's a legal requirement to issue a Fiscal Note for the business transactions related to sales, procurement, transfer of goods and other non-billable operations. The Fiscal Notes must be authorized by the Brazilian Tax Authority prior to shipment of goods and the printed version of Fiscal Note (DANFE – Auxiliary Document for e-Fiscal Note) is used to support the transportation of goods to the recipient's locations.

The Fiscal Note must be received by the goods recipient before the goods is received into inventory.

All inventory transactions created from procurement must be identified by the Fiscal Note number and Fiscal Note item. These references are used when submitting tax reporting to the tax authority at the end of tax period. These references might also be required in Tax Audits. The references are also widely used in the daily operations in Brazilian companies.

15.2 Process Overview

Incoming Fiscal Note could be receiving to the IFS Application in two ways,

- 1) Receive Incoming Fiscal Note Automatically- External Supplier Invoice Flow

IFS application core *External Supplier Invoice* flow is used to upload the received Incoming Fiscal Note XML file. Once uploaded by using the IFS Application core functionalities, Supplier Invoice could be created automatically.

- 2) Receive Incoming Fiscal Note Manually- Manual Supplier Invoice Flow

The other flow which you can use is the manual entry of the incoming Fiscal Note in IFS Core *Manual Supplier Invoicing* process. In this manual entry flow, you can use DANFE received with goods as a supporting document and enter DANFE information into the Manual Supplier invoice and process the invoice to Post.

15.2.1 Receive Incoming Fiscal Note Automatically- External Supplier Invoice Flow

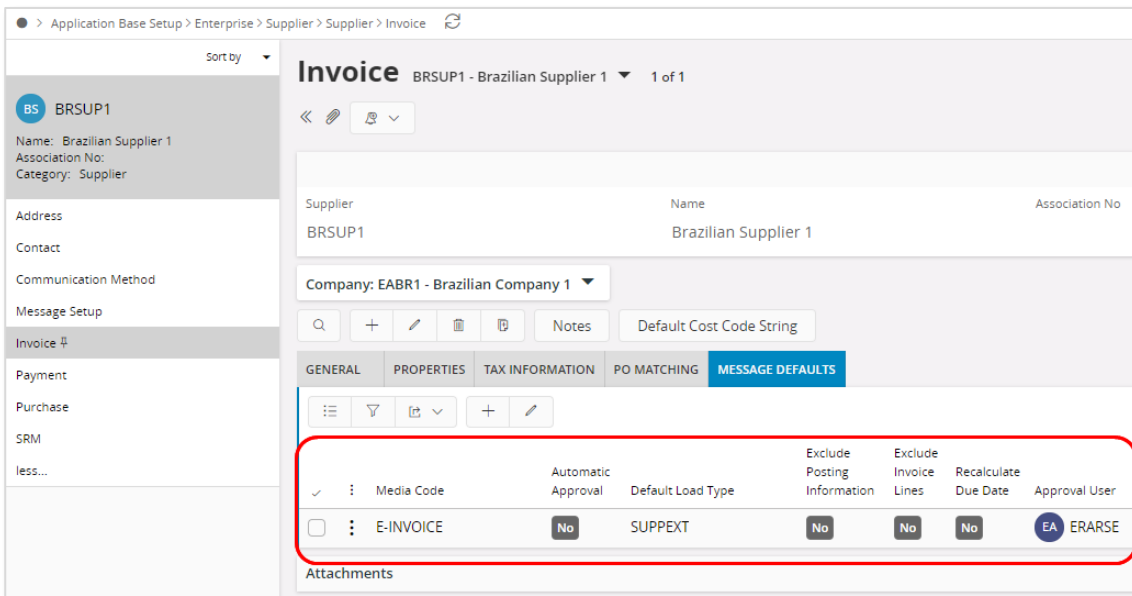


15.2.2 Receive Incoming Fiscal Note Manually- Manual Supplier Invoice Flow



15.3 Prerequisites

- The company must be set-up to use Brazilian localization, see the Company Set-Up chapter and the “Incoming Fiscal Notes” parameter must be enabled.
- The “Address Specific Tax Registration Numbers” parameter must be enabled
Read the chapter “Address Specific Tax Registration Numbers” and setup Supplier and Company CNPJ accordingly.
- Media Code “E-INVOICE” and Default Load Type “SUPPEXT” must be set up on the Supplier in page Application Base Setup/Enterprise/Supplier/Supplier/Invoice, tab “Message Defaults”. This set-up is defined per Company ID.



Media Code	Automatic Approval	Default Load Type	Exclude Posting Information	Exclude Invoice Lines	Recalculate Due Date	Approval User
E-INVOICE	No	SUPPEXT	No	No	No	EA ERARSE

- The core functionality *External Supplier Invoice Tax Codes* must be defined and make sure that the correct Tax Type Category is connected with each tax code. In this page the Brazilian tax types categories have been added. Enter “*” for both Supply and Delivery Country.



Incoming Tax (%)	Supplier	Supply Country	Delivery Country	Tax Type Category	Tax Code	Tax (%)
15	BRSUP1 - Brazilian Supplier 1	*	*	IPI	IPI15 - IPI 15%	15
17	BRSUP1 - Brazilian Supplier 1	*	*	ICMS	ICMS17 - ICMS 17%	17

15.4 Receive Incoming Fiscal Note Automatically- External Supplier Invoice Flow

IFS Cloud standard External Supplier Invoice flow is used in this scenario to upload the received Incoming Fiscal Note XML file. Once uploading the Incoming Fiscal Note in External Supplier Invoice flow, Supplier Invoice could be created automatically.

Please see the details in the process described step by step in below chapters.

15.4.1 Create and Handle Purchase Order

Follow the IFS standard Core process to enter a purchase order for inventory purchase parts in the *Procurement/Order/Purchase Order* page. Release and confirm purchase order.

Note

Since AVALARA Brazilian integration is not available with this release, Brazilian specific taxes in PO level need to be handled manually.

