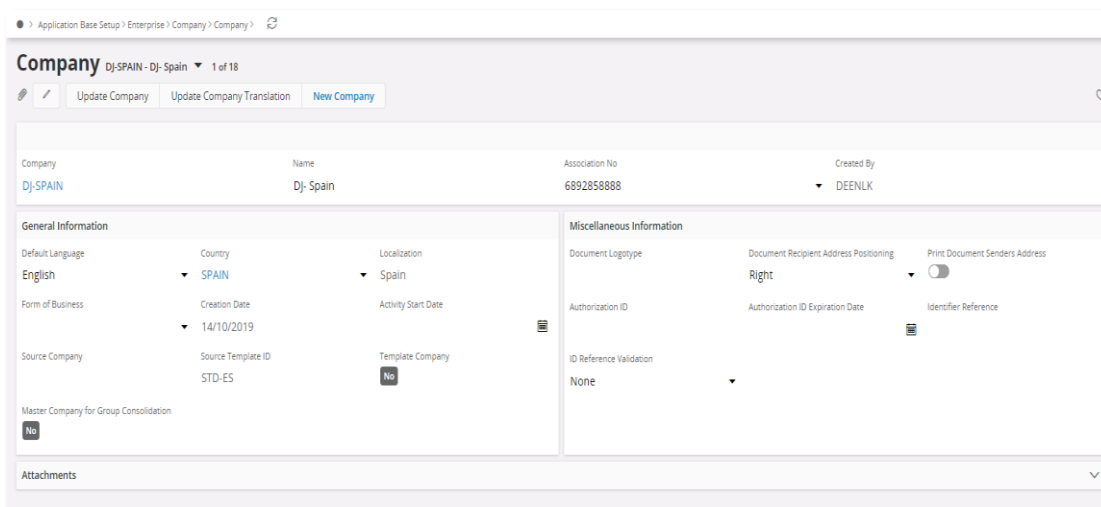# Country Solution Spain

IFS Cloud 23R1

1 Company Set-up

1.1 Overview

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

1.2 Define localization

- Open the *Company* page.
- Search for the company.
- Select "Spain" from the drop-down list in the **Localization** field. Note that this cannot be changed once transactions are created for the company.

1.3 Select Localization functionality

Specify which functionality to use.
- Navigate to **Localization Control Center** sub-page under Company
- All functionality available for Spain is presented in the list. Enable/Disable the non-mandatory functionality based on the requirements for the company via the toggle buttons under **Enabled** column.

2 Spanish Tax Reporting Modelo 349

2.1 Overview Legal Requirement

Modelo 349 Summary Statement of Intra-Community Transactions is a required Spanish tax report defined in the Tax Order HAC/360/2002 dated on 19th February 2002.

Modelo 349 summary statement is an obligatory tax report to be submitted to the tax authorities by Spanish companies who supply or purchase goods to or from any EU country.

The tax report must be structured and grouped according to operation keys as below:

- (A) Intra community acquisition subject to tax.
- (E) Intra community deliveries exempt
- (H) Intra community supply following an exempt Import (Legal Represent.)
- (I) Intra community Services delivery.
- (M) Intra community supply following and exempt Import.
- (S) Intra community supplies of services by the declaring.
- (T) Deliveries in other member states resulting from an exempt intra-community acquisition in the context of triangular operations.

The file must hold a sum for each tax identity and operation key.

2.2 Process Overview
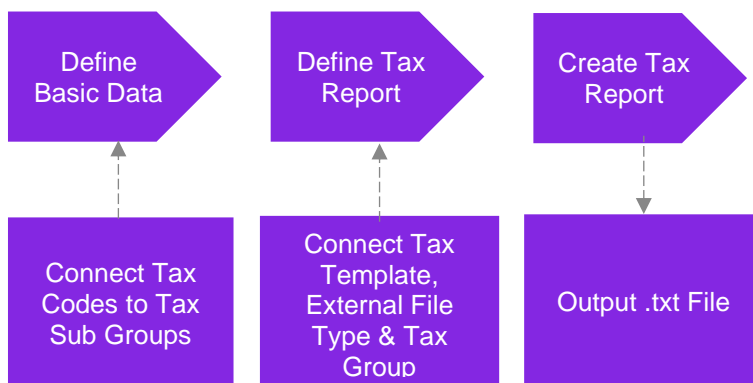
2.3 Prerequisites

The company must be set-up to use Spanish localization, see the Company Set up chapter and the 'Modelo 349' parameter must be enabled.

In addition the following must be set up:
- Company Communication Method must be defined in the company basic data.
- Tax ID for the customer and supplier must be defined.

Only transactions in the tax ledger will be subject for the report. Consequently, tax codes must be used accordingly. In order to handle the "Operation Key", the system defined tax group must be used with different tax codes connected to each Operation Key (Sub Tax Groups).

2.4 Define Basic Data / Basic data changes introduced

2.4.1 Tax Template Modelo 349

A new tax template, *GES349: Modelo 349,* is introduced. This makes it possible to report tax based on the IFS Tax Ledger. In addition to this, new external file type "TaxRepES349" and the new external file template "TaxRepES349" are introduced.

2.4.2 Tax Template Field Controls

The *Tax Template Field Control Basic* is introduced for the new tax template. The field control entered for the template will apply when selecting the fields to be used in a tax report based on the template.

Go to *Financials/Tax Ledger/Basic Data/Tax Templates* and for the template ID 'GES349' open the context menu and click **Field Control Basic Context**. Select **Details** to view *Template Field Details*.

Similarly, details must be defined for the field controls introduced.

2.4.3 Tax Group: Modelo 349

The tax reporting must be structured and grouped according to the local legislation for Modelo 349. The report is grouped based on operation keys. As per the Spanish tax legislation for Modelo 347, the tax transactions should be declared under operation keys as follows:

- (A) Intra community acquisition subject to tax.

- (E) Intra community deliveries exempt

- (H) Intra community supply following an exempt Import (Legal Represent.)

- (I) Intra community Services delivery.

- (M) Intra community supply following and exempt Import.

- (S) Intra community supplies of services by the declaring.

- (T) Deliveries in other member states resulting from an exempt intra-community acquisition in the context of triangular operations.

The file must hold a sum for each tax identity and operation key.

A new Tax Group ID: "MODELO: 349" is introduced to handle the operation keys. Open the *Tax Group* page via *Financials/Tax Ledger/Basic Data* to find this new tax group and the system defined sub groups A, E, H, I, M, S and T.

Different tax codes can be connected under each sub group (Operation Key) via the *Sub Group Details* tab.
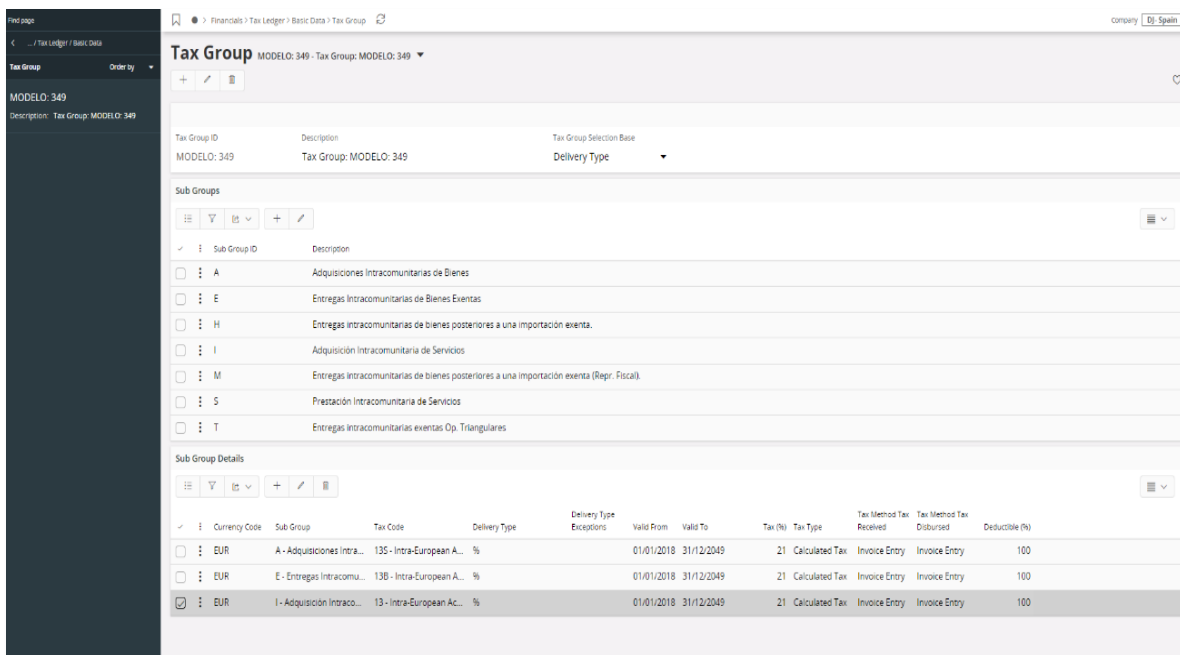
2.5 Define Tax Report

Follow the standard process to define a tax report and connect the tax template, "GES349: Modelo 349" and the tax group "Modelo 349" described in previous chapters. Output media should be file only.

This is the basics needed to define a Tax Report to facilitate the Modelo 349 tax report. Except for the tax template and the system define tax group, all the other information may be defined based on user requirements.

2.6 Create Tax Report

Once the tax report is defined as explained above, follow the standard process to create a Spanish Modelo 349 tax report. Read more in the IFS Cloud Documentation if needed.

In Spanish Modelo 349, the tax reporting is done by uploading a file with tax transactions. Printing a *Definitive Report* will create a .txt file which will contain the legally required information.

