



# Country Solution Brazil

IFSCLOUD23R2

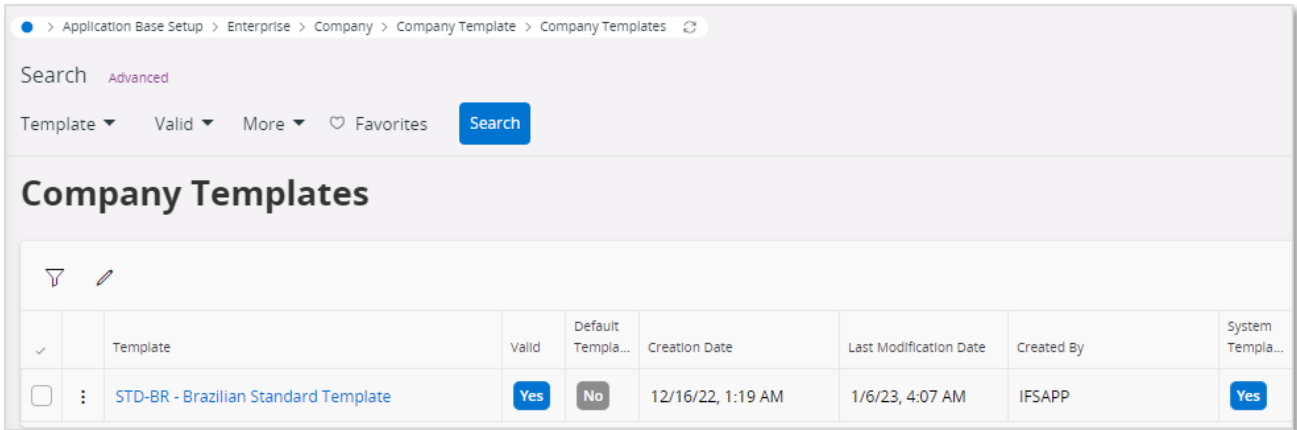
## Table of Contents

<b>1</b>	Company Set-up.....	2
<b>2</b>	Business Operation.....	4
<b>3</b>	Acquisition Origin.....	7
<b>4</b>	Goods/Services Statistical Codes definition per company.....	11
<b>5</b>	Goods/Services Statistical Codes set-up .....	12
<b>6</b>	Brazilian specific fiscal attributes.....	16
<b>7</b>	Purchase Charges with Brazilian Charge Category.....	26
<b>8</b>	Company, Customer and Supplier basic data for tax calculation, Nota Fiscal and Avalara request.....	30
<b>9</b>	Address specific tax registration numbers.....	34
<b>10</b>	Automatic generation of official invoice number.....	38
<b>11</b>	Extended Tax Codes and Tax Calculation Structures set-up.....	47
<b>12</b>	Integration to Brazilian External Tax System – Tax Determination .....	56
<b>13</b>	Outgoing Nota Fiscal.....	79
<b>14</b>	Outgoing Nota Fiscal – Supplier Returns for credit.....	114
<b>15</b>	Integration to Brazilian External Tax System – NF-e Communication .....	133
<b>16</b>	Gross Revenue Accounting.....	142
<b>17</b>	Nota Fiscal issue date as applied date on inventory transactions for goods issue .....	147
<b>18</b>	Cancel PostedAuth Customer Order Invoices .....	149
<b>19</b>	Taxes in intracompany goods movement .....	150
<b>20</b>	Incoming Nota Fiscal.....	163
<b>21</b>	Incoming Nota Fiscal – Customer Returns for credit.....	176
<b>22</b>	Incoming Nota Fiscal – Bill of Lading.....	184
<b>23</b>	Boleto – Bank Collection Bill.....	193
<b>24</b>	Self-Billing Invoices in Brazil.....	199
<b>25</b>	External Sped Reporting .....	203
<b>26</b>	Appendix .....	208

# 1 Company Set-up

## 1.1 Overview

Create a new Brazilian company. The company can be created based on the Brazilian Standard Template (STD-BR).

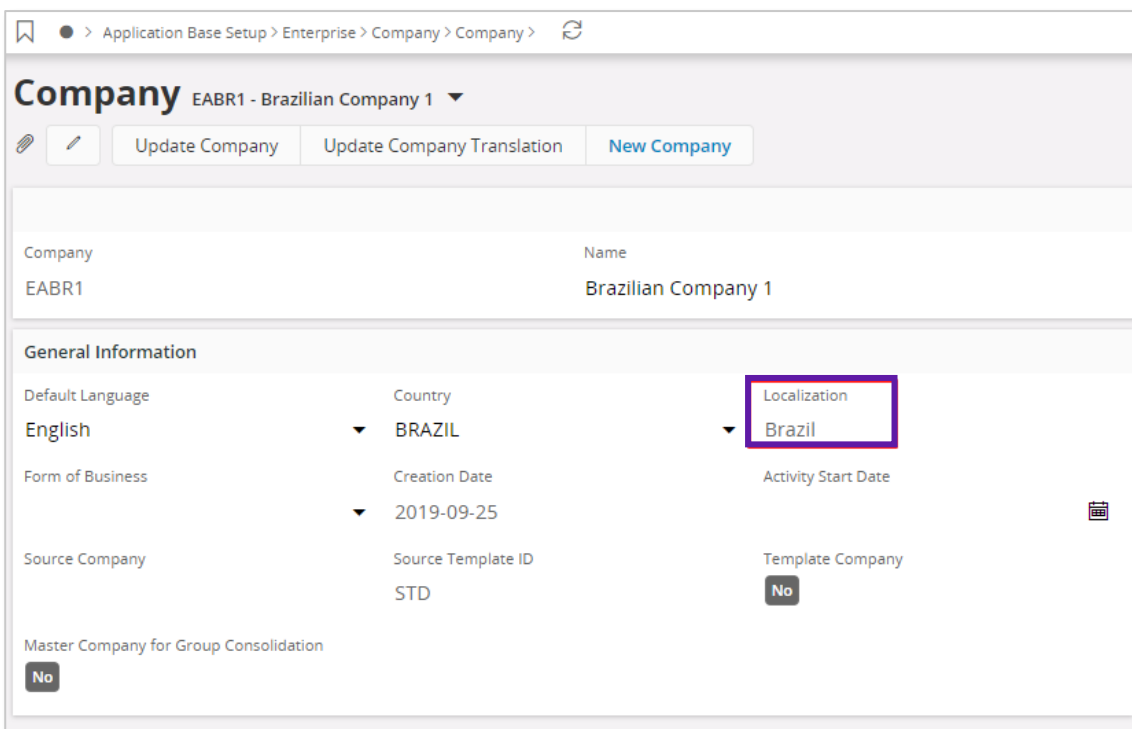


Template	Valid	Default Templa...	Creation Date	Last Modification Date	Created By	System Templa...
STD-BR - Brazilian Standard Template	Yes	No	12/16/22, 1:19 AM	1/6/23, 4:07 AM	IFSAPP	Yes

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.