15.4.2 Receive Incoming NF-e XML file and create the supplier invoice

Use IFS Core External Supplier Invoice flow to load the incoming NE-e XML and create the Supplier invoice

Note

This activity is used to read an external input file, unpack the file data and call a dedicated interface (API) that will continue with the further processing of data.

Correct Company and the Supplier Identification

When NE-e XML is loaded from the Core External Supplier Invoice interface, the correct Company and the Supplier Identified from the CNPJ numbers.

Company and Supplier CNPJ Nos are defined in the NF-e XML in below tags:

a) Supplier CNPJ No

```
<emit>  
    <CNPJ>S1268650000555</CNPJ>
```

b) Company CNPJ No

```
<dest>  
    <CNPJ>B60881299000408</CNPJ>
```

Please note that the CNPJ number of the destination/receiving company is the key when mapping the incoming XML file to a Company ID in IFS. No External Supplier Invoice Load ID can be created without this match.

Fiscal Note No as Supplier Invoice No

Receiving NF-e XML contains the Fiscal Note No which is loaded in the IFS Application as the Supplier Invoice No.

Below is the tag containing the Fiscal Note No,

```
<ide>  
    <serie>S09</serie>  
    <nNF>S00000003</nNF>
```

From the External Supplier invoice page below, you can see that the Fiscal Note “Series” and “No” both concatenated and inserted as the Supplier Invoice No.

External Supplier Invoices

Invoice Line Information Advance Invoice Information Installment Information

(1) ✓	⋮	🔗	Load ID	Invoice No	Supplier	Invoice Type	Invoice Load Status	Load Error	Invoice Status
<input type="checkbox"/>	⋮	🔗	11	TT-29	D DU:STD:SUP:01	SUPPEXT	Loaded		
<input type="checkbox"/>	⋮	🔗	12	TT-29	D DU:STD:SUP:01	SUPPEXT	Loaded		
<input type="checkbox"/>	⋮	🔗	17	TT-27	D DU:BR:SUP:1	SUPPEXT	Created		PostedAuth
<input type="checkbox"/>	⋮	🔗	2	I-23	SU SUPPLIER DU:BR	SUPPEXT	Loaded		
<input type="checkbox"/>	⋮	🔗	3	TT-23	SU SUPPLIER DU:BR	SUPPEXT	Loaded		
<input checked="" type="checkbox"/>	⋮	🔗	33	S09S00000003	D DU:BR:SUP:1	SUPPEXT	Created		Preliminary
<input type="checkbox"/>	⋮	🔗	4	TT-24	D DU:BR:SUP:1	SUPPEXT	Loaded		
<input type="checkbox"/>	⋮	🔗	5	TT-25	D DU:BR:SUP:1	SUPPEXT	Loaded		

PO Reference on Supplier Invoice

PO No is included in the NF-E XML file in the below tag,

<xPed>PO No</xPed>

From the External Supplier invoice page below, you can see that the PO No received in relation to the Fiscal Note is visible.

External Supplier Invoices

Invoice Line Information Advance Invoice Information Installment Information

(1) ✓	⋮	🔗	Load ID	Invoice No	PO Reference	Supplier	Invoice Type	Invoice Load Status
<input type="checkbox"/>	⋮	🔗	11	TT-29		D DU:STD:SUP:01	SUPPEXT	Loaded
<input type="checkbox"/>	⋮	🔗	12	TT-29		D DU:STD:SUP:01	SUPPEXT	Loaded
<input type="checkbox"/>	⋮	🔗	17	TT-27		D DU:BR:SUP:1 - DU:BI	SUPPEXT	Created
<input type="checkbox"/>	⋮	🔗	2	I-23		SU SUPPLIER DU:BR:SU	SUPPEXT	Loaded
<input type="checkbox"/>	⋮	🔗	3	TT-23		SU SUPPLIER DU:BR:SU	SUPPEXT	Loaded
<input checked="" type="checkbox"/>	⋮	🔗	33	S09S00000003	BR000123	D DU:BR:SUP:1 - DU:BI	SUPPEXT	Created
<input type="checkbox"/>	⋮	🔗	4	TT-24		D DU:BR:SUP:1 - DU:BI	SUPPEXT	Loaded
<input type="checkbox"/>	⋮	🔗	5	TT-25		D DU:BR:SUP:1 - DU:BI	SUPPEXT	Loaded

Fiscal Note Line information as Supplier Invoice Lines

Fiscal Note Line information are included in the below NF-e XML tags,

```

15 <det nItem="1">
16   <prod>
17     <cProd>DU:BR:INV:1</cProd>
18     <xProd>DU:BR:INV:1</xProd>
19     <uCom>PCS</uCom>
20     <qCom>1.0000</qCom>
21     <VunCom>100.0000</VunCom>
22     <vProd>121.11</vProd>
23     <cEANtrib>C49</cEANtrib>
24     <uTrib>PCS</uTrib>
25     <xPed>BR000123</xPed>
26   </prod>
27   <imposto>
28     <vTotTrib>21.11</vTotTrib>
29     <ICMS>
30       <ICMS00>
31         <pICMS>10</pICMS>
32         <vICMS>11.11</vICMS>
33       </ICMS00>
34     </ICMS>
35     <IPI>
36       <CENQ/>
37       <IPItrib>
38         <pIPI>10</pIPI>
39         <vIPI>10</vIPI>
40       </IPItrib>
41     </IPI>
42   </imposto>

```

Each of the NF-e XML Lines received in relation to the Fiscal Note are inserted into the *External Supplier invoice Line Information* page as the separate invoice lines. Correspondent Invoice line information contains Qty, Price...ect extracted directly from the NF-E XML.