Create a Tax Proposal and check details → Print Preliminary Report → Acknowledge the Tax Proposal → Print Definitive Tax Report

2.6.1 Correction invoices

In case when correction invoice is registered for invoice which was already reported in previous period then we create additional correction rows (in Spanish "registro de rectificaciones") in 349 text file.

In IFS Cloud a corrections invoice is detect by:
- Check box **Correction Invoice** selected on customer or supplier invoice type present on invoice header. This check box is also copied to invoice header and tax transaction.
- Reference invoice series and number filled on invoice header. This is also copied to tax transaction.

When a correction invoice refers to invoice which was already reported in previous period then additional correction rows are created in 349 TXT file with two new fields containing new tax base amount including correction invoice and old tax base amount from original invoice. These fields are in positions 153..165 and 166..178 in the text file.

2.7 **Delimitations**
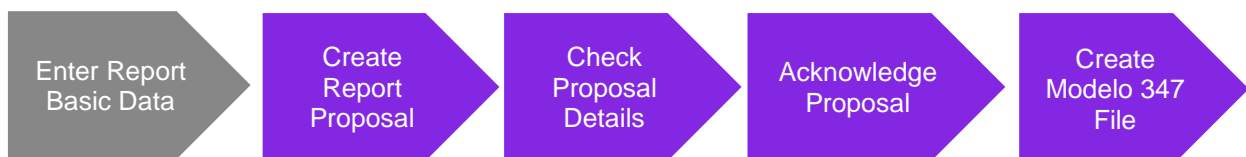
N/A

3 Spanish Tax Reporting Modelo 347

3.1 Overview Legal Requirement

Form 347 tax report is a legal requirement in Spain under RD 1065/2007 dated 27th July 2007.

As per the Spanish tax legislation the tax transactions should be grouped based on operation keys as below:

- "A": Purchases
- "B": Sales
- "C": Mediations;
- "D": Non-business purchases by public bodies correction;
- "E": Grants or Subsidies;
- "F": Travel agencies sales;
- "G": Travel agencies purchases.

3.2 Process Overview

Enter Report Basic Data → Create Report Proposal → Check Proposal Details → Acknowledge Proposal → Create Modelo 347 File

3.3 Prerequisites

The company must be set-up to use Spanish localization, see the Company Set up chapter and the "Spanish Tax Reporting Modelo 347" parameter must be enabled.

All invoices which should be reported under Modelo 347 must be in any of the posted statuses. A default communication method needs to be set up for the company and Document Tax Information must also be set up for each Customer and Supplier that have been used.

3.4 Enter Basic Data

A phone number to the reporting company is required in the report file and this information is taken from the *Company/Communication Methods* page. Therefore, make sure that **Communication Method** "Phone" have been defined. It is the default per method phone number that will be used in the report file.

3.5 Create Report Proposal

Modelo 347 is reported from the *Financials/Financial e-Reporting/Invoice Data Reporting* page. Select the command "New Modelo 347 – Spain" to create a new proposal.
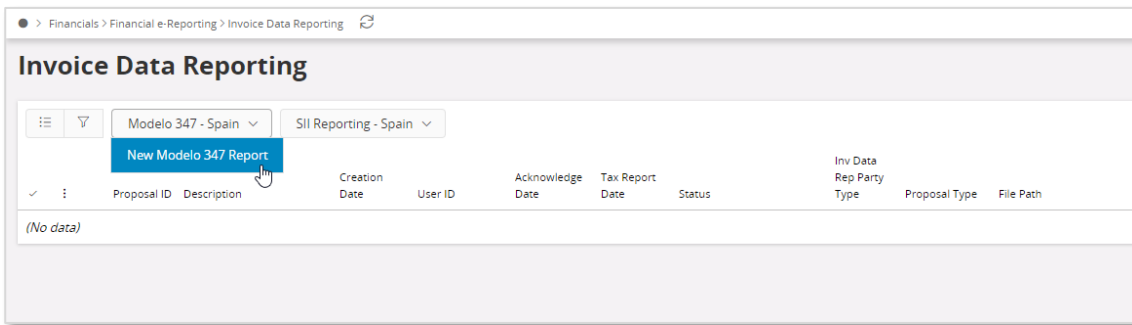
Specify the following details in the dialog to complete the proposal:

- **Period/Date Rage.** Select the Period/Date you want to create the report for.
- **Threshold Amount.** The minimum amount of accumulated invoices per customer/supplier for the report. Default value is 3005, 06 (based on Spanish regulations and reporting in EUR) but this is editable.
- **Currency.** Select which currency to report, e.g. invoices in the specified currency will be included.
- **Declaration Type**: From the drop-down option you can select Declaration type. When the report is created for the first time keep this field empty. When there are correction transactions to be included select whether the report created is "Complementary" or "Substitute". The option selected will be visible in the file created.
- **Customer/Supplier -** Select whether the report to be created for "Supplier" "Customer" or "All".
- **Exclude Non EU Export/Import -** If selected, customers/suppliers belonging to non-EU member countries are excluded in the report.
- **Exclude Purchase /Sales within EU -** If selected, Customers / suppliers belong to EU member countries are excluded in the selection/report.
- **File Name –** Text file name for the Spanish -Modelo 347 tax reporting file. File will be saved to the default download folder of the browser.
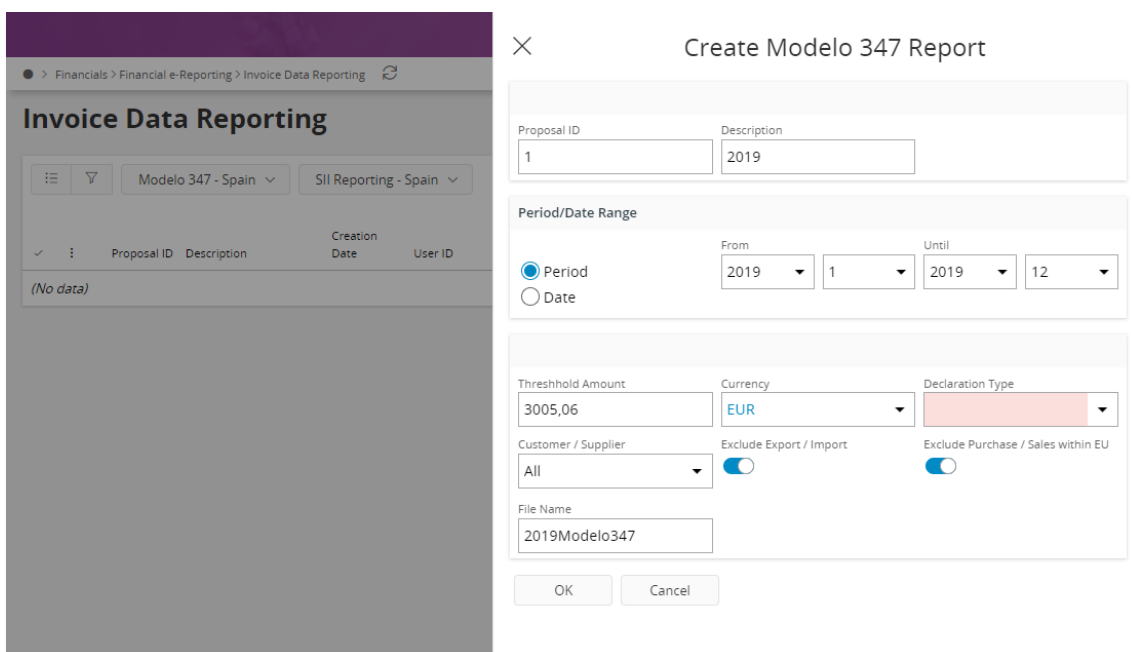
3.6 Modelo 347 Details

Once the proposal is created, select the details command to see the proposal details. From this page, you can see the invoice information fetched for tax reporting. Make sure to review the **Operation Key** for accuracy.

3.6.1 Operation Key

As per the Spanish tax legislation for Modelo 347, the tax transactions should be grouped according to operation keys as follows:

- "A" marks purchases and "B" sales and is automatically set based on the Supplier and Customer party type.
- The other Operation Keys are marking special transactions and can be changed manually for each invoice:
    - "C": Mediations;
    - "D": Non-business purchases by public bodies correction;
    - "E": Grants or Subsidies;
    - "F": Travel agencies sales;
    - "G": Travel agencies purchases.


3.7 Acknowledge Proposal

Once all necessary amendments are done to the tax reporting information via the *Modelo 347 Details* page, the tax proposal can be acknowledged. This is done by selecting the **Acknowledge** command from the *Invoice Data Reporting* page.
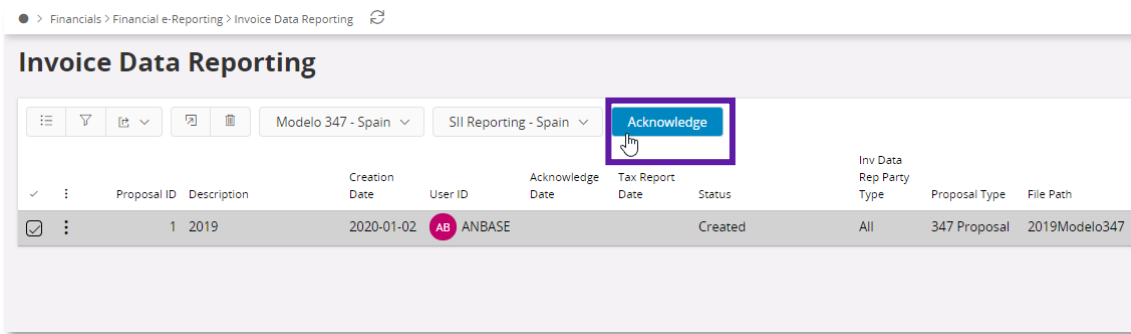
3.8 Create Tax Report (File)

Once the tax proposal is acknowledged the final step is to create the report (create the file). This is done by selecting the command **Report Modelo 347** in the *Invoice Data Reporting* page. This will open a dialog box. A file path defined in the Create Modelo 347- Spanish Tax Reporting dialog box is suggested. Once generated, text file can be overwritten or another text file name can be provided if necessary.