Company: EABR1 - Brazilian Company 1

Company Name: Brazilian Company 1

**General Information**

Default Language: English

Country: BRAZIL

Localization: **Brazil**

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.  
For example showing Brazilian Specific Fiscal Attributes in the sales and purchasing flow is mandatory. But if Avalara taxes are supposed to be used, this specific function for “Integration to Brazilian External Tax System” need to be enabled.

**Localization Control Center** SC-BR-COM2 - SC-BR-Company2 2 of 3

Company: SC-BR-COM2, Name: SC-BR-Company2, Association No: , Created By: IFSAPP

Localization: Brazil (Initial Solution)

Functionality	Description	Mandatory	Enabled
<input type="checkbox"/> Acquisition Origin	Enables functionality for defining acquisition origin for parts, needed for legal reporting.	Yes	Yes
<input type="checkbox"/> Address Specific Tax Regis	Enables the definition of multiple, address specific tax registration numbers on Company, Customer and Supplier for legal reporting purposes.	Yes	Yes
<input type="checkbox"/> Use Automatic Generator	Enables the use of components to be combined with a sequence number per branch to create an official customer invoice number.	Yes	Yes
<input type="checkbox"/> Boleto - Bank Collection B	Enables the generation and print out of Brazilian Boleto when Customer Order Invoice is turned to PostedAuth state.	No	No
<input type="checkbox"/> Brazilian Specific Fiscal Att	Enables additional fiscal attributes specific for Brazil on Sales Part, Purchase Part and Master Part needed for tax determination and legal repor	Yes	Yes
<input type="checkbox"/> Business Operation	Enables functionality to define if a specific operation is taxable or not, needed for legal reporting.	Yes	Yes
<input type="checkbox"/> Integration to Brazilian Ex	Enables integration to Brazilian Tax system to facilitate Tax Determination, communication of electronic Notas Fiscais, and Tax Compliance.	No	Yes
<input type="checkbox"/> Cancel PostedAuth Custor	Enables the functionality for cancel customer order invoices in status PostedAuth.	Yes	Yes
<input type="checkbox"/> Nota Fiscal issue data app	Enables functionality ensuring the Nota Fiscal issue date is applied on inventory transactions for goods issue to fulfill accounting requirements	Yes	Yes

## 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 Nota Fiscal).

### 2.2 Process Overview Sales



### 2.3 Process Overview Procurement



### 2.4 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 (this is mandatory in Localization Control Center for Brazil localization).

### 2.5 Define basic data

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



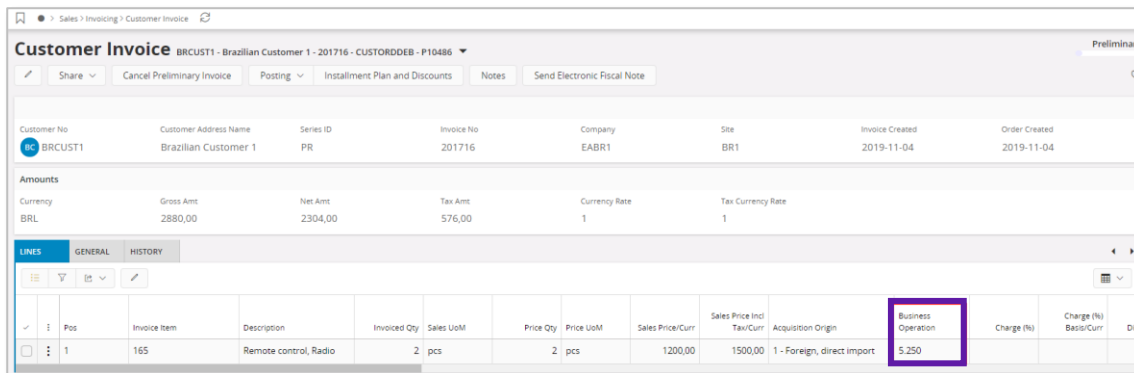
Business Operation	Description	Validity
<input type="checkbox"/> : 5.100	Sales of own production or by third party (within state)	Active
<input type="checkbox"/> : 5.250	Sales of electric energy (within state)	Active
<input type="checkbox"/> : 6.100	Sales of own production or by third party (outside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

### 2.6 Enter Customer Order

Enter and process a customer order using standard functionality.

## 2.7 Create Customer Order Invoice

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



The screenshot shows the 'Customer Invoice' interface for 'Brazilian Customer 1'. The 'Business Operation' field in the invoice line table is highlighted with a purple box, containing the value '5.250'.

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

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

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			

## 2.8 CFOP with the AVALARA Integration

From IFS Cloud 21R2 release onwards the Business Operation (CFOP) is associated with integration to 3<sup>rd</sup> party tax calculation engine, hence this value will be received from the tax calculation engine for each Customer Invoice Line and/or Purchase Order 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.

For the Purchase Order user will not be able to add a value when creating a Purchase Order Line, the field for Business Operation will be empty until a response from Avalara has been received. This value can only be changed by a new request and response from Avalara (e.g., triggered from a change on the Purchase Order line). The value received from Avalara doesn't have to exist in the basic data in IFS Cloud, regardless it will be added to the Purchase Order Line.

## 2.9 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 Nota Fiscais* chapter and in the *Appendix* for the mapping between IFS and XML file.

## 2.10 Enter Purchase Order

The field will be empty when entering a Purchase Order Line. Business Operation will only have a value on Purchase Order Line once received from Avalara.

**Purchase Order** P100722 - CE-BR-SUP1 - CE-B1 1 of 2

Status Share Order History Fetch External Tax Pre Posting Document Text Purchase Order Change Order Copy Order Pricing Centralize

Order No: P100722  
 Supplier: **CB** CE-BR-SUP1 - Cecilia brazil supplier 1  
 Site: CE-B1 - Cecilia site 1 BR co  
 Order Code: 1 - NORMAL  
 Receipt Date: 8/21/23, 12:00 ...

Not Shared

**Order Amounts**

Total Net Amount/Base	Total Net Amount/Curr	Total Tax Amount/Curr	Total Gross Amount/Curr
118.00 BRL	118.00 BRL	0.00 BRL	118.00 BRL

**PART LINES** NO PART LINES RENTAL PART LINES ORDER DETAILS CHARGES LANDED COST AUTHORIZATION

Status Line Details Create Lines from Template Copy Lines Price Comparison Part Purchase Component External Service Orders

(1)	Part No	Quantity	Business Operation	Goods/Services Statistical Code	Acquisition Origin	Acquisition Reason	Discou... (%)	Discount Amount	Taxable
<input checked="" type="checkbox"/>	CE-BRAZIL-PART1	1		45019000 - waste of c...	4 - Nacional, cuja produção t...	SC-BR-RS - Goods for Resale	0	0.00	Yes

## 2.11 Tax Request to Avalara

After user triggered a request to Avalara, (depending on Company setup this can be done by for example creating/modify a part line or any line connected charge, release the order, use the manual command, etc.) the response from Avalara will include a value for Business Operation. All details related to the Avalara request mapping can be seen in the Appendix.