External Supplier Invoice Line Information 33 - S09S00000003 - SUPPEXT										
Load ID	Invoice No	Invoice Type	Supplier	Invoice Load Status						
33	S09S00000003	SUPPEXT	D DU:BR:SUP:1 - DU:BR:SUP:1	Created						
External Supplier Invoice Lines										
✓	:	Line ID	Income Type Identity	Delivery Type	Tax Code	Tax (%)	Net Amount	Tax Amount	Net Amount in Accounting Currency	Tax Amount in Accounting Currency
<input type="checkbox"/>	:	1					100.00	21.11		21.11
<input type="checkbox"/>	:	2					100.00	21.11		21.11

Fiscal Note Tax information as Supplier Invoice Tax Lines

Fiscal Note tax information is included in the below NF-e XML tags:

```

26 |      </prod>
27 |      <imposto>
28 |          <vTotTrib>21.11</vTotTrib>
29 |          <ICMS>
30 |              <ICMS00>
31 |                  <pICMS>10</pICMS>
32 |                  <vICMS>11.11</vICMS>
33 |              </ICMS00>
34 |          </ICMS>
35 |          <IPI>
36 |              <CENQ/>
37 |              <IPITrib>
38 |                  <pIPI>10</pIPI>
39 |                  <vIPI>10</vIPI>
40 |              </IPITrib>
41 |          </IPI>
42 |      </imposto>

```

Each of the NF-e XML Tax Lines received in relation to the Fiscal Note is inserted into the *External Supplier invoice Tax Information* page as separate tax lines.

15.5 Receive Incoming Fiscal Note Manually- Manual Supplier Invoice Flow

Create a Manual Supplier Invoice (Incoming Fiscal Note) in the *Financials/Supplier Invoice/Manual Supplier Invoice* page by a manual entry. For this purpose, you can use DANFE document received with goods.

Ensure the Purchase Order number is referenced in field **PO Reference**, verify or enter Fiscal Note Number in field **Invoice No** (IFS standard fields).

To enter Manual Supplier Invoice line information, select “Copy Unreceived PO lines” (IFS standard) or enter the fiscal note lines manually. Tax information is fetched from the Purchase Order line. Correct Tax Calculation Structure can also be manually connected to the invoice line.

Manual Supplier Invoice

SI - 1/300777 1 of 1

[New Manual Supplier Invoice](#)
[More Information](#)
[Pre Posting](#)
[Installment Plan And Discounts](#)
[Post Invoice](#)
[Purchase](#)

PO Reference D555051	Receipt Reference	Sub Contract Reference	Invoice Advice Reference	Project ID
Invoice Type SUPPINV	Series ID SI	Invoice No 1/300777	Currency BRL	Currency Rate 1
Pay Term Base Date 2020-06-08	Payment Terms 20 - 20 Days Net	Due Date 2020-06-28	Plan Pay Date 2020-06-28	Payment Reference
Authorizer ID *	Notes No	Advance Invoice No	Period Allocation No	Pre-posting No
Gross Amount 117,00	Net Amount 100,00	Tax Amount 17,00		Received Attachments No

Line Information				
Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Amount	Cost Amount
117,00	100,00	17,00	0,00	100,00

Lines

[Match PO Receipts Per Line](#)
[Price Adjustment Purchase Per Line](#)
[Receive](#)
[Tax Lines](#)

(1)	Line ID	Delivery Type	Income Type Identity	Tax Code	Tax Calculation Structure	Multiple Tax Lines	Tax (%)	Tax Method Tax Received
<input checked="" type="checkbox"/>	1			ICMS-17		No	17	Invoice E

Columns **Goods/Services Statistical Codes**, **Business Operation** and **Acquisition Origin** are available also on the Manual Supplier Invoice Line.

Manual Supplier Invoice

SI - 123456789 1 of 2 Preliminary

[New Manual Supplier Invoice](#)
[More Information](#)
[Pre Posting](#)
[Installment Plan And Discounts](#)
[Post Invoice](#)
[Purchasing](#)
[Copy and Cancel](#)

PO Reference 91000332	Receipt Reference	Sub Contract Reference	Invoice Advice Reference	Project ID	Supplier DU:BR:SYST TEST:S1 - DU:BR:SYST TEST:S1
Invoice Type SUPPINV	Series ID SI	Invoice No 123456789	Currency BRL	Currency Rate 1	Invoice Date 2020-10-12
Pay Term Base Date 2020-10-12	Payment Terms 0 - Due Immediately	Due Date 2020-10-12	Plan Pay Date 2020-10-12	Payment Reference	Arrival Date 2020-10-12
Authorizer ID *	Notes No	Advance Invoice No	Period Allocation No	Pre-posting No	Voucher Type Reference Voucher No Reference
Gross Amount 107,60	Net Amount 100,00	Tax Amount 7,60		Received Attachments No	On Hold Installment No
					Posting Proposal No

Line Information				
Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Amount	Cost Amount
107,60	100,00	7,60	0,00	100,00