In addition, **Print Preliminary Report** option can be used to create a preliminary report before to the final output and this option can be also used to reprint the file reported via **Report Modelo 347**.
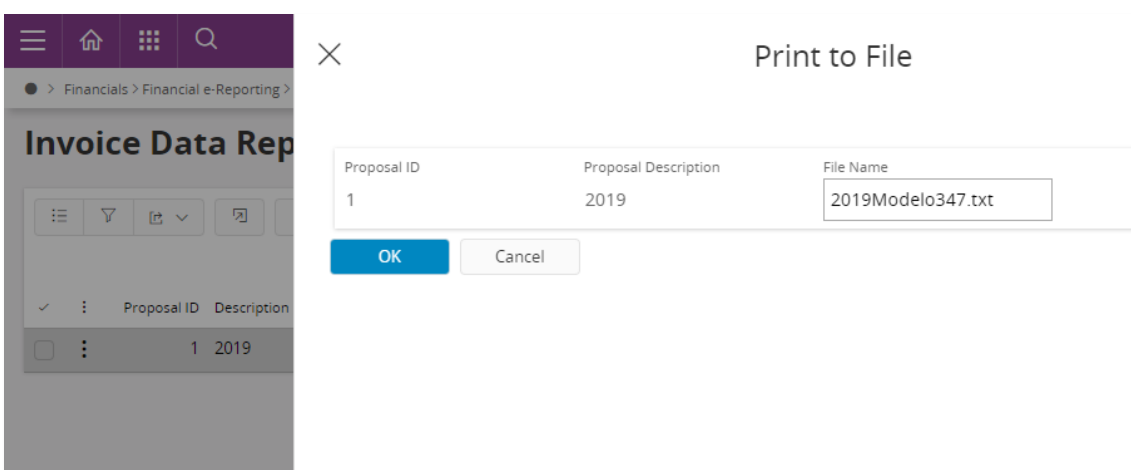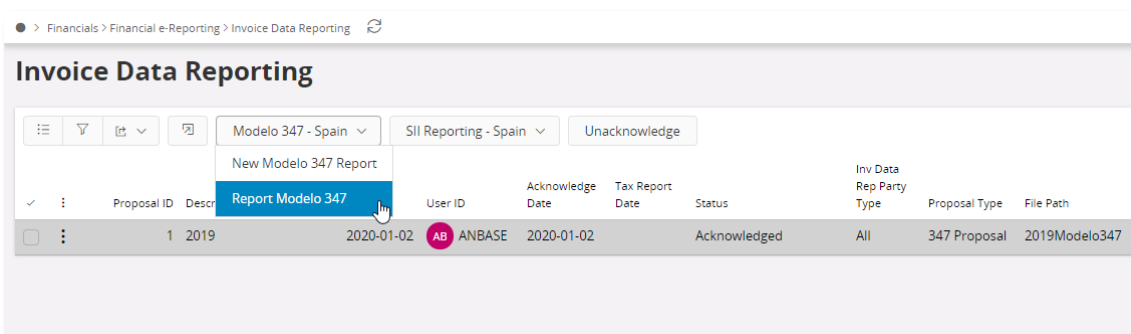
Once the tax report/file is created, the tax proposal status is set to "Reported". It will still be possible to view the details or **Print to File**.

3.9 Delimitations

N/A

4 Invoice Date and Number Control

4.1 Overview Legal Requirement

According to Spanish legislation, the customer invoice numbers within a series must be sequential and follow the invoice date in chronological order. This means that it is not allowed to set the customer invoice date at convenience. The numeration of customer invoices must follow a chronological order.

4.2 Process Overview
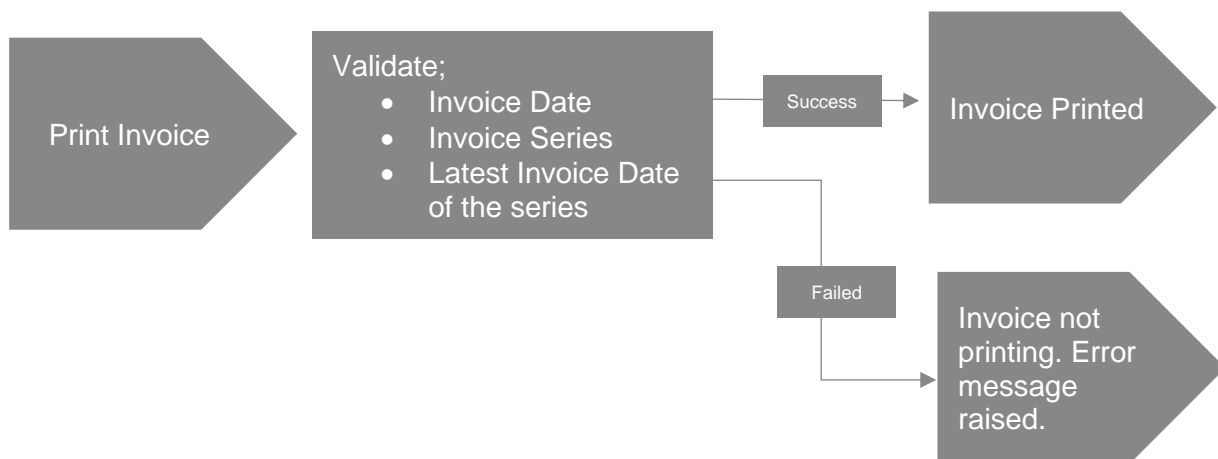
4.3 Prerequisites

The company must be set-up to use Spanish localization, see the Company Set up chapter and the "Invoice Date and Number Control**"** localization functionality must be enabled.

4.4 Printing, sending, e-mailing customer invoices

 When any of the pages below are used to print, send or email customer invoices, the invoice date and number control validation is made. An error message will be displayed on the page if the validation fails. If invoices are printed as a background job, then a warning will be displayed in Background Job.
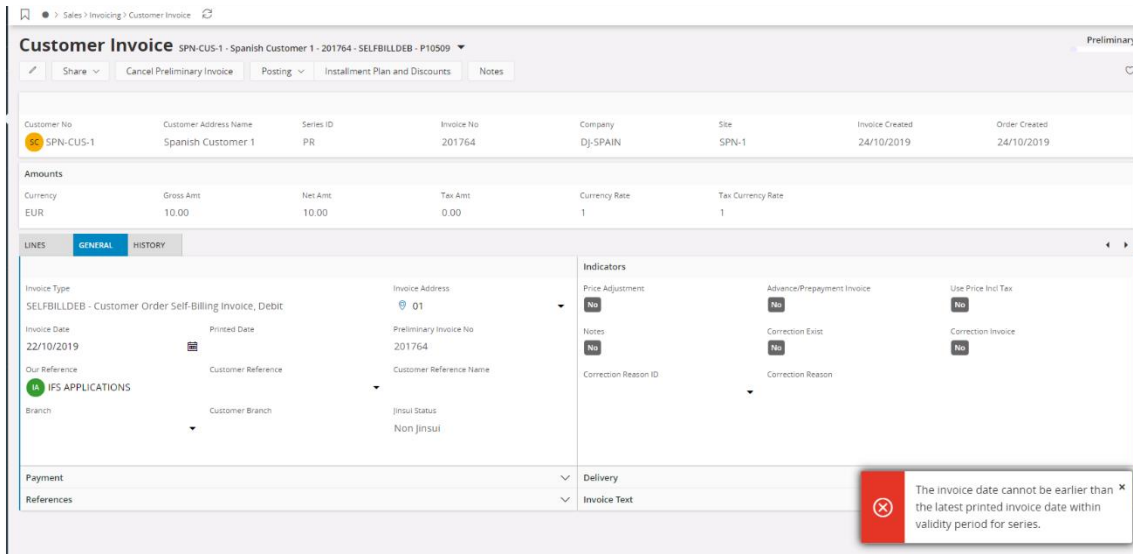
Application Page	Can process multiple invoices (Yes / No)	Pop-up error / Warning in background job	Comments
Instant Invoice	No	Error message displayed	
Print Invoice	Yes	Warning in Background Job	
Customer Invoice	No	Error message displayed	
Print Customer Invoices	Yes	Warning in Background Job	
Batch Print Customer Invoices	Yes	Warning in Background Job	
Project Invoice	No	Error message displayed	Release invoice
Project Invoices	Yes	Error message displayed	Release invoice
Batch Invoice (Project)	Yes	Warning in Background Job / Error in Batch Invoice Results	Release invoice

When processing multiple invoices, if there are one or more invoices that fails the validation, IFS Cloud will process the invoices that comply with the validation.

When the invoices are printed, sent, emailed automatically (Customer order flow), IFS Cloud will raise the error message during the automatic flow.

4.5 Delimitations

N/A

5 SII Reporting

5.1 Overview Legal Requirement

The Tax Agency in Spain has introduced a new VAT management system based on Immediate Supply of Information (SII). This means that all issued and received invoices must be reported to the Tax Agency in XML format. It should be done within four calendar days from the time an invoice was issued or registered. It is mandatory from July 1st, 2017 for 63000 tax payers in Spain.