## 2.12 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. This is also possible to set on the purchased part in order to have a default value for the purchase order line, this value is mandatory on the purchase order line when sending a request to Avalara.

### 3.2 Process Overview Sales



### 3.3 Process Overview Procurement

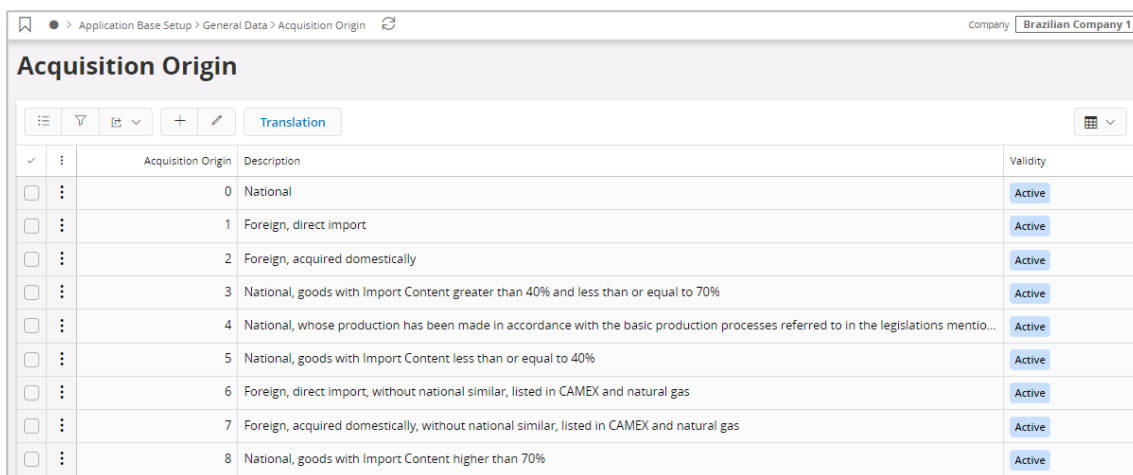


### 3.4 Prerequisites

The company must be set-up to use Brazilian localization, see the Company Set-Up chapter, and the “Acquisition Origin” parameter must be enabled (which is mandatory for the Brazil localization).

### 3.5 Define basic data

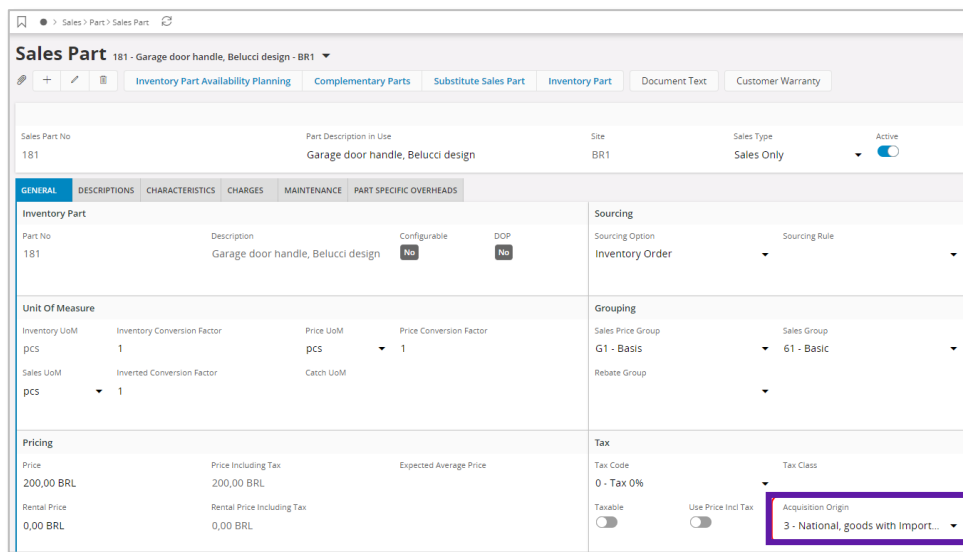
Enter Acquisition Origin basic data for your company in the *Application Base Setup/General Data/Acquisition Origin* page.



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 and/or for each purchase part in *Procurement/Part/Purchase Part* page.



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

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**

Part No	Description	Configurable	DOP	Sourcing Option	Sourcing Rule
181	Garage door handle, Belucci design	No	No	Inventory Order	

**Unit Of Measure**

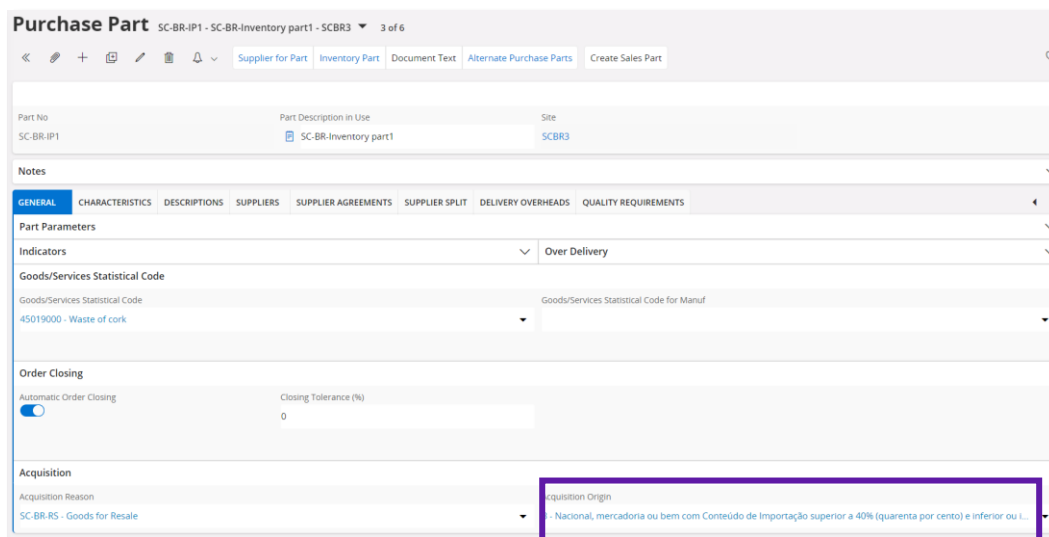
Inventory UoM	Inventory Conversion Factor	Price UoM	Price Conversion Factor
PCS	1	PCS	1
Sales UoM	Inverted Conversion Factor	Catch UoM	
PCS	1		

**Pricing**

Price	Price Including Tax	Expected Average Price
200,00 BRL	200,00 BRL	
Rental Price	Rental Price Including Tax	
0,00 BRL	0,00 BRL	

**Tax**

Tax Code	Tax Class
0 - Tax 0%	
Acquisition Origin	3 - National, goods with import...