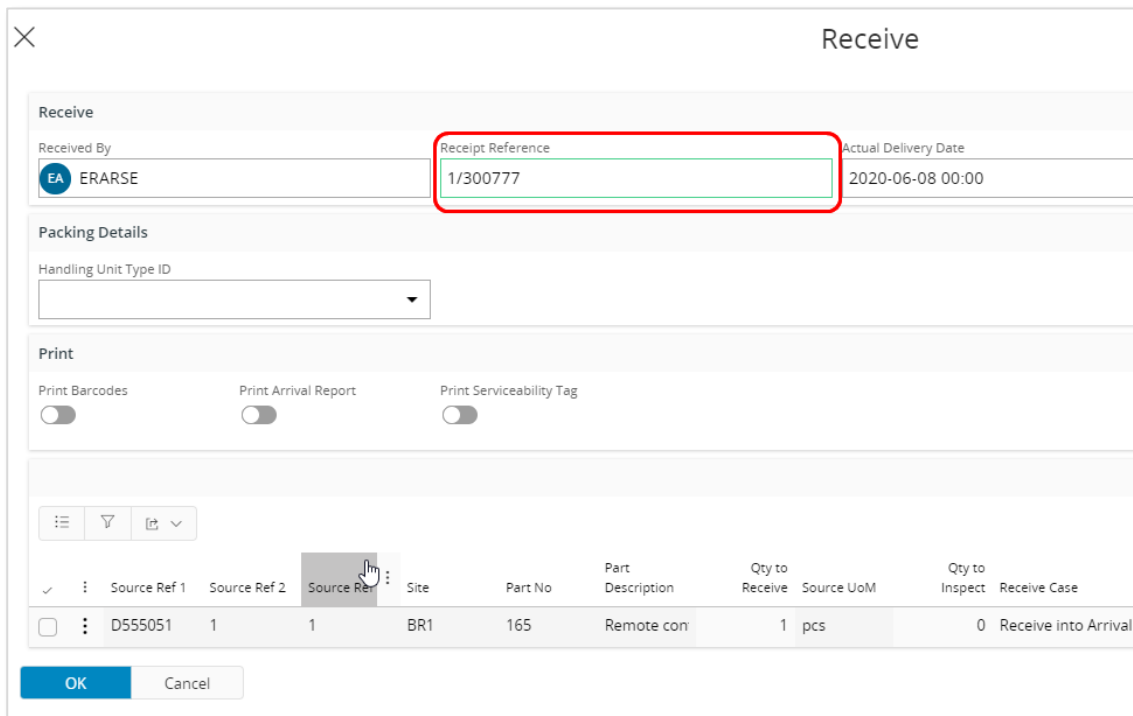
Lines

Supplier Part No	Supplier Part Description	Invoiced Price Net/Unit	Charge Line	Reference Series	Ref Invoice No	Goods/Services Statistical Code	Acquisition Origin	Business Operation
		100	No			1214574314 - Plastics ...	0 - Nacional	5.100 - Sales of own pr.

15.6 Receive Purchase Order

Receive the Purchase Order by selecting “Receive” in the *Financials/Supplier Invoice/Manual Supplier Invoice/Lines* page (IFS standard). This option will be available for supplier invoice lines with reference to a Purchase Order number, line and release no.

Ensure the Fiscal Note number is entered as Receipt Reference.



The screenshot shows the 'Receive' dialog box with the following fields and values:

- Received By:** EA ERARSE
- Receipt Reference:** 1/300777 (highlighted with a red box)
- Actual Delivery Date:** 2020-06-08 00:00

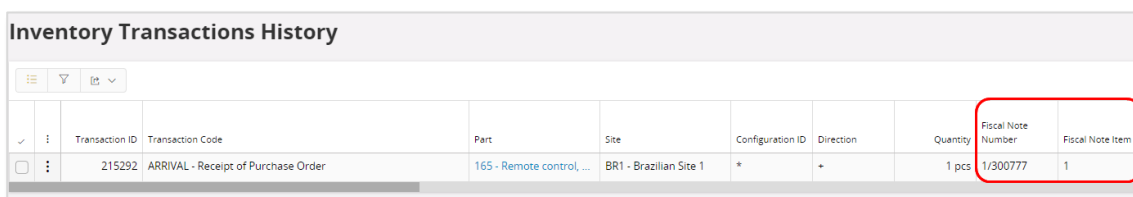
Below these fields are sections for 'Packing Details' (Handling Unit Type ID dropdown) and 'Print' (Print Barcodes, Print Arrival Report, Print Serviceability Tag toggle switches).

At the bottom is a table with columns: Source Ref 1, Source Ref 2, Source Ref 3, Site, Part No, Part Description, Qty to Receive, Source UoM, Qty to Inspect, and Receive Case. The table contains one row:

Source Ref 1	Source Ref 2	Source Ref 3	Site	Part No	Part Description	Qty to Receive	Source UoM	Qty to Inspect	Receive Case
D555051	1	1	BR1	165	Remote con	1	pcs	0	Receive into Arrival

Buttons for 'OK' and 'Cancel' are at the bottom left.

Go to the *Warehouse Management/Transaction History/Inventory Transactions History* page. Ensure the new fields **Fiscal Note Number** and **Fiscal Note Item** are enabled for the page. These will present reference to Fiscal Note number and Fiscal Note item (line).



The screenshot shows the 'Inventory Transactions History' table with the following columns and values:

Transaction ID	Transaction Code	Part	Site	Configuration ID	Direction	Quantity	Fiscal Note Number	Fiscal Note Item
215292	ARRIVAL - Receipt of Purchase Order	165 - Remote control, ...	BR1 - Brazilian Site 1	*	+	1 pcs	1/300777	1

The 'Fiscal Note Number' and 'Fiscal Note Item' columns are highlighted with a red box.

15.7 Post Invoice

Follow the IFS standard process to post the invoice.

15.8 Delimitations

Brazilian specific tax needs to be handled manually since 3rd party tax calculation service is not integrated in these flows.

16 Boleto – Bank Collection Bill

16.1 Overview Legal Requirement

Boleto is an accounts receivable document used to receive money from customers. This is not a legal requirement but is a widely used business requirement. This document is a copy of the customer invoice and can be paid in any institution or bank, until the due date.

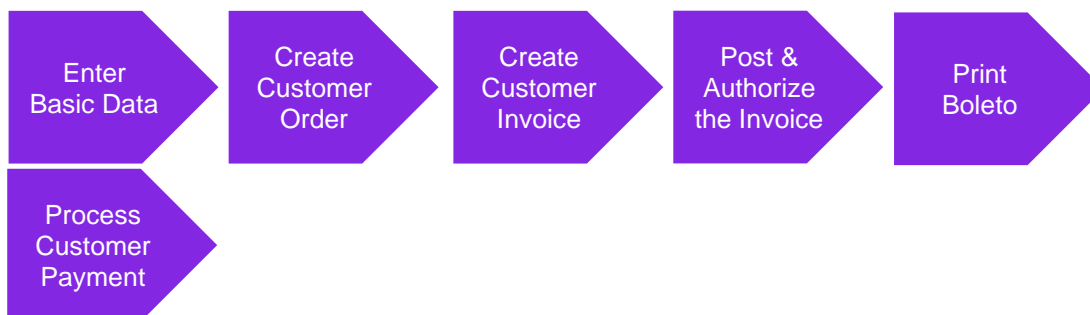
There are enough key elements in the Boleto so the payer can easily identify all data needed to make the right compensation of the amounts.