The invoice information from first half of 2017 should also be sent to the Tax Agency between July 1st and December 31st, 2017. In the future, no other tax reporting than SII reporting must be provided.
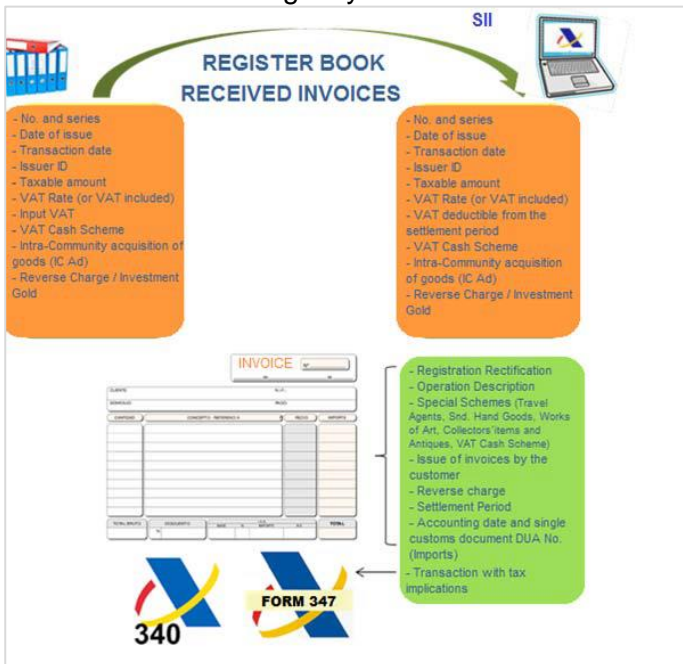
The Tax Agency provides the following web page for information about the SII reform:
http://www.agenciatributaria.es/AEAT.internet/en_gb/SII.html
This is how the Tax Agency describes how issued invoices are handled:

This is how the Tax Agency describes how received invoices are handled

5.2 Solution Overview

- The following LCC parameter is introduced to support the requirement:
  - SII - Immediate Supply of Information
- Define Basic Data. Three new pages is available under *Financials/Financial e-Reporting/SII Basic Data* folder.
  - *SII Exemption Reasons.* This page is used to enter the reasons of tax exemption.
  - *SII Invoice Types.* This page is used to enter types of invoices defined by the law.
  - *SII Business Transaction Types.* In this page is used to enter type of business transaction used on the invoice. It is defined separately for customer invoices and separately for supplier invoices
- Create SII proposal for either supplier or customer invoices. Review and acknowledge the proposal
- Generate XML file containing customer or supplier invoices from the proposal. The file is placed in IFS Connect Out Folder
- Use a 3rd party service provider to send the file to the tax agency and to upload the response file to IFS Connect In Folder
- The response file is automatically read and the invoice status is updated

5.3 Process Overview
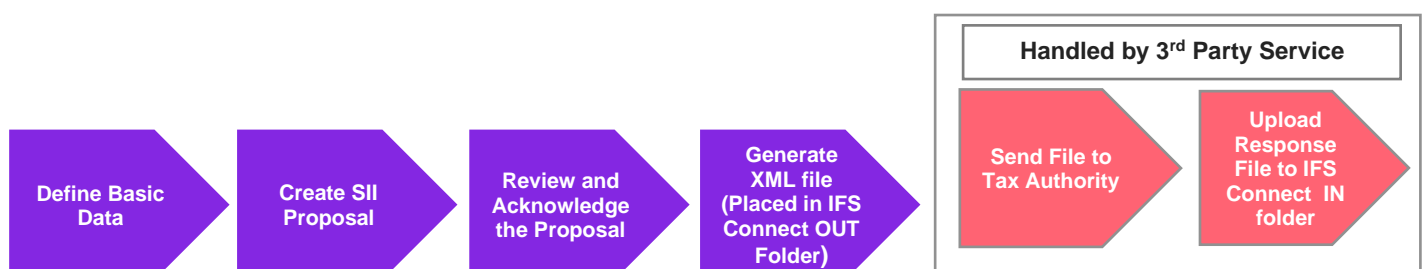
5.4 Prerequisites

The company must be set-up to use the Spanish localization, see the Company Set-Up chapter and the "SII - Immediate Supply of Information" functionality must be enabled.

Invoices must be posted, updated to general ledger and fetched to tax ledger to be included in the SII reporting.

Check that different **Invoice Number Series** are used for "Instant Invoice"- and "Instant Invoice Correction" **Invoice Type**. (*Customer Invoice Type* page)

5.5 Define Basic Data

5.5.1 SII Basic Data

Three new pages is available under *Financials/Financial e-Reporting/SII Basic Data* folder. The following pages are available:

- *SII Exemption Reasons*. This page is used to enter the reasons of tax exemption. It includes the following columns:

    - **SII Exemption Reason**: Code to be used in XML file.
    - **Description**: Description of the article applicable for the exemption.

- *SII Invoice Types*. This page is used to enter types of invoices defined by the law. It contains following columns:

    - **SII Invoice Type**: Code to be used in XML file. Codes F1 F6 are used for debit invoices, codes R1..R5 are used for credit or correction invoices.
    - **Description**: Description of the invoice type – article of the law.

- *SII Business Transaction Types*. In this page is used to enter type of business transaction used on the invoice. It is defined separately for customer invoices and separately for supplier invoices. It contains following columns:

    - **SII Business Transaction Type**: Code to be used in XML file.
    - **Description**: Describe the business transaction used on the invoice.
    - **Party Type**: Defines whether given code is to be used on customer or supplier invoice.

Default values will automatically be added from the company template "STD-ES".

On each tab, there is the **Translation** command available which allows to translate English description to Spanish or other language if needed.

Layout of *SII Basic Data/SII Exemption Reasons* page

Layout of *SII Basic Data/SII Invoice Types* page.

Layout of *SII Basic Data/SII Business Transaction Types* tab.

Sii Invoice Types

	SII Invoice Type	Description
☐	F1	INVOICE (art 6, 7.2 and 7.3 of the RD 1619/2012)
☐	F2	SIMPLIFIED INVOICE and INVOICES without identification of the recipient art 6.1.d) RD 1619/2012
☐	F3	Invoice issued to replace simplified invoices issued and filed
☐	F4	Invoice summary entry
☐	F5	Imports (DUA)
☐	F6	Other accounting support material
☐	LC	Complementary Customs Clearance
☐	R1	Corrected Invoice (Art 80.1 and 80.2 and error grounded in law)
☐	R2	Corrected Invoice (Art. 80.3)
☐	R3	Corrected Invoice (Art. 80.4)
☐	R4	Corrected Invoice (Other)
☐	R5	Corrected Invoice in simplified invoices

5.5.2   Define Invoice Series

A new column, **SII Invoice Type**, is added to the *Financials/Customer Invoice/Basic Data/Invoice Series* page.

This is used to connect SII invoice types to invoice series. The list of values and validation for new column refer to *SII Invoice Types* basic data described earlier. The codes starting with letter "F" are used on debit invoices. The codes starting with letter "R" are used on credit or correction invoices.

Invoice Series

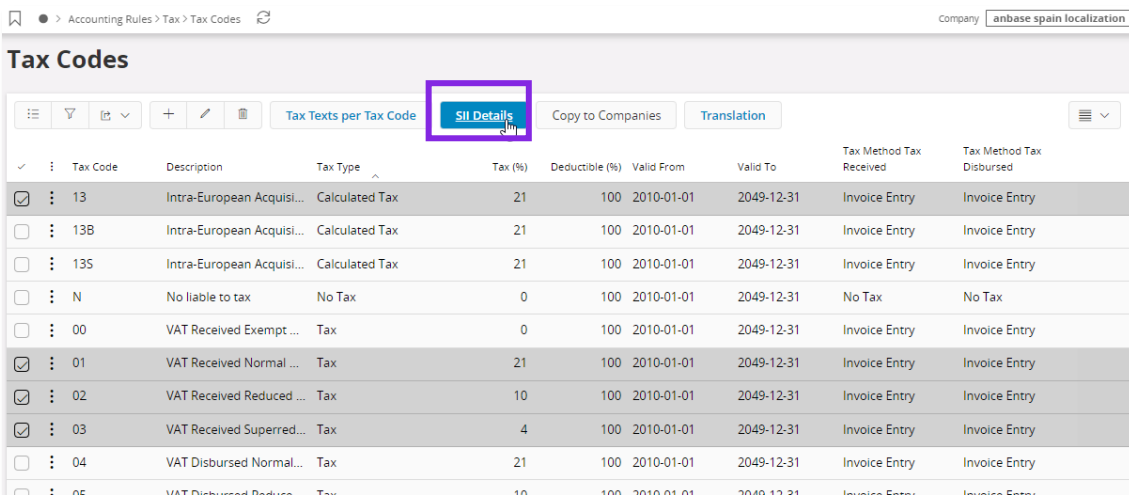|	Series ID	Description	Voucher Type	Max No of Char for Payment Reference	Fixed Length of Invoice No	Payment Method for Creation of Paym Ref	Tax Invoice	Separate Tax Invoice	SII Invoice Type
☐	AC	Advance Customer Order Credit Invoice					No	No	F1
☐	AD	Advance Customer Order Debit Invoice					No	No	
☐	AS	Automatic Supplier Invoice					No	No	
☐	CD	Customer Order Invoice, Debit					No	No	F1
☐	CF	Customer Difference Item					No	No	F1
☐	CI	Manual Customer Invoice					No	No	F1
☐	CR	Customer Order Invoice, Credit					No	No	R1
☐	EX	External Customer Invoice					No	No	
☑	II	Instant Customer Invoice					No	No	F1
☐	IR	Customer Interest Invoice					No	No	

5.5.3   Define Tax Codes

A new sub-page is added to the *Accounting Rules/Tax/Tax Codes* page. Select the tax codes that you would like to update and click the command "SII Details":

- **SII Exemption Reason**: It is used for <CausaExencion> tag in XML file that are specified as SII exemption reasons, see above. It can only be specified on tax code having tax percent equal 0. To report NonVATable operations, tax codes having tax type "Tax", tax
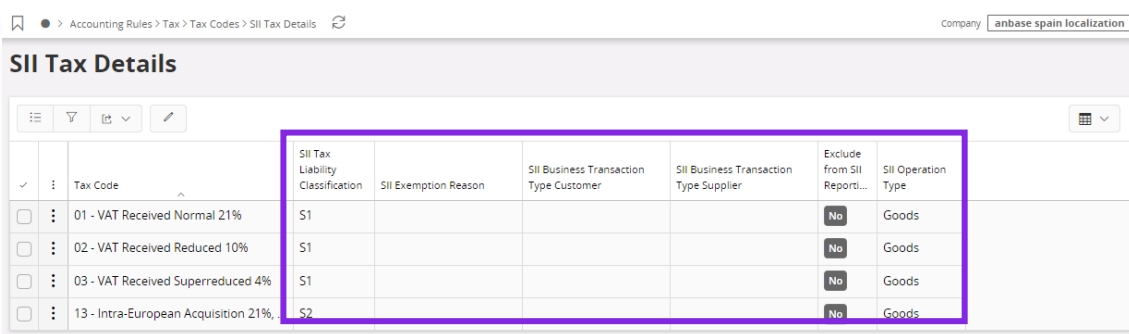
percentage 0 and SII exemption reason NX (see above) should be used. The value of these operations is repoted in relevant <NoSujeta> section in XML file.