**Purchase Part** SC-BR-IP1 - SC-BR-Inventory part1 - SCBR3 3 of 6

Part No: SC-BR-IP1 | Part Description in Use: SC-BR-Inventory part1 | Site: SCBR3

**GENERAL** | CHARACTERISTICS | DESCRIPTIONS | SUPPLIERS | SUPPLIER AGREEMENTS | SUPPLIER SPLIT | DELIVERY OVERHEADS | QUALITY REQUIREMENTS

**Part Parameters**

Indicators: Over Delivery

**Goods/Services Statistical Code**

Goods/Services Statistical Code: 45019000 - Waste of cork

**Order Closing**

Automatic Order Closing:  | Closing Tolerance (%): 0

**Acquisition**

Acquisition Reason: SC-BR-RS - Goods for Resale | Acquisition Origin: 3 - Nacional, mercadoria ou bem com Conteúdo de Importação superior a 40% (quarenta por cento) e inferior ou igual a 70% (setenta por cento)...

### 3.6 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

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

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

### 3.7 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

Customer No: BRCUST1, Customer Address Name: Brazilian Customer 1, Series ID: CD, Invoice No: 970000005, Company: EABR1, Site: BR1, Invoice Cr: 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

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

### 3.8 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 Nota Fiscais* chapter and in the *Appendix* for the mapping between IFS and XML file.

### 3.9 Enter Purchase Order

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

**Purchase Order** P100722 - CE-BR-SUP1 - CE-B1 1 of 2

Status Share Order History Fetch External Tax Pre Posting Document Text Purchase Order Change Order Copy Order Pricing Centralize

Order No: P100722  
Supplier: CE-BR-SUP1 - Cecilia brazil supplier 1  
Site: CE-B1 - Cecilia site 1 BR co  
Order Code: 1 - NORMAL  
Receipt Date: 8/21/23, 12:00 ...

Not Shared

**Order Amounts**

Total Net Amount/Base	Total Net Amount/Curr	Total Tax Amount/Curr	Total Gross Amount/Curr
118.00 BRL	118.00 BRL	0.00 BRL	118.00 BRL

**PART LINES** NO PART LINES RENTAL PART LINES ORDER DETAILS CHARGES LANDED COST AUTHORIZATION

Filter + Add Edit Delete Notify

Status Line Details Create Lines from Template Copy Lines Price Comparison Part Purchase Component External Service Orders

(1) ✓	Part No	Quantity	Business Operation	Goods/Services Statistical Code	Acquisition Origin	Acquisition Reason	Discou... (%)	Discount Amount	Taxable
☑	CE-BRAZIL-PART1	1		45019000 - waste of c...	4 - Nacional, cuja produção t...	SC-BR-RS - Goods for Resale	0	0.00	Yes

### 3.10 Tax Request to Avalara

Acquisition Origin will be included in the Avalara request file for each item. See further information in the *Appendix* for the mapping between IFS and Avalara.

### 3.11 Delimitations

No part lines and rental lines are not supported for the procurement flow.

## 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

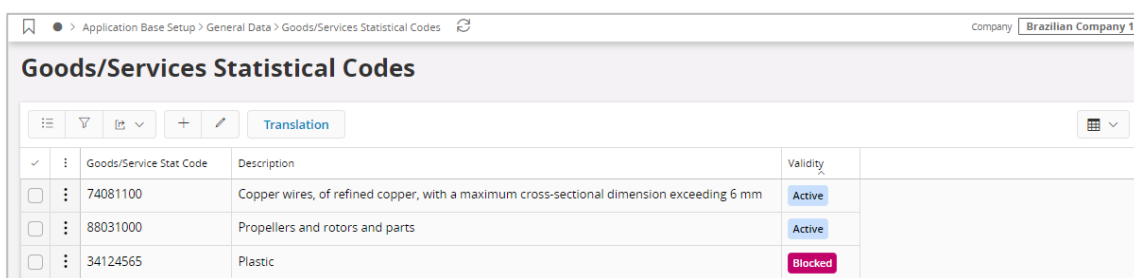


### 4.3 Prerequisites

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 (mandatory for Brazil localization).

### 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

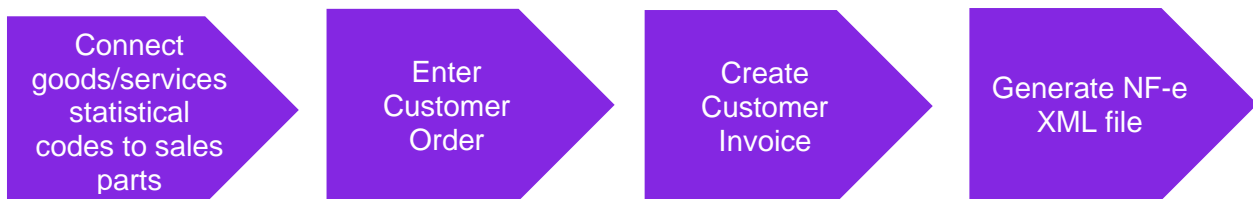
Note that this chapter only describes the functionality to define the codes per Company. Parameter “Goods/Services Statistical Codes Set-Up” enables the set-up of statistical codes on sales parts, non-inventory sales parts, sales charges, sales objects, project report codes, package parts and purchase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