It is estimated that 50 million of Boletos are paid monthly in Brazil.

16.2 Solution Overview

- Boleto functionality should be enabled on company level and the Payment basic data for specific bank should be defined.
- Boleto could be printed soon after the Customer Invoice is set to the status “PostedAuth”.
- The amount is compensated in the company’s bank account just after the customer process the Boleto’s payment and can be identified manually or automatically by using a file integration (core process).
- Boleto’s layout - Each bank has a specific layout for the Boleto printout. This document describes the solution for bank Bradesco.

16.3 Process Overview



16.4 Prerequisites

The company must be set-up to use Brazilian localization, see the Company Set up chapter. The ‘Boleto – Bank Collection Bill’ parameter under the **Localization Control Center tab** must be enabled on the *Company/Localization Control Center* tab. The **Customer Invoice Creation Method** field should be set to ‘Brazilian Boleto’ on the *Company/Invoice/General* tab.

16.5 Define basic data

Payment Format per Company:

Select the Customer Payment Format Id that will be used to print the Boletto. After selection, the Payment Format it will be available for use in the company.

Payment Formats per Company

Payment Format ID	Format Description	Used in Company	Allowed Currencies	Payment Party Type	Input/Output Type	Repeatable Output	Format Instruction	Incoming File Template	Outgoing File Template	Payment Advice as a Single Print Job	Generate Payment Advice	Allow Negative Amount
BR237CUST	Brazilian format for bank BRADE	Yes	BRL	Customer	FILE	Yes	On Plan or Spec Date	CUP_BR_23	CUST_GEN_	No	No	No

Payment Method:

Enter a new Payment Method and connect to Payment Format in *Financials/Payment Basic Data/Cash Book/Payment Methods* page.

Payment Methods

Payment Method	Description	Format ID	Generate Trace Information	Cash Account In Any Currency
BR237CUST	Brazilian format for bank BRADESCO, customer	BR237CUST - Brazilian format for bank BRADESCO, customer	Yes	No

Payment Institutes:

Define Payment Institute for bank in *Financials/Payment Basic Data/Cash Book/Payment Institutes* page. The field **Our Identity** should be filled with the number of the bank and respective control digit because it is important information to be printed in the Boletto.

Financials > Payment Basic Data > Cash Book > Payment Institutes

Company: SARK BRAZIL COMPANY

Payment Institutes

Payment Institute	Our Identity	Description	Use Value Date For Matching	Cash Box
BANK	237-7	Bank	Yes	No

Payment Institute Offices:

Define a Payment Institute Office to be used in the Cash Account that will be used to print the Boletto in *Financials/Payment Basic Data/Cash Book/Payment Institute Offices*.

Payment Institute Offices

Payment Institute	Office Code	Description	Address1	Address2	Address3
BANK	1234	Bradesco Office			

Cash Account:

After creating Payment Institute and Payment Institute Office it is necessary to create the Cash Account that will be used to print the Boleto in *Financials/Payment Basic Data/Cash Book/Cash Account* page. The field **Short Name** can be used to define the unique identifier of the Cash Account in the system. Fill the **Office Code** column using LOV, the **Account Number** column should be filled with the account number and the control digit of the account, as the picture below:

Cash Accounts											
✓	⋮	Short Name	Description	Payment Institute	Office Code	Currency	Account Number	Account Reference	BIC/Swift Code	Default Flag	International Cash Account
<input type="checkbox"/>	⋮	BANK	Bank	BANK	1234	BRL	123456-7			Yes	No

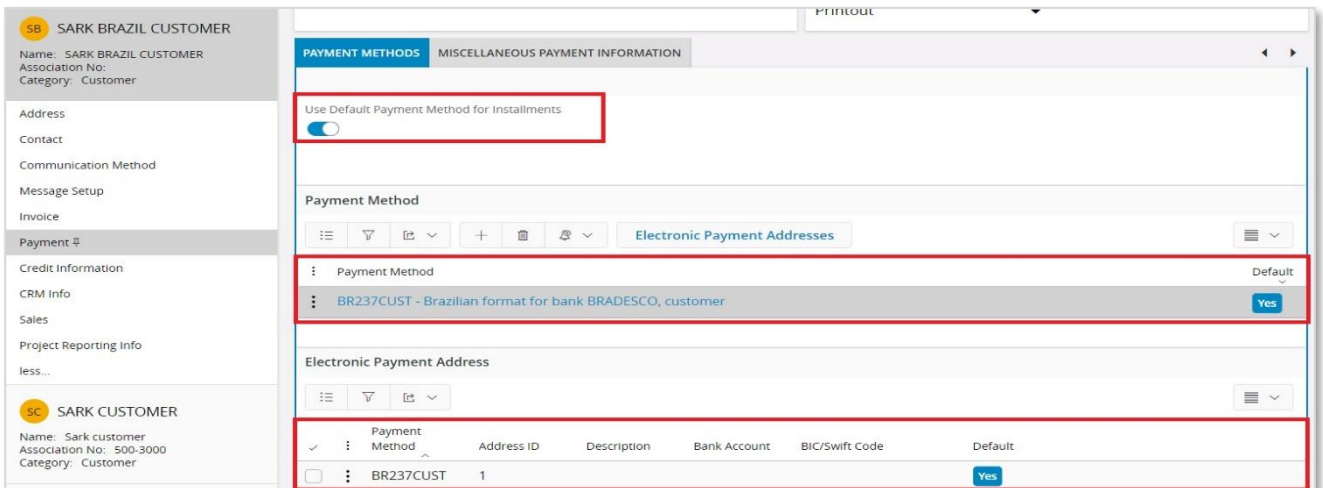
Format Specific Info per Institute:

Make sure that all Boleto definitions are filled in *Financials/Payment Basic Data/Cash Book/Payment Institutes/Payment Methods per Institute/Format Specific Information per Institute*. Enter record in *Format Specific Info per Institute* page using cash account defined previously. This definition can be found in the Bank's documentation related to the layout of the Boleto. Start value mentioned here is the "Our Number" in Boleto layout.