- **SII Tax Liability Classification:** It is used to distinguish normal VAT taxed sales (S1 code) from reverse charge case, when buyer is responsible for VAT to the government (S2 code). It is combo box with two values: S1, S2. This value is used for <TipoNoExenta> tag in XML file.
- **SII Business Transaction Type Customer:** It will have LOV from SII Business Transaction Type having Party Type equal to "Customer". This value is used for customer invoice for tag <ClaveRegimenEspecialOTrascendencia> in XML file.
- **SII Business Transaction Type Supplier:** It will have LOV from SII Business Transaction Type having Party Type equal to "Supplier". This value is used for customer invoice for tag <ClaveRegimenEspecialOTrascendencia> in XML file.
- **Exclude from SII Reporting** – when selected, the invoice line containing this tax code will not be presented in SII XML.
- **SII Operation Type** – can be set to "Goods" or "Services. It is used when reporting sales to foreign customers. For goods block "Entrega" is created and for services block "PrestacionServicios".

Tax Codes

	Tax Code	Description	Tax Type	Tax (%)	Deductible (%)	Valid From	Valid To	Tax Method Tax Received	Tax Method Tax Disbursed
☑ ⋮	13	Intra-European Acquisi...	Calculated Tax	21	100	2010-01-01	2049-12-31	Invoice Entry	Invoice Entry
☐ ⋮	13B	Intra-European Acquisi...	Calculated Tax	21	100	2010-01-01	2049-12-31	Invoice Entry	Invoice Entry
☐ ⋮	13S	Intra-European Acquisi...	Calculated Tax	21	100	2010-01-01	2049-12-31	Invoice Entry	Invoice Entry
☐ ⋮	N	No liable to tax	No Tax	0	100	2010-01-01	2049-12-31	No Tax	No Tax
☐ ⋮	00	VAT Received Exempt ...	Tax	0	100	2010-01-01	2049-12-31	Invoice Entry	Invoice Entry
☑ ⋮	01	VAT Received Normal ...	Tax	21	100	2010-01-01	2049-12-31	Invoice Entry	Invoice Entry
☑ ⋮	02	VAT Received Reduced ...	Tax	10	100	2010-01-01	2049-12-31	Invoice Entry	Invoice Entry
☑ ⋮	03	VAT Received Superred...	Tax	4	100	2010-01-01	2049-12-31	Invoice Entry	Invoice Entry
☐ ⋮	04	VAT Disbursed Normal...	Tax	21	100	2010-01-01	2049-12-31	Invoice Entry	Invoice Entry
☐ ⋮	05	VAT Disbursed Reduce...	Tax	10	100	2010-01-01	2049-12-31	Invoice Entry	Invoice Entry

SII Tax Details

|	Tax Code	SII Tax Liability Classification	SII Exemption Reason	SII Business Transaction Type Customer	SII Business Transaction Type Supplier	Exclude from SII Reporti...	SII Operation Type
☐ ⋮	01 - VAT Received Normal 21%	S1				No	Goods
☐ ⋮	02 - VAT Received Reduced 10%	S1				No	Goods
☐ ⋮	03 - VAT Received Superreduced 4%	S1				No	Goods
☐ ⋮	13 - Intra-European Acquisition 21%,	S2				No	Goods

5.6 Create SII Proposal

SII proposal is created from the *Financials/Financial e-Reporting/Invoice Data Reporting* page. Depending on the status of the proposal, the command **SII Reporting – Spain** contains three options:

- Create SII Proposal
- SII Invoice Tax Details
- Generate XML File
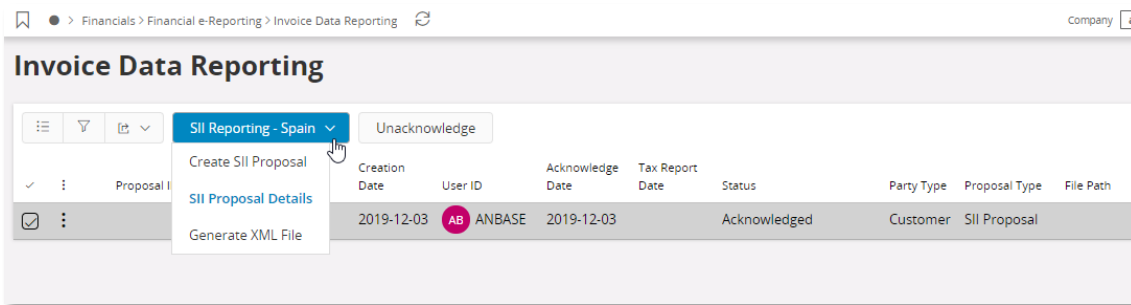
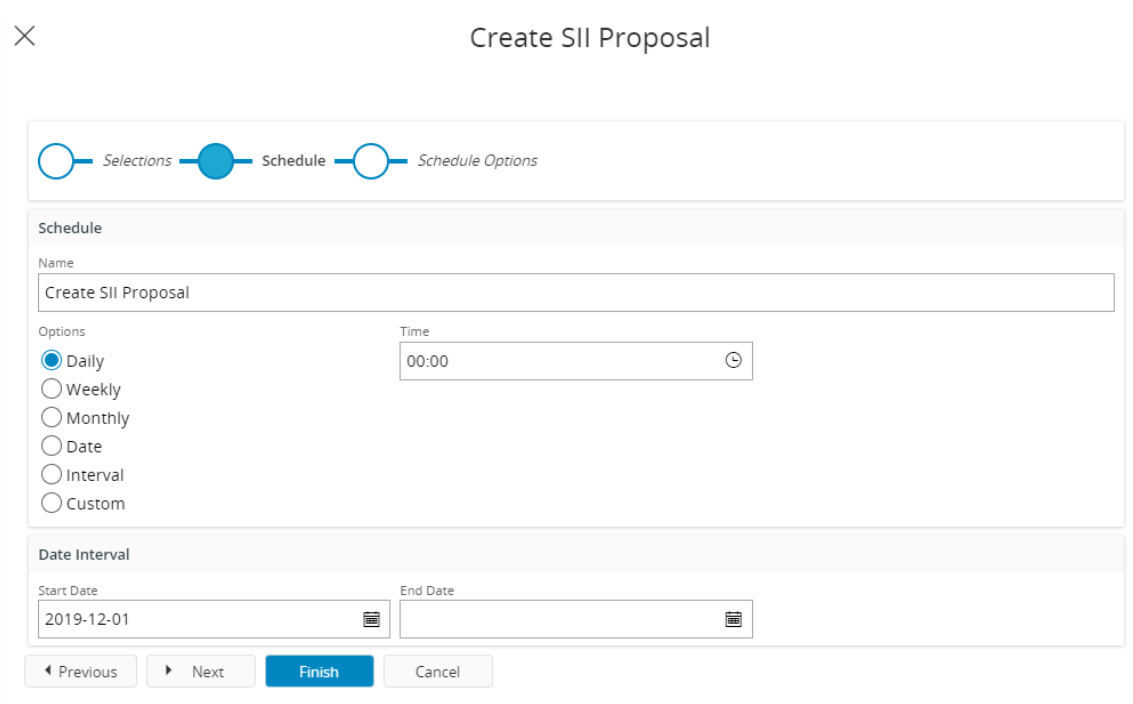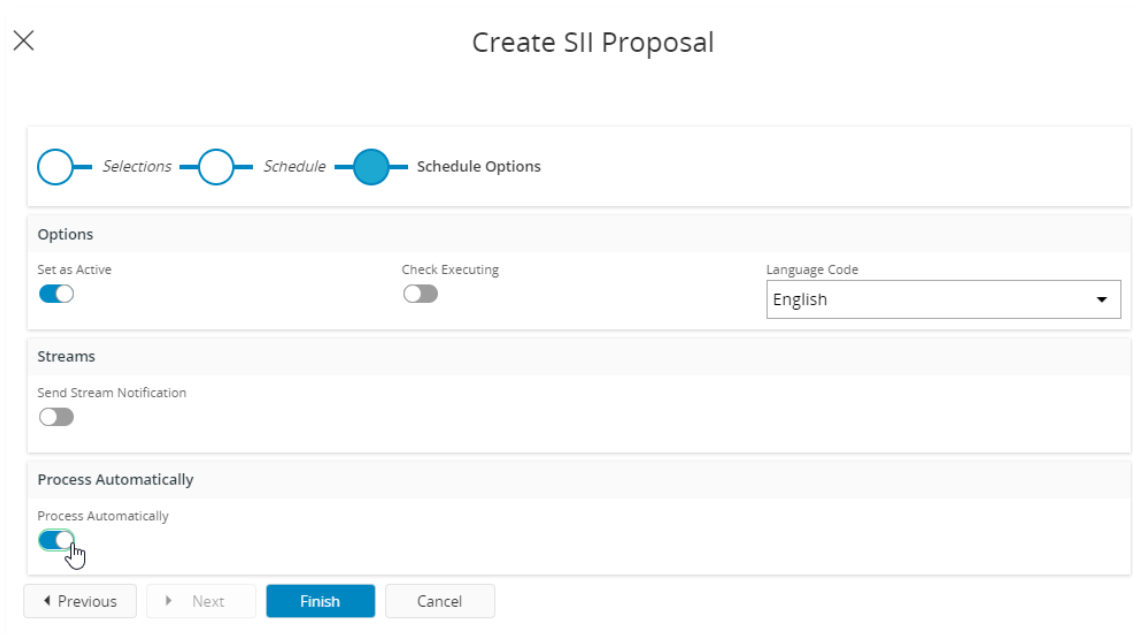Select the command **Create SII proposal** to create a new proposal. The following dialog is then opened.
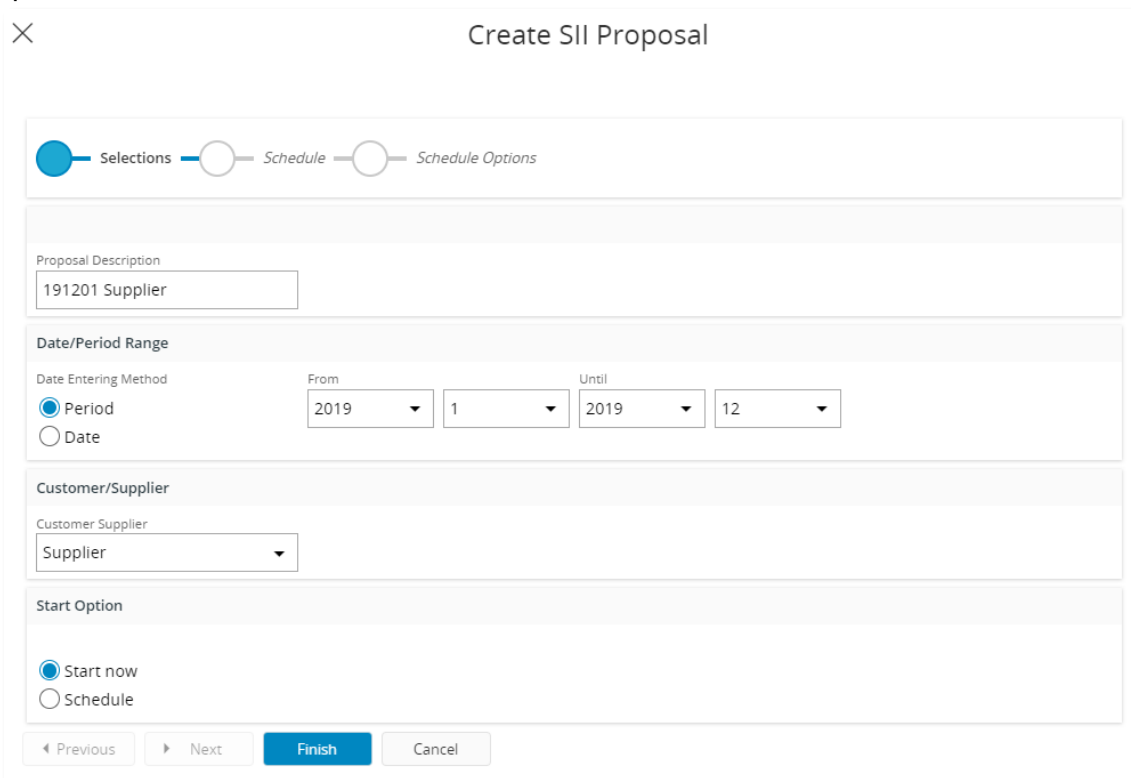
Add a description to the proposal, set a range for which invoices to be includes and select if the proposal should include customer or supplier invoices. The invoice must meet the following criteria's to be included in the proposal:

- Invoice is posted
- Invoice voucher is transferred to GL
- Fetch Tax Ledger Info should be performed
- Invoice Voucher Date is within specified date or period range
- Tax code used has tax type "Tax"
- The invoice is not included in other proposal of type "SII Proposal" in this company.

5.6.1 Schedule task for SII proposal creation

Select **Schedule** and click **Next** in the *Create SII Proposal* assistant to defined the rules and settings for the automatic creation of SII proposals.

If the **Process Automatically** switch is turned on. Then the proposal will be acknowledged, and the XML-file automatically created once the proposal is created.
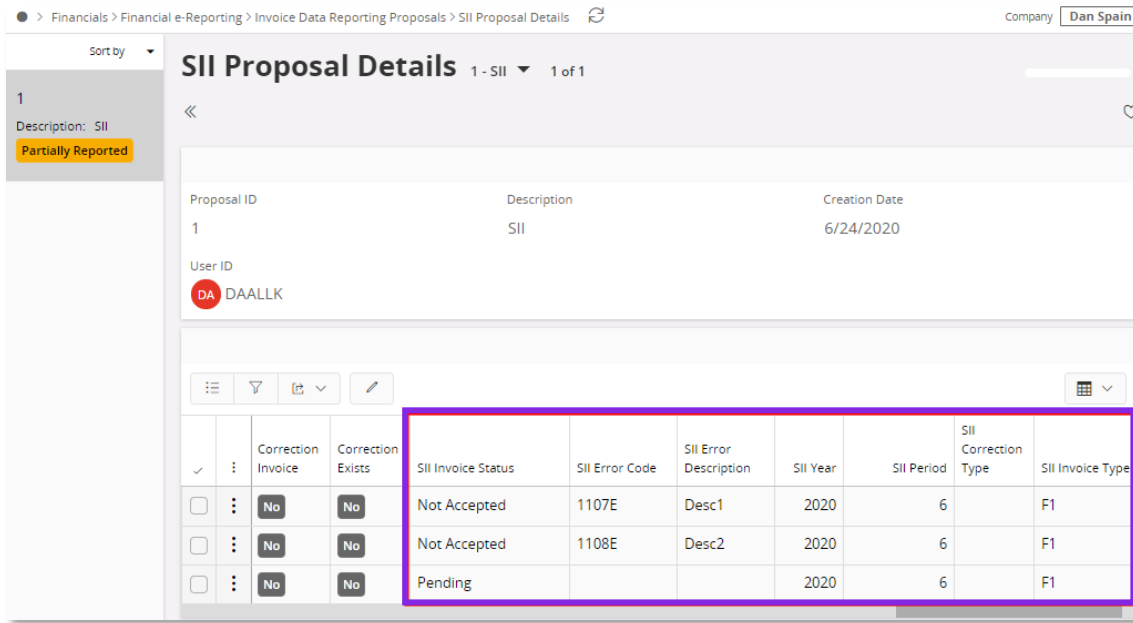
If there are errors, then the error message will be displayed in the background job. Correct the error and generate the XML manually from the proposal.

5.7 Review and acknowledge proposal

Use the command **Proposal Details** to view invoices included in the proposal. The *SII Proposal Details* page is opened with the details of the proposal.

In the header part of the page you can see the following fields: **Proposal ID**, **Description**, **Creation Date**, **User ID**, **Proposal Status**.

In the detail part of the page you can see basic information about the invoice such as invoice number, invoice date, gross amount, net amount, tax amount and other. We can also see information specific for SII reporting displayed in the: **SII Invoice Status**, **SII Error Code**, **SII Error Description, SII Year, SII Period, SII Correction Type** columns.

The **SII Invoice Status**, **SII Error Code**, **SII Error Description** columns are set automatically when the response file is uploaded and are not editable.

The **SII Year, SII Period** columns are set automatically based on tax liability date of the invoice. They are not editable.

The **SII Correction Type** column is a combo box with two values: "S", "I". It is automatically set to "S" for correction invoices. It is automatically set to "I" for credit invoices created from customer order flow with invoice types CUSTORDCRE, CUSTCOLCRE. For other credit invoices and for credit supplier invoices user should set the value manually to "I".
The SII correction type is only possible to edit manually when the proposal is in status "Created" and SII Invoice Status is equal to "Not accepted" or "Accepted with errors".

It is possible to remove invoices from the SII proposal when the proposal status is "Created". It is also possible to remove whole proposal and create it again.

5.7.1 SII Invoice Status
The **SII Invoice Status** columns indicate the status of the invoice with the SII perspective. The following statuses are used:
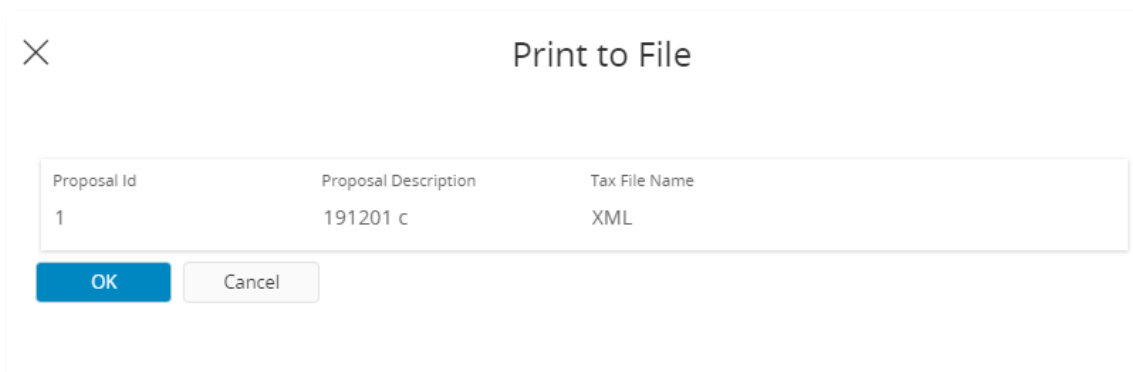- "Pending" is set when the invoice is included in the proposal.
- "Not accepted" corresponding to "Incorrecto" in response file
- "Accepted with errors" corresponding to "AceptadoConErrores" in response file
- "Accepted" corresponding to "Correcto" in response file

See below for all possible statuses and transitions:
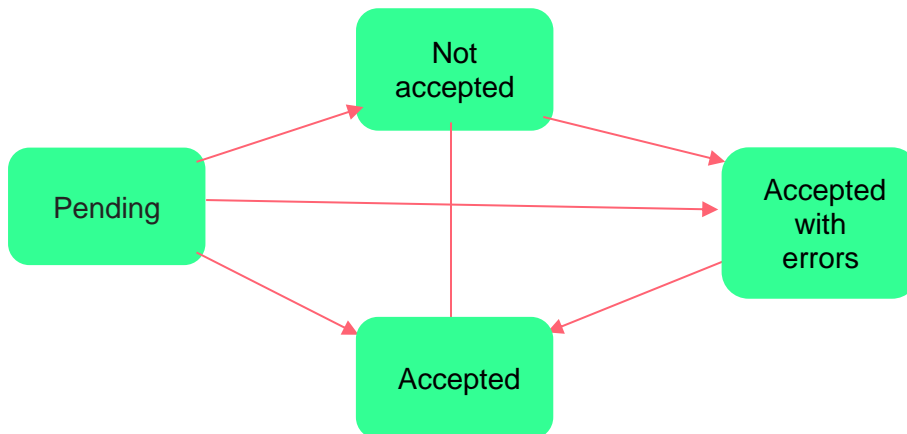
5.8 Generate XML File

When the proposal is acknowledged, select the command **Generate XML File**. The dialog below will be displayed.