## 5 Goods/Services Statistical Codes set-up

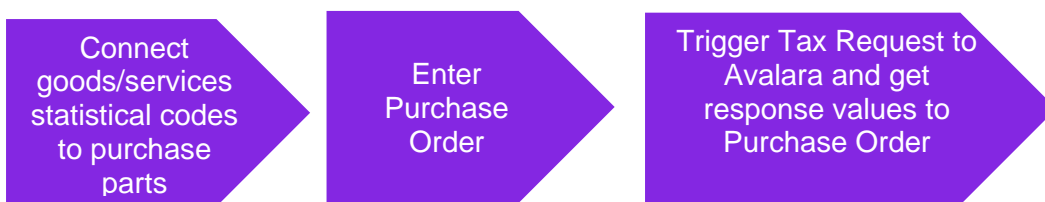
### 5.1 Overview Legal Requirement

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 Sales



### 5.3 Process Overview Procurement

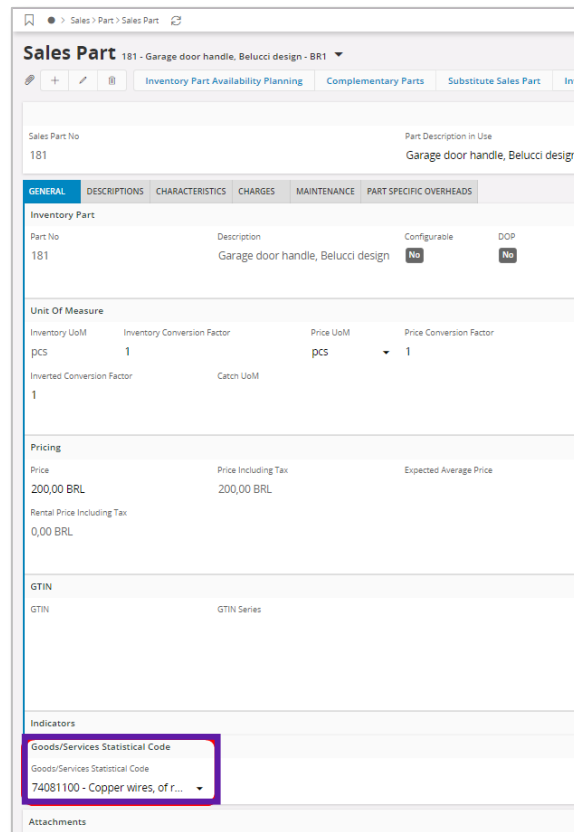


### 5.4 Prerequisites

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.

### 5.5 Connect Goods/Services statistical codes to sales part and purchase part

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



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

Sales Part No: 181 | Part Description in Use: Garage door handle, Belucci design

**GENERAL** | DESCRIPTIONS | CHARACTERISTICS | CHARGES | MAINTENANCE | PART SPECIFIC OVERHEADS

**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

**Pricing**

Price	Price Including Tax	Expected Average Price
200,00 BRL	200,00 BRL	

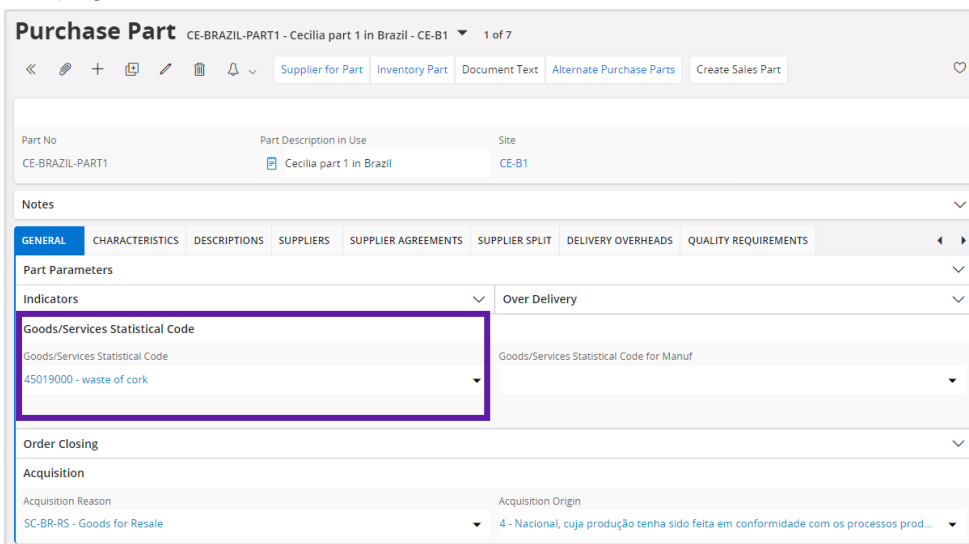
**GTIN**

GTIN	GTIN Series

**Indicators**

Goods/Services Statistical Code: 74081100 - Copper wires, of r...

Connect the goods/service statistical code to purchase parts in the *Procurement/Part/Purchase Part* page.



**Purchase Part** CE-BRAZIL-PART1 - Cecilia part 1 in Brazil - CE-B1 | 1 of 7

Part No: CE-BRAZIL-PART1 | Part Description in Use: Cecilia part 1 in Brazil | Site: CE-B1

**GENERAL** | CHARACTERISTICS | DESCRIPTIONS | SUPPLIERS | SUPPLIER AGREEMENTS | SUPPLIER SPLIT | DELIVERY OVERHEADS | QUALITY REQUIREMENTS

**Part Parameters**

**Indicators**

Goods/Services Statistical Code: 45019000 - waste of cork

Goods/Services Statistical Code for Manuf: [Empty]

**Order Closing**

**Acquisition**

Acquisition Reason: SC-BR-RS - Goods for Resale | Acquisition Origin: 4 - Nacional, cuja produção tenha sido feita em conformidade com os processos prod...

## 5.6 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, the column for 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...

## 5.7 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 Prelim

[Share](#) [Cancel Preliminary Invoice](#) [Posting](#) [Installment Plan and Discounts](#) [Notes](#) [Send Electronic Fiscal Note](#)

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](#)

[☰](#) [☼](#) [☰](#) [✎](#)

<input checked="" type="checkbox"/>	Type	Tax Code	Tax Calculation Structure	Business Operation	Acquisition Origin	Goods/Services Statistical Code	Tax (%)	Multiple Tax Lines
<input checked="" type="checkbox"/>			BRTS-1			DU:ST:C:0001 - DU:ST:...		Yes

## 5.8 Generate NF-e XML file

In the final step of the process, NF-e xml should be created from the Outgoing Nota Fiscal page 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 Nota Fiscals* chapter and in the *Appendix* for the mapping between IFS and XML file.

## 5.9 Enter Purchase Order

Enter a purchase order header with part lines in the *Procurement/Order/Purchase Order* page (standard functionality). Then enter a purchase order part line and select the Purchase Part with the “Goods/Services Statistical Codes” connected.

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

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

## 5.10 Tax Request to Avalara

The Goods/Services Statistical Code (NCM) connected to the Purchase Order Line is a part of the information to be included in the Request file sent to Avalara.

See further information in the *Appendix* for the mapping between IFS and Avalara.

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

Description to be added in coming versions.

## 5.12 Delimitations

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



## 6 Brazilian specific fiscal attributes

### 6.1 Overview Legal Requirement

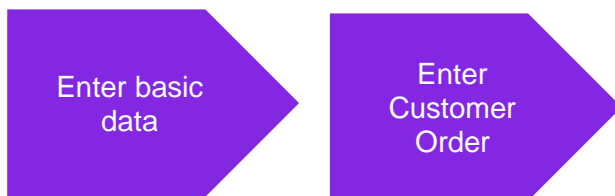
The **Business Transaction Code** is required in 3<sup>rd</sup> party tax calculation engine in order to properly identify the business scenario details performed and return calculated tax amounts, as well as other relevant tax related information in accordance.

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 3<sup>rd</sup> 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 3<sup>rd</sup> 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 Nota Fiscais 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 Nota Fiscal when applying for given a good. This is required for 3<sup>rd</sup> 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 Sales



### 6.3 Process Overview Procurement



### 6.4 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.

Application Base Setup > General Data > Acquisition Reason

### Acquisition Reason

✓	:	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.