Format Specific Information per Institute - BANK - BR237CUST							
Format ID	License No	Security Type No	Instruction 1	Instruction 2	Control File Seq No	File Seq No	
BR237CUST	190	1			<input checked="" type="checkbox"/>	12	
Accepted	Document Type 1	Document Type 2	Cash Account	Digit Calc. Method	Start Value	End Value	Next Value
N	Real	DT2	BANK	M1	000001	999999	000059

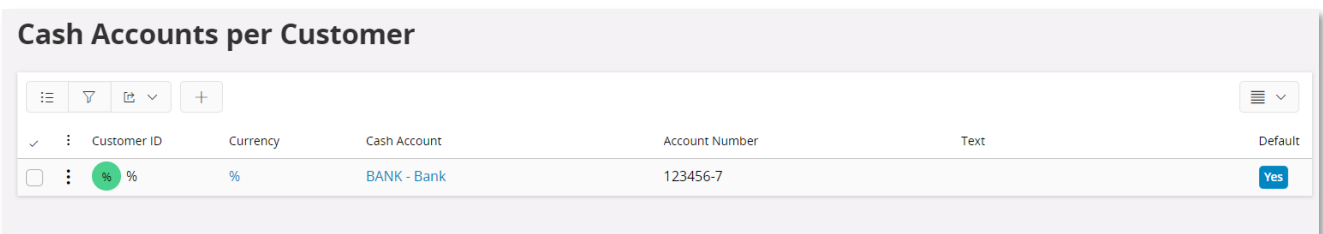
Customer Master Data:

Attach Payment Method to the customer on *Customer/Payment* tab. Make sure that the option **Use Default Method for Installments** is enabled. Further add a line to "Electronic Payment Address" as shown in the screenshot below.



Cash Account per Customer:

Define Cash Account per customer in *Financials/Payment Basic Data/Cash Book/Cash Accounts/Cash Account per Customer* page. Make sure that the Cash Account that will be responsible for the Boleto's printout is enabled as **Default**.

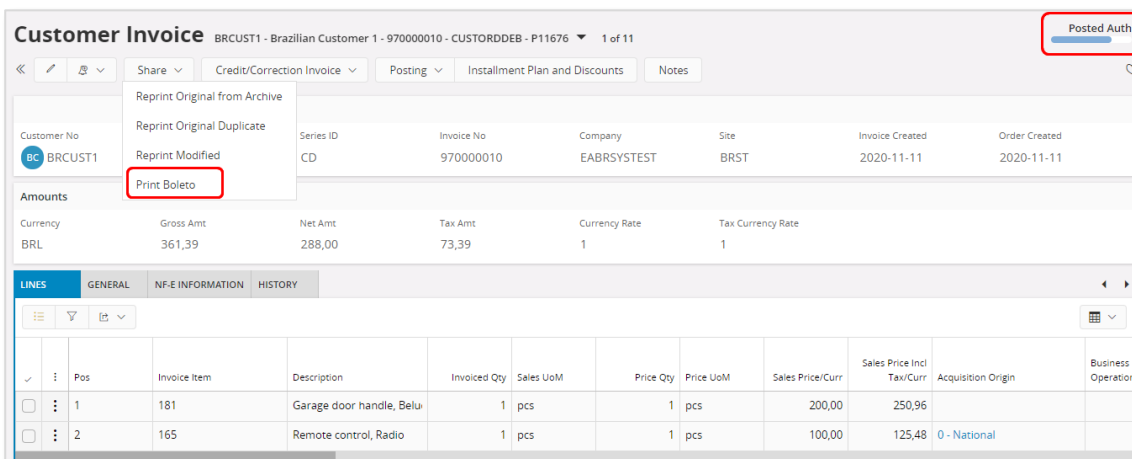



Customer ID	Currency	Cash Account	Account Number	Text	Default
SARK	BRL	BANK - Bank	123456-7		Yes

16.6 Boleto printout

16.6.1 Print Boleto from Customer Invoice

When Customer Invoice is in the "PostedAuth" state the "Print Boleto" button is enabled and user can print the Boleto.



Bank						Payer Receipt					
Payer Name: SARK BRAZIL CUSTOMER											
Beneficiary SARK BRAZIL COMPANY			CNPJ / CPF 78.733.562/0001-31			Guarantor			Due Date 16-NOV-20		
Address of Company Caljunto Nova 1024 Bairro 08190-145 São Paulo SP											
Portofolio / Our Number 190/00000000060-5		Portofolio 190	Currency Real		Quantity		Amount		Office / Payee Code 1234/123456-7		
Doc Date 16-NOV-20		Document No 333000001027-1		Currency Document DT2		Accepted N	Processing Date 24-NOV-20		Installment Amount 87.33		
Authentication mechanics											
Bank						[237-7] 23791.23413 90000.000001 60012.345603 7 84410000008733					
Paying Place Can be paid in any Bank Agency.									Due Date 16-NOV-20		
Beneficiary SARK BRAZIL COMPANY			CNPJ / CPF 78.733.562/0001-31			Office / Payee Code 1234/123456-7					
Address of Company Caljunto Nova 1024 Bairro 08190-145 São Paulo SP											
Doc Date 16-NOV-20		Document No 333000001027-1		Currency Document DT2		Accepted N	Processing Date 24-NOV-20		Portofolio / Our Number 190/00000000060-5		
Bank Use		Portofolio 190	Currency Real		Quantity		Amount		(*) Document Amount 87.33		
Intruction (All information in this boleto are the sole responsibility of the Beneficiary).									(-) Discounts / Reductions		
									(+*) Interest and Fine		
									(*) Total Amount		
Payer Name: SARK BRAZIL CUSTOMER			CNPJ / CPF: 58.265.036/0001-87								
Address: Rua Alhandra 70 08190-145 São Paulo SP BRAZIL											
Guarantor: CNPJ:						Code of Payment:					
						Authentication mechanics / COMPENSATION FORM					

16.6.2 BOLETOS management

The *Boletos Management* page was created to facilitate the use of the Boleto printing functionality, allowing to manage Boleto related data, even if it is already printed and to cancel or print again if necessary. The path is *Financials/Accounts Receivable/Boleto - Bank Collection Bill/ Boletos Management*.