10 000 invoices can be included in one XML file. If there are more invoices a separate file will be created per each 10 000. Communication type in tag <TipoComunicacion> informs SII web service whether new invoice is reported (A0) or it is amendment for invoice reported earlier (A1). It will be set to A0 for the first XML file generated for the proposal.

The file will be created in the outgoing folder defined in IFS Connect setup. Read more about IFS Connect in IFS Cloud technical documentation.

5.8.1 Reporting of no-tax operations

NonVATable customer operations (invoice amounts) are reported in SII XML file in three relevant <NoSujeta> sections:

1. Section for **Spanish customer: goods or services**, grouped by Exemption Reason (under respective tag, depending on exemption reason)
2. Section for **foreign customer**, **services**, grouped by Exemption Reason (under respective tag, depending on exemption reason)
3. Section for **foreign customer**, **goods**, grouped by Exemption Reason (under respective tag, depending on exemption reason)

This kind of operations are included in SII and reported in XML file only if tax code used on customer invoice has tax type: "Tax", 0 percentage and SII exemption reason "N1", "N2", "N3" or "N4".

5.9 Send XML File to Tax Authority

Customer is responsible to send the generated XML file to tax authorities.

The response file, received in XML format, which contains a status for each invoice reported can be uploaded into IFS Cloud. You can analyze an updated SII status and based on it, take required actions toward invoices contained in the SII.

5.10 Upload Response File to IFS Cloud

The response file received from SII web service must be uploaded to IFS Cloud. This is done by placing the file in the IN folder defined in IFS Connect setup. Read more about IFS Connect in IFS Cloud technical documentation.

The file is read automatically and the SII invoice status, error code and description is set for each invoice included in the proposal. Possible values for the SII invoice status are:
- "Accepted", in Spanish "Correcto"
- "Accepted with errors", in Spanish "AceptadoConErrores"
- "Not accepted", in Spanish "Incorrecto".

5.10.1 SII Proposal Status

The SII proposal status will be changed from "Acknowledged" to "Reported" or "Partially Reported" when the response file is uploaded to the application. When all invoices in the proposal receive status "Accepted" then status of the proposal is changed to "Reported". If there are invoices in status "Not accepted" or "Accepted with errors" then the status of the proposal is set to "Partially Reported".

Note:
In fetching the supplier details not only the company and tax id number parameters will be validated, the response received for the supplier when uploaded to the IFS Cloud, will be validated based on Company, Tax ID Number, Invoice Number and Invoice Date.

Limitation: Following scenario will not be supported

More than one supplier is defined with the same Tax ID Number, and if more than one invoice with same invoice date for these different suppliers exist.

5.11 Handle Errors

In case the SII proposal receive status "Partially Reported" then there are invoices with state "Not accepted" or "Accepted with errors". Change the basic data used by the not accepted invoices and generate new XML file for the proposal. Invoices with status "Accepted" will not be included in the new file.

Separate XML file for invoices in state "Accepted with errors" will be created with **Communication Type** "A1". Such invoices have present record in SII database. This XML is to update that record with new data.

Separate XML file for invoices in state "Not accepted" will be created with **Communication Type** "A0". Such invoices do not have record in SII database.

5.11.1 Analysis page for errors in reporting

New page *SII Invoices with Errors* is created to present invoices with **SII Invoice Status** equal to "Not Accepted" or "Accepted with errors".

5.12 **Analysis**

To help the user control that all invoices have been reported to SII. The columns **Included in SII Proposal** and **SII Invoice Status** are added to the *Customer Invoices Analysis* and *Supplier Invoice Analysis* pages (More Information tab). Please note that the columns might have to be added manually from the Table View Settings.

5.13 Delimitations

Following message types will not be supported:
- Capital Assets Ledger
- Specific intra-Community transactions ledger
- Collections in Cash
- Insurance Activities
- Supply of collections for Invoice Issued
- Supply of payments for Invoice Received

Supplier invoice cancellation is not handled in the flow of SII reporting. If record in SII database should be removed or updated (when new supplier invoice is entered with the same number) then it should be done manually outside IFS Cloud.

6 TicketBai Invoicing in Spain (Basque Region)

6.1 Overview of the Legal Requirement

TicketBAI is a shared project by the Regional (Provincial) Finance Authorities and the Basque Government to implement a series of legal and technical obligations regarding taxpayers' invoicing software. It will enable the tax authorities to monitor taxpayers' business income, particularly in sectors that deliver goods or perform services to end consumers that are largely paid for in cash.

Two of the main goals of the Basque authorities are to assist taxpayers in fulfilling their fiscal obligations and to combat tax fraud, thus ensuring that everyone contributes to public spending according to their financial means. The TicketBAI project is one of the most innovative elements in the field of assistance and monitoring of taxpayers with businesses. It aims to ensure that all transactions conducted by individuals and organizations in business are properly declared and draws on the experience of other countries in the region.

All invoicing software used to implement TBAI requirements must follow the process detailed below each time an invoice is issued:

- An XML file must be generated that matches the design and content of the TBAI format schema. This file will be known as the TBAI file.
- The TBAI file must be electronically signed.
- The invoice image may be generated either physically or in electronic format. The invoice image must include QR Code and the Unique Invoice Identifier which is generated using the content of the signature of the TBAI file.
- The procedure MUST be in the following order: generation of the TBAI file; digitally signing of the file; generation of the image on paper or in electronic format.

6.2 Solution Overview

The solution is based on IFS eInvoice which is using a 3rd party service provider to handle the communication of invoice information. The solution has been developed in cooperation with the IFS partner Pagero but other local or global service providers can be utilized. The service provider is needed to transform the IFS style invoice file to required TicketBAI format and to transform the response file to an IFS style format.

TicketBAI XML development is supported in all Live Invoices including Instant Invoices, Project Invoices and Customer Order Invoice categories. After sending the IFS XML to Pagero, they will perform following actions.

To fulfill these requirements of TicketBAI xml, the following tags are added to the IFS XML file.

TBAI Requirement	Mandatory/Optional	New tag introduced by IFS
Invoice Series	Optional	ESInvoiceSeries
Tax Point Date	Optional	ESTaxPointDate
Invoice Description	Mandatory	ESInvoiceDescription
ID Number	Conditional	ESIdNumber

Codes of VAT regime, codes, and taxable transactions	Mandatory	ESVatCode
VAT Withholding	Optional	ESVatWithholding
TAX Base at Cost	Optional	ESVatBaseAtCost
VAT Type	Mandatory	ESVAatType
VAT Exemption Reason Code	Conditional	ESVatExceptionReasonCode

6.3 Process Overview

1. IFS style XML created and send to Pagero.
2. Pagero generate TicketBAI XML and send to the Tax Authority.
3. Tax Authority send the response to Pagero.
4. Pagero send the response with QR code and Unique Invoice Identifier.
5. Pagero can send the invoice to customer (Optional).
6. Archive TicketBAI XML.
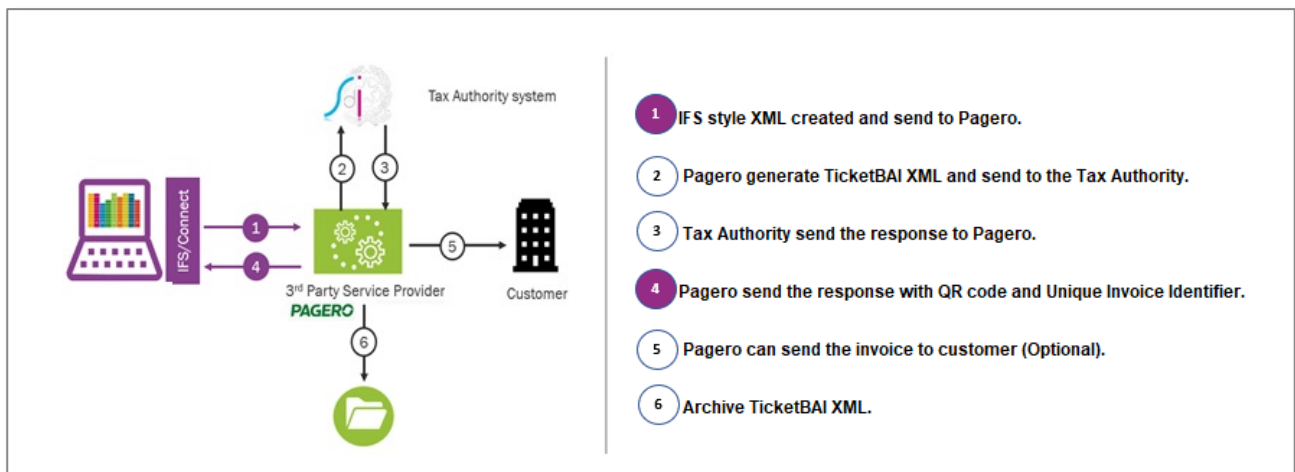
6.4 Prerequisites

Following basic data set up need to be done to enable the TicketBai Invoicing method.