For example, in procurement flow a Direction should be Inbound and in order to get the Avalara Tax Integration to work, the Business Transaction Id need to be connected to an External Tax System Reference as for example standardPurchase. Also, Presence Type is needed. The value set for Acquisition Reason Id will be used as the default value on Purchase Order Lines, if the value is missing on the Purchase Part.

Application Base Setup > General Data > Business Transaction Code

Company: BLUE NOTE GL

### Business Transaction Codes

✓	:	Business Transaction Id	Description	Direction	Presence Type	Acquisition Reason Id	External Tax System Reference
<input type="checkbox"/>	:	100	Standard Sales	Outbound	Presence-Onsite	UC	standardSales
<input type="checkbox"/>	:	101	Domestic Sales	Outbound	Presence-Onsite	RS	standardSales
<input type="checkbox"/>	:	200	Transfer of Goods - Intersite	Outbound	Presence-Offsite	RS	itemTransferShippingOutbound
<input type="checkbox"/>	:	500	Domestic Purchases	Inbound	Phone		
<input type="checkbox"/>	:	600	Receipt of Goods - Intersite	Inbound	Internet		

Business Transaction Code is introduced as a new Control Type for IP4, M28, M295, M296, M30 and M31 Posting Types.

## Posting Control

☰ ⚙️ 📄 + ✎

Posting Type ▾ Code Part Name ▾ Control Type : C128 ✕ More ▾ Favorites Clear 🔍 ⋮ Settings

✓	:	Posting Type	Code Part Name	Control Type
<input type="checkbox"/>	:	IP4 - Tax Disbursed, Invoice	Account	C128 - Business Transaction Code
<input type="checkbox"/>	:	M28 - Taxable Sales	Account	C128 - Business Transaction Code
<input type="checkbox"/>	:	M295 - Tax in Sales Revenue	Account	C128 - Business Transaction Code
<input type="checkbox"/>	:	M296 - Tax Deduct from Gross Revenue	Account	C128 - Business Transaction Code

Sort by ▾

### Posting Control Details IP4 - Account - C128 1 of 1

IP4  
Code Part Name: Account  
Control Type: C128

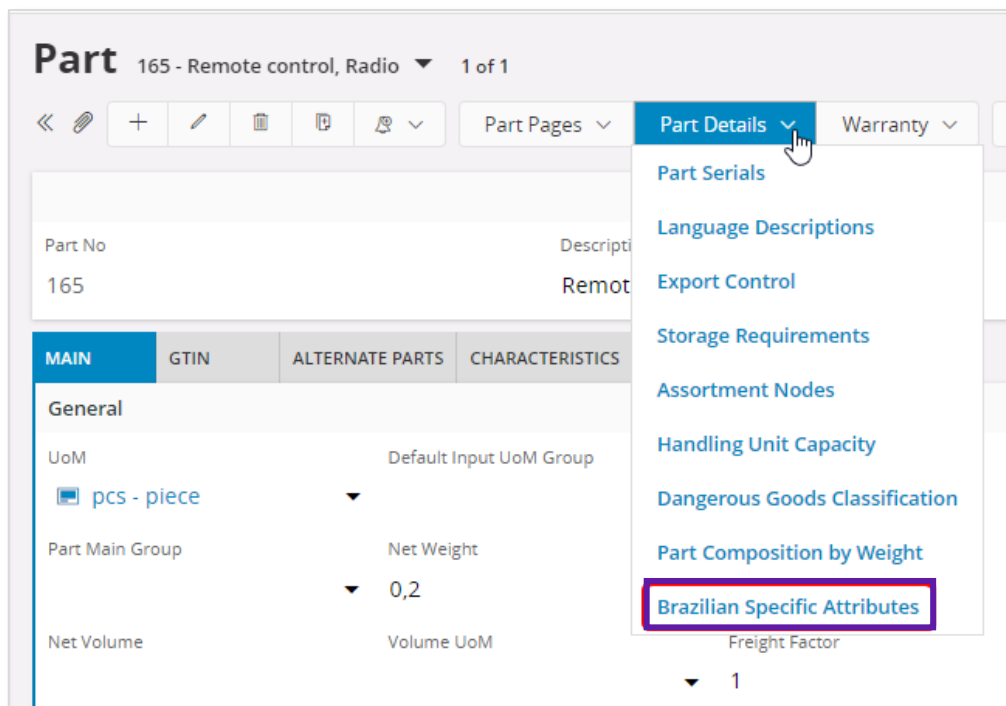
⏪ ⚙️ Copy Details Set-up

Posting Type	Code Part Name	Control Type
IP4	Account	C128
Default Value No CT Value	Valid From	10/2/2021

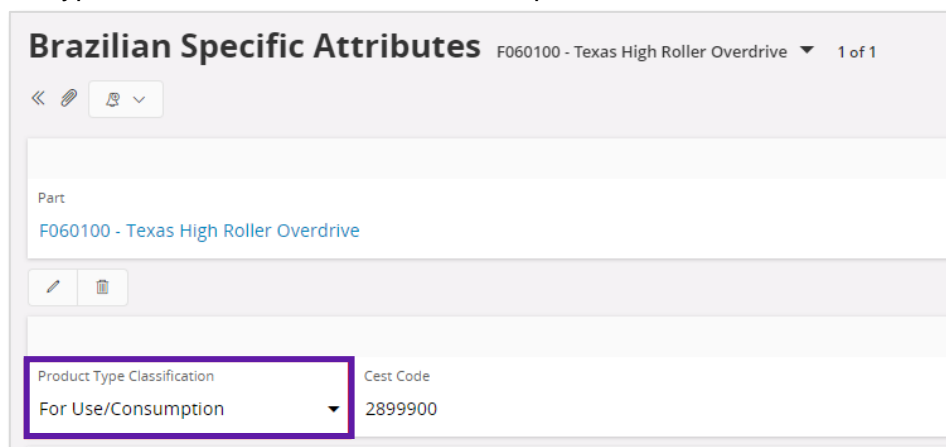
☰ ⚙️ 📄 + ✎

✓	:	Business Transaction Code	Description	Account
<input type="checkbox"/>	:	100	Standard Sales	2610 - Output VAT, not reduced
<input type="checkbox"/>	:	120	Exportation	2611 - Output VAT on sales in Sweden, not reduced

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*.



Select Product Type Classification value from the dropdown list.



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 and/or Purchase Part.