In this page both the IFS Customer Invoice number as well as the Official Invoice number (represented by Fiscal Note series concatenated with Fiscal Note number) can be used when searching for Boletos.

Boletos Management											
✓	:	✎	Customer	Customer Name	Series ID	Invoice No	Official Invoice No	Installment ID	Payment Date	Due Date	Currency
<input type="checkbox"/>	:	✎	SB SARK BRAZIL CUSTOMER	SB SARK BRAZIL CUSTOMER - SARK B	CD	970000010	333000001008	1	10/5/2020	10/5/2020	BRL
<input type="checkbox"/>	:	✎	SB SARK BRAZIL CUSTOMER	SB SARK BRAZIL CUSTOMER - SARK B	CD	970000011	333000001010	1	10/13/2020	10/13/2020	BRL
<input type="checkbox"/>	:	✎	SB SARK BRAZIL CUSTOMER	SB SARK BRAZIL CUSTOMER - SARK B	CD	970000012	333000001011	1	10/13/2020	10/13/2020	BRL

16.6.3 BOLETOS history

Boletos History is a page that contains all the history actions performed on the *Boletos Manager* page. Once a Boleto document is printed, canceled or reprinted, it is possible to follow all the actions and have a complete history simply by analyzing this page.

Boletos History													
✓	:	✎	History ID	User ID	Hist Date	Customer	Customer Name	Printed	Series ID	Invoice No	Official Invoice No	Installment ID	Currency
<input type="checkbox"/>	:	✎	135	SARKLK	11/19/20, 3:55 PM	SB SARK BRAZIL CUSTOMER	SB SARK BRAZIL CUSTOMER - SARK B	Yes	CD	970000030	333000001029	1	BRL
<input type="checkbox"/>	:	✎	134	SARKLK	11/18/20, 10:29 AM	SB SARK BRAZIL CUSTOMER	SB SARK BRAZIL CUSTOMER - SARK B	Yes	CD	970000027	333000001026	1	BRL
<input type="checkbox"/>	:	✎	133	SARKLK	11/18/20, 10:29 AM	SB SARK BRAZIL CUSTOMER	SB SARK BRAZIL CUSTOMER - SARK B	No	CD	970000027	333000001026	1	BRL
<input type="checkbox"/>	:	✎	132	SARKLK	11/16/20, 11:54 AM	SB SARK BRAZIL CUSTOMER	SB SARK BRAZIL CUSTOMER - SARK B	Yes	CD	970000027	333000001026	1	BRL

16.7 Delimitations

Only bank Bradesco is covered in this release.

17 Appendix

17.1 Appendix:01

The NF-e XML mapping to IFS Cloud is described in DocMan document “NF-e xml mapping to IFS (Brazil)”.

17.2 Appendix:02

17.2.1 AVALARA Integration: Tax Base Amount: **Net**

Scenario: 01 Tax Base Amount: Net Amount – Excluding Tax: IPI

Let’s have a look into the scenario below explaining a Brazilian tax calculation based on Net Amount and excluding the tax, IPI.

Net Amount calculation and Tax calculation

▪ Net Amount	= 72.75
Tax Base Amount	= $\frac{72.75 \times 100}{100 - (18 + 1.65 + 7.6)}$
	= 100.00
▪ Tax: ICMS 18%	= 18.00
PIS 1.65%	= 1.65
COFINS 7.6%	= 7.60
Total Tax	= <u>27.25</u>
Gross Amount (72.75 + 27.25)	= <u>100.00</u>

AVALARA: Response File

Tax Base: Net

```

"header": {
  "eDocCreatorType": "self",
  "amountCalcType": "net",
  "companyLocation": "12.345.678/9012-34",

```

Net Amount from the Response file

```

entityIcmsSubstitui
},
"lineNetFigure": 72.75,
"taxDetails": [
  {

```

Complete AVALARA Response file for the reference



AEFD93BF.json

IFS Application Tax Code Mapping

External Tax Codes Mapping					
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>					
✓	:	Tax Code	Tax Type Category	Tax (%)	Tax in Tax Base
<input type="checkbox"/>	:	COFINS-0-BR - COFINS Tax 0%	COFINS	0	<input type="button" value="Yes"/>
<input type="checkbox"/>	:	ICMS-0-BR - ICMS Tax 0%	ICMS	0	<input type="button" value="Yes"/>
<input type="checkbox"/>	:	PIS-0-BR - PIS Tax 0%	PIS	0	<input type="button" value="Yes"/>

Customer Invoice Postings

✓	:	✎	Trans Code	Tax Code	Currency Code	Correction	Currency Debit Amount	Currency Credit Amount	Currency Amount
<input type="checkbox"/>	:	✎	IP2		BRL	<input type="button" value="No"/>	100.00		100.00
<input type="checkbox"/>	:	✎	IP4	PIS-0-BR	BRL	<input type="button" value="No"/>		1.65	-1.65
<input type="checkbox"/>	:	✎	IP4	COFINS-0-BR	BRL	<input type="button" value="No"/>		7.60	-7.60
<input type="checkbox"/>	:	✎	IP4	IPI-0	BRL	<input type="button" value="No"/>		0.00	0.00
<input type="checkbox"/>	:	✎	IP4	ICMS-0-BR	BRL	<input type="button" value="No"/>		18.00	-18.00
<input type="checkbox"/>	:	✎	M28		BRL	<input type="button" value="No"/>		72.75	-72.75
<input type="checkbox"/>	:	✎	M295	COFINS-0-BR	BRL	<input type="button" value="No"/>		7.60	-7.60
<input type="checkbox"/>	:	✎	M296	COFINS-0-BR	BRL	<input type="button" value="No"/>	7.60		7.60
<input type="checkbox"/>	:	✎	M295	ICMS-0-BR	BRL	<input type="button" value="No"/>		18.00	-18.00
<input type="checkbox"/>	:	✎	M296	ICMS-0-BR	BRL	<input type="button" value="No"/>	18.00		18.00
<input type="checkbox"/>	:	✎	M295	PIS-0-BR	BRL	<input type="button" value="No"/>		1.65	-1.65
<input type="checkbox"/>	:	✎	M296	PIS-0-BR	BRL	<input type="button" value="No"/>	1.65		1.65

Scenario: 02 Tax Base Amount: Net Amount – Including Tax: IPI

Let's have a look into the scenario below explaining a Brazilian tax calculation based on Net Amount and including the tax, IPI.