The company must be set-up to use Spanish localization, and both the SII - Immediate Supply of Information localization functionality and E-Invoicing Compliance functionality need to be enabled together with newly introduced localization parameter for TicketBAI Spanish E-Invoice.
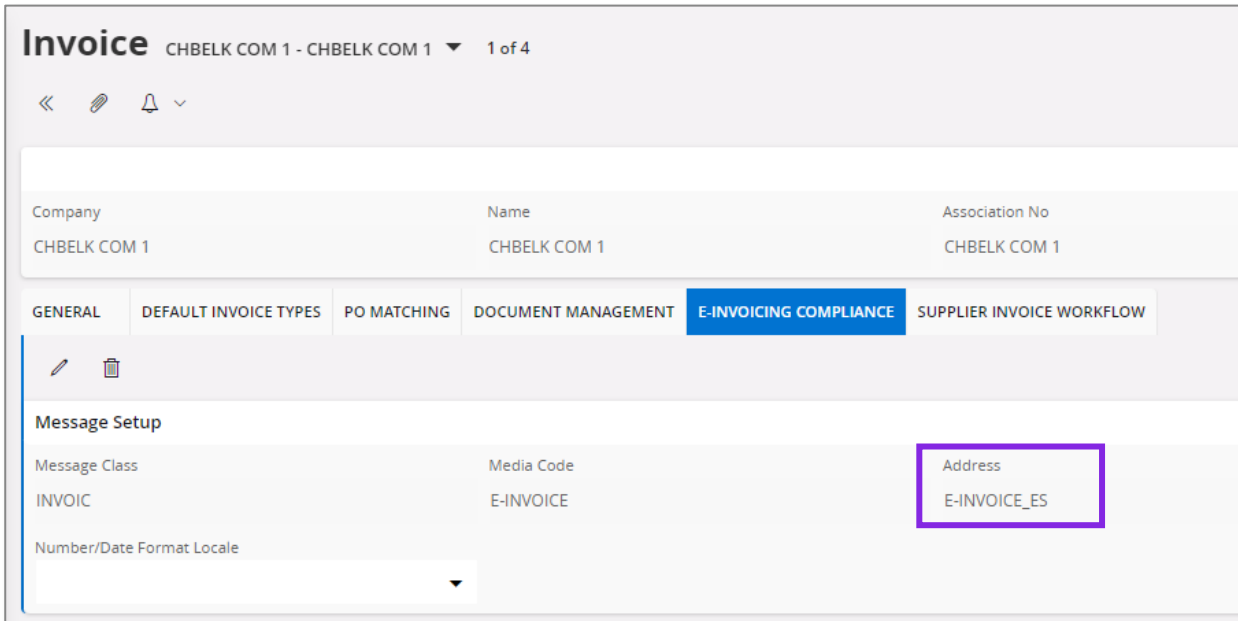
Further, Address should be filled as **E-INVOICE_ES** in the E-Invoice Compliance under Invoice tab in Company page.
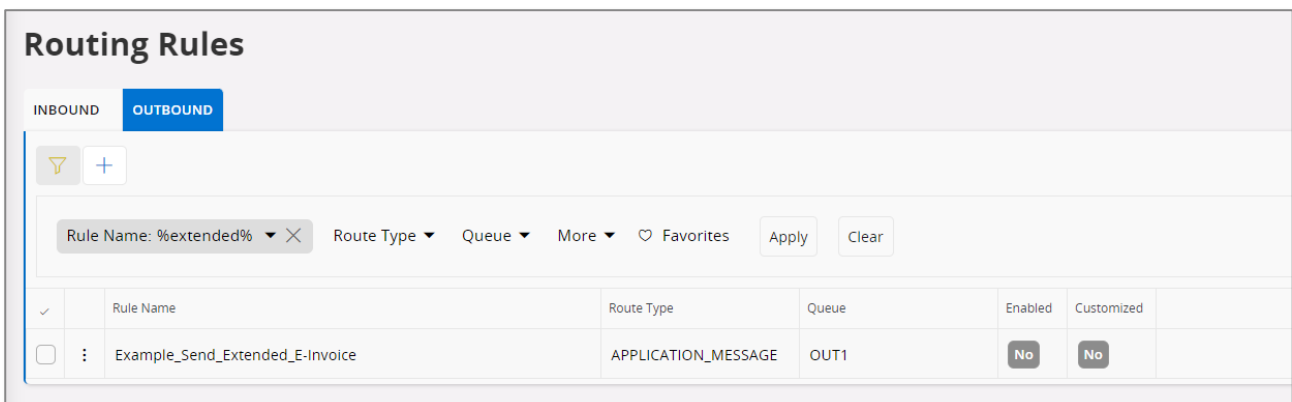
6.4.1 New Routing Rules

6.4.1.1 Routing Rule – Send Invoice

Common Routing Rule and the Routing Address defined under E-Invoicing Compliance functionality is using to generate IFS Style XML.

The setup of the routing rule needs to have the following conditions:

Routing address setup and transformers:

6.4.1.2 Routing Rule – Receive Response from Third Party

A new routing rule is added with the conditions fndcn:Function = ES_E_INVOICE_RESPONSE and it should be enabled before receiving the response.

The setup of the routing rule needs to have the following conditions:

Routing address setup and transformers:

6.5 Basic data setup for TBAI XML requirement

Define basic data as mentioned in the table to fulfill the requirement of TBAI XML.

TBAI Requirement	New tag introduced by IFS	Basic Data Setup
Invoice Series	ESInvoiceSeries	Invoice Series
Tax point Date	ESTaxPointDate	Same as Invoice Date
Invoice Description	ESInvoiceDescription	Define Invoice Text ID
ID Number	ESIdNumber	ID type (03,04,05) other than organization tax ID number (i.e., 02 - NIF or VAT Number) need to be define under **Tax ID Types** page based on the relevant country code. Then ID Type/Tax ID Type and the Number need to be defined under **Document Tax Information** tab in Customer Page. Any value related to this ID Type will be shown under ***"BuyerOrganizationTaxCode"*** tag in the xml. Following are the different ID types commonly use in Spain. 02: NIF or VAT Reg. Number (Main Tax ID Number)

		03: Passport 04: Official ID document issued by country or territory of residence 05: Residence certificate 06: Other identifying document
Codes of VAT regime, codes, and taxable transactions	ESVatCode	Tax Codes - SII Business Transaction Type Customer
VAT Withholding	ESVatWithholding	Customer Page - Withholding Taxes
TAX Base at Cost	ESVatBaseAtCost	Customer Page - Withholding Taxes
VAT Type	ESVAatType	Tax Codes - SII Tax Liability Classification - S1, S2, S3
VAT Exemption Reason Code	ESVatExceptionReasonCode	Tax Codes - SII Exemption Reason

6.6 Send XML to the Tax Authority

When create any invoice (Instant Invoice, Project Invoice or Customer Order Invoice) after setting up data as above, 'Send' command will be enabled to generate XML. IFS will send that XML to the Pagero to fulfil the requirement of QR code and Unique Invoice Identifier. Then Pagero will send the digitally signed TicketBAI XML to the relevant Tax Authority on behalf of IFS for the approval (Accept/Reject). Once send the XML, Invoice status should be in PostedAuth and Transferred status in Sent Invoices Page.

Sent Invoices

		Customer	Series ID	Invoice No	Invoice Type	Advance Invoice	Paym... Refer...	Status	Invoice Date	Pay Term Base Date	Due Date	Curre...	Amount	Tax Amoun...	Send Status	end Error Mess...
☐	⋮	CC CHBELK CUS - CHBEL	IC	9700002	INSTINVCRE	Yes		Posted Auth	7/27/2022	7/27/2022	7/27/2022	USD	-1000.00	0.00	Transferred	
☐	⋮	CC CHBELK CUS - CHBEL	II	9700007	INSTINV	No		Posted Auth	7/27/2022	7/27/2022	7/27/2022	USD	3000.00	750.00	Transferred	
☐	⋮	CC CHBELK CUS - CHBEL	PJ	20010005	PRJINV	No		Posted Auth	7/26/2022	7/26/2022	7/26/2022	USD	11.50	0.00	Transferred	

6.7 Upload Response File received from Pagero to IFS

If the Tax Authority accepted the TicketBAI XML, Pagero will send the response file containing QR Code and Unique Invoice Identifier back to the IFS. If the Tax Authority is not accepted any XML received, then Pagero will send the response file with an Error Code and the Error Description to the IFS. The response file received from Pagero must be uploaded to IFS Cloud. This is done by placing the file in the IN folder defined in IFS Connect setup. From the in-folder, the response file is automatically or manually read by IFS Cloud and the QR Code and Unique Invoice Identifier updated on the invoice.

EsReceiveEInvoiceDE
MO.xml

After processing the response file received from Pagero, user can check the Response Status in Sent Invoices Page as showing in the below image.

6.8 Reprint the Invoice after modification

When the response is accepted by the IFS Cloud, user can reprint the invoice using **"Reprint Modified"** command enabled in Sent Invoices Page and then Invoice Report XML will contain Unique Invoice Identifier and QR Code.

After reprint the Invoice, user can check the XML with QR Code and Unique Invoice Identifier using Report Archive as follows.

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6.9 Delimitations

Following invoice types will not be supported:

- Customer Self-Billing Invoices
- Out-Going Supplier Invoices

7 Appendix

TicketBAI XML
ColumnMapping.xlsx