Sales Part F060100 - Texas High Roller Overdrive - SP01 1 of 5

Acquisition Reason

Acquisition Reason Id

RS - Goods for Resale

**Purchase Part** SC-BR-IP1 - SC-BR-Inventory part1 - SCBR3 3 of 6

Supplier for Part Inventory Part Document Text Alternate Purchase Parts Create Sales Part

Part No: SC-BR-IP1 Part Description in Use: SC-BR-Inventory part1 Site: SCBR3

Notes

GENERAL CHARACTERISTICS DESCRIPTIONS SUPPLIERS SUPPLIER AGREEMENTS SUPPLIER SPLIT DELIVERY OVERHEADS QUALITY REQUIREMENTS

Part Parameters

Indicators: Over Delivery

Goods/Services Statistical Code

Goods/Services Statistical Code: 45019000 - Waste of cork Goods/Services Statistical Code for Manuf:

Order Closing

Automatic Order Closing:  Closing Tolerance (%): 0

Acquisition

Acquisition Reason: SC-BR-RS - Goods for Resale Acquisition Origin: 3 - Nacional, mercadoria ou bem com Conteúdo de Importação superior a 40% (quarenta por cento) e inferior ou L...

## 6.5 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.

**Customer Order** P10739 1 of 15 Released

Status Share Operations Freight

Order Amounts

LINES RENTAL LINES ORDER DETAILS CHARGES INVOLVED PARTIES

Delivery Address

Delivery Settings

Delivery Confirmation

Order Picking

Shipment

Brazilian Specific Attributes

Business Transaction Id: 100 - RCA BUSINESS TRANSACTION TEST

## 6.6 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:

1<sup>st</sup> – Acquisition Reason Id value is inherited from the Business Transaction Id defined for the Customer Order.

2<sup>nd</sup> – If Acquisition Reason Id is not set in the Business Transaction Id, then the value is retrieved from Sales Part.

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

LINES										
Line No	Del No	Sales Part No	Sales Part Description	Sales Qty	Sales UoM	Price/Curr	Acquisition Reason Id	Price Incl Tax/Curr		
1	1	F060100	Texas High Roller Overdr	1	pcs	250,00	RS - Goods for Resale	250,00		
2	1	F060200	Smoking Blues Reverb	1	pcs	180,00	RS - Goods for Resale	180,00		
3	1	F060300	Killing Floor Fuzz	1	pcs	210,00	RS - Goods for Resale	210,00		
4	1	F060400	Dirty Blues Chorus	1	pcs	275,00	RS - Goods for Resale	275,00		
5	1	F060500	Whammy Bar Simulator	1	pcs	320,00	RS - Goods for Resale	320,00		

## 6.7 Enter Supplier settings for Avalara Integration

On the *Supplier/Address/Delivery Tax Information* there is a possibility to set a default Business Transaction Id that will be fetched when later creating the Purchase Order. This would make it easier to not forget to add this value (as the Avalara integration doesn't work without this value) and also it would save time to not need to set it every time an order is created. Nevertheless, it is important to make sure the value is correct when creating an order and a default value is used. The value can be changed if needed on the Purchase Order.

**Address** SC-BR-SUP1 - SC-BR-Supplier1 1 of 1

Supplier: SC-BR-SUP1 Name: SC-BR-Supplier1 Association No:

Address ID: SC-BR-AD2

Supplier's Own Address ID: Supplier Name: Supplier Branch:

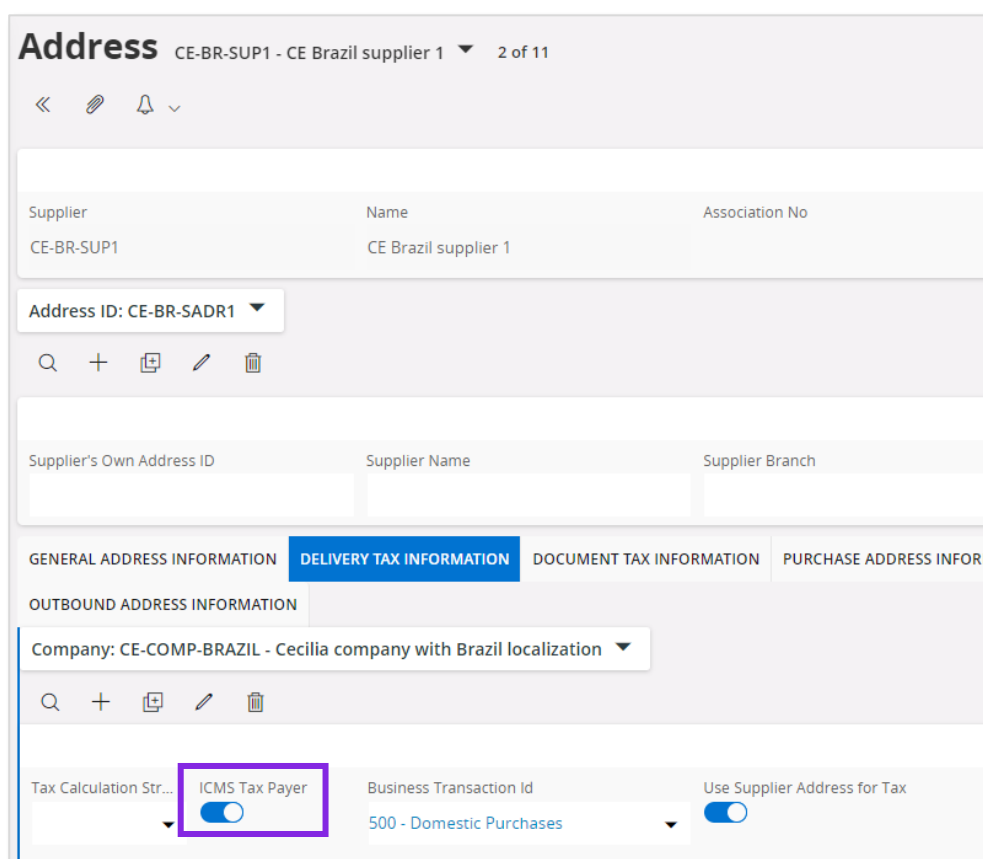
GENERAL ADDRESS INFORMATION **DELIVERY TAX INFORMATION** DOCUMENT TAX INFORMATION PURCHASE ADDRESS INFORMATION OUTBOUND ADDRESS INFORMATION

Company: SC-BR-COM1 - SC-BR-Company1

Tax Calculation Structure: ICMS Tax Payer: Business Transaction Id: Use Supplier Address for Tax:

### 6.7.1 ICMS Tax Payer

**ICMS Tax Payer** is used both for sales flow and procurement flow. For the procurement flow the value can be set in the *Supplier/Address/Delivery Tax Information* tab where it indicates that the supplier is an ICMS tax payer for the specific address ID. (For the sales flow read more in the chapter about Outgoing Nota Fiscal and the Define Basic Data part.)