Net Amount calculation and Tax calculation

▪ Net Amount	= 78.75
Tax Base Amount	= $\frac{78.75 \times 100}{100 - (7.6 + 1.65 + 12)}$
	= 100.00
▪ Tax: ICMS 12%	= 12.00
PIS 1.65%	= 1.65
COFINS 7.6%	= 7.60
IPI 30%	= 30.00 (100 X 30%)
Total Tax	= <u>51.25</u>
Gross Amount (78.75 + 51.25)	= <u>130.00</u>

AVALARA: Response File

Tax Base: Net

```
"header": {
  "eDocCreatorType": "self",
  "amountCalcType": "net",
  "companyLocation": "12.345.678/9012-
```

Net Amount

```
entityICMSStSubstitute": "no",
},
"lineNetFigure": 78.75,
"taxDetails": [
```

Total Line Amt & Total Invoice Amt

```
"summary": {
  "numberOfLines": 1,
  "totalLineAmounts": 100,
  "totalTaxedDiscounts": 0,
  "totalUntaxedDiscounts": 0,
  "totalInsurances": 0,
  "totalFreights": 0,
  "totalOtherCosts": 0,
  "totalUnTaxedOtherCosts": 0,
  "totalInvoice": 130,
```

ICMS 12%= 12.00

```
"taxType": "icms",  
"citation": "ICMS/AC Decreto nº 8/1998, Artigo  
"citationId": "ac789807-2fab-49ff-b921-be0682ec  
"subtotalTaxable": 100,  
"rate": 12,  
"tax": 12,
```

COFINS 7.6% = 7.60

```
"taxType": "cofins",  
"citation": "PIS/COFINS Lei nº 10.833/2003,  
"citationId": "670e7148-b125-46f6-837f-3bb4e  
"subtotalTaxable": 100,  
"rate": 7.6,  
"tax": 7.6,
```

PIS 1.65% = 1.65

```
"taxType": "pis",  
"citation": "PIS/COFINS Lei nº 10.637/2002,  
"citationId": "bfb5ddd3-00ca-42f7-a170-a9c4a  
"subtotalTaxable": 100,  
"rate": 1.65,  
"tax": 1.65,
```

IPI 30% = 30.00 (100 X 30%)

```
"taxType": "ipi",  
"citation": "IPI Decreto nº 8950/2016",  
"citationId": "56b13fd9-18fb-4d35-91dd-908  
"subtotalTaxable": 100,  
"rate": 30,  
"tax": 30,
```

[Complete AVALARA Response file for the reference](#)



E87B5159.json

IFS Application Tax Code Mapping

External Tax Codes Mapping					
<input type="checkbox"/>	:	Tax Code	Tax Type Category	Tax (%)	Tax in Tax Base
<input type="checkbox"/>	:	COFINS-0-BR - COFINS Tax 0%	COFINS	0	<input type="button" value="Yes"/>
<input type="checkbox"/>	:	ICMS-0-BR - ICMS Tax 0%	ICMS	0	<input type="button" value="Yes"/>
<input type="checkbox"/>	:	IPI-0 - IPI Tax 0%	IPI	0	<input type="button" value="No"/>
<input type="checkbox"/>	:	PIS-0-BR - PIS Tax 0%	PIS	0	<input type="button" value="Yes"/>

Customer Invoice Postings

<input type="checkbox"/>	:		Trans Code	Tax Code	Currency Code	Correction	Currency Debit Amount	Currency Credit Amount	Currency Amount	Currency Rate
<input type="checkbox"/>	:		IP2		BRL	<input type="button" value="No"/>	130.00		130.00	1
<input type="checkbox"/>	:		IP4	PIS-0-BR	BRL	<input type="button" value="No"/>		1.65	-1.65	1
<input type="checkbox"/>	:		IP4	COFINS-0-BR	BRL	<input type="button" value="No"/>		7.60	-7.60	1
<input type="checkbox"/>	:		IP4	IPI-0	BRL	<input type="button" value="No"/>		30.00	-30.00	1
<input type="checkbox"/>	:		IP4	ICMS-0-BR	BRL	<input type="button" value="No"/>		12.00	-12.00	1
<input type="checkbox"/>	:		M28		BRL	<input type="button" value="No"/>		78.75	-78.75	1
<input type="checkbox"/>	:		M295	COFINS-0-BR	BRL	<input type="button" value="No"/>		7.60	-7.60	1
<input type="checkbox"/>	:		M296	COFINS-0-BR	BRL	<input type="button" value="No"/>	7.60		7.60	1
<input type="checkbox"/>	:		M295	ICMS-0-BR	BRL	<input type="button" value="No"/>		12.00	-12.00	1
<input type="checkbox"/>	:		M296	ICMS-0-BR	BRL	<input type="button" value="No"/>	12.00		12.00	1
<input type="checkbox"/>	:		M295	IPI-0	BRL	<input type="button" value="No"/>		30.00	-30.00	1
<input type="checkbox"/>	:		M296	IPI-0	BRL	<input type="button" value="No"/>	30.00		30.00	1
<input type="checkbox"/>	:		M295	PIS-0-BR	BRL	<input type="button" value="No"/>		1.65	-1.65	1
<input type="checkbox"/>	:		M296	PIS-0-BR	BRL	<input type="button" value="No"/>	1.65		1.65	1

17.2.2 Avalara Request File Mapping

Refer **Avalara Request mapping V3.xlsx** to see the Avalara Request File Mapping details.



Avalara Request mapping V3.xlsx