The screenshot shows the 'Address' configuration page for 'CE-BR-SUP1 - CE Brazil supplier 1'. The 'DELIVERY TAX INFORMATION' tab is active. The 'ICMS Tax Payer' checkbox is checked and highlighted with a red box. Other fields include 'Supplier' (CE-BR-SUP1), 'Name' (CE Brazil supplier 1), 'Address ID' (CE-BR-SADR1), 'Company' (CE-COMP-BRAZIL - Cecilia company with Brazil localization), 'Business Transaction Id' (500 - Domestic Purchases), and 'Use Supplier Address for Tax' (checked).

### 6.8 Enter Purchase Order

Follow standard functionality to enter a Purchase Order. Select an option for Business Transaction ID in the corresponding field in Purchase Order/Order Details tab, group Brazilian Specific Attributes. If a default value has been set on the Supplier this value will be shown here. It can be changed if needed.



**Purchase Order** - CE-BR-SUP1 - CE-B1 1 of 3

Order No:  Supplier:   New Supplier Site:  Order Code:

Receipt Date:

**ORDER DETAILS**

General   
 Delivery Address  Document Address   
 Delivery Information   
**Brazilian Specific Attributes**  
 Business Transaction Id:   
 Invoicing

## 6.9 Enter Purchase Order Line

Enter the Purchase 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 Purchase Order line is done in two ways:

1<sup>st</sup> – Acquisition Reason Id value is inherited from the Purchase Part if a default value exists there.

2<sup>nd</sup> – If Acquisition Reason Id is not set on the Purchase part, then the value is retrieved from the connected value set in the Purchase Order for Business Transaction Id.

**Business Transaction Codes**

Business Transaction Id	Description	Direction	Presence Type	Acquisition Reason Id	External Tax System Reference
<input type="checkbox"/> : 200	Transferência entre Filiais	Outbound	Presence-Offsite	SC-BR-RS	standardSales
<input type="checkbox"/> : 500	Domestic Purchases	Inbound	Phone	SC-BR-RS	standardPurchase

The Acquisition Reason Id can also be entered/modified manually if the Purchase Order is not Cancelled.

**Purchase Order** P101053 - CE-BR-SUP1 - CE-B1 1 of 3 Planned

← ✎ + 📄 🔍 🔔 ⌵

Status ▼ | Share ▼ | Order History | Fetch External Tax | Pre Posting | Document Text | Purchase Order Change Order ▼ | Copy Order | Pricing ▼ | Centralize | Set Authorization ▼ | ⋮

---

Order No: P101053 | Supplier: CB CE-BR-SUP1 - CE Brazil supplier 1 | Site: CE-B1 - CE site 1 BR co1 | Order Code: 1 - NORMAL | Receipt Date: 9/5/23, 12:00 AM 📅

Not Shared

---

**Order Amounts**

Total Net Amount/Base: 9.00 BRL | Total Net Amount/Curr: 9.00 BRL | Total Tax Amount/Curr: 0.00 BRL | Total Gross Amount/Curr: 9.00 BRL

**PART LINES** | NO PART LINES | RENTAL PART LINES | ORDER DETAILS | CHARGES | LANDED COST | AUTHORIZATION

🔍 + 📄 ✎ 🗑️ 🔔 ⌵
⚙️ ▼ | 📄 ▼ | 24 ▼ | 📅 ▼

Status ▼ | Line Details ▼ | Create Lines from Template | Copy Lines | Price Comparison | Part ▼ | Purchase Component ▼ | External Service Orders ▼ | Project Connection ▼ | ⋮

(1) <span>⌵</span>	Note	Part No	Quantity	Business Operation	Goods/Services Statistical Code	Acquisition Origin	Acquisition Reason	Discour (9)
<input checked="" type="checkbox"/>		CE-BRAZIL-PART3	1		45019000 - waste of c...	4 - Nacional, cuja produção t...	SC-BR-RS - Goods for Resale	10

## 6.10 Delimitations

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

## 7 Purchase Charges with Brazilian Charge Category

### 7.1 Overview Legal Requirement

For Avalara taxes to be correct there is a need to differentiate costs related to the importation and transport process. For example, costs that should be included in the customs value and costs that should be reported separately as for example freight and insurance.

### 7.2 Solution overview

To support this a **Brazilian Charge Category** is connected to the **Purchase Charge Type** when using the Brazil localization with Avalara Tax Integration.

Line connected charges on the Purchase order, connected via the Dispatch Advice process, is the main way to handle these transport and importation fees in Brazil. These different charges need to be sent to Avalara in the request file (with correct Avalara tag) in order to have correctly calculated part line taxes.

The **Brazil Charge Category** can be set and edited on the **Purchase Charge Type** page, in **Purchase Order** page on Charge tab, in **Supplier for Purchase Part** page on Charge tab and in **Incoming Dispatch Advice** Charges assistant. Default value can be set on the Purchase Charge Type. If values are set in the Supplier for Purchase Part page, these values are fetched to the Purchase Order.

If the charge line is not line connected the value for Brazil Charge Category will be blank.

### 7.3 Process overview Purchase Charges



### 7.4 Prerequisites

The company must be set-up to use Brazilian localization, see the Company Set-Up chapter, and the “Integration to Brazilian External Tax System” parameter must be enabled (this is not mandatory in Localization Control Center for Brazil localization).

### 7.5 Connect Brazil Charge Category

In **Purchase Charge Type** page there is a field for **Brazilian Charge Category** only visible when Site company is using Avalara. The possible values to choose from are as below:

- National Freight (connected to Avalara json tag freightAmount)
- National Insurance (connected to Avalara json tag insuranceAmount)
- National Expenses (connected to Avalara json tag otherCostAmount)

### Purchase Charge Type CE-BR-CT2 - CE Brazil charge type 2 - CE-B1 2 of 3

Charge Type: CE-BR-CT2 | Description: CE Brazil charge type 2 | Charge Group: INS | Charge Group Description: Insurance Charges

**GENERAL** | DESCRIPTIONS

**Details**

Distribute Charge By	Invoicing Supplier	Charge Price	Tax
		1.00 BRL	Tax Code
Charge Price Incl Tax	Charge (%)	Unit Charge	Indicators
1.00 BRL		<input type="checkbox"/>	Intrastat Exempt
Distribute on Receipt	HSN/SAC Code	Brazilian Charge Category	
<input type="checkbox"/>		National Insurance	

## 7.6 Default Charges on Supplier for Purchase Part

If needed it is possible to add default values for Charges in the **Supplier for Purchase Part** page. If a Brazil Charge Category has been set for the Purchase Charge Types this value will be defaulted, but the values can also be changed in this page.

### Supplier for Purchase Part CE-BRAZIL-PURPART2 - CE pur part in brazil - CE-B1 - CE-BR-SUP1 9 of 10

Part: CE-BRAZIL-PURPART2 - CE pur part in brazil | Supplier: CE-BR-SUP1 - CE Brazil supplier 1 | Site: CE-B1

Active:  | Document Text: No

**Notes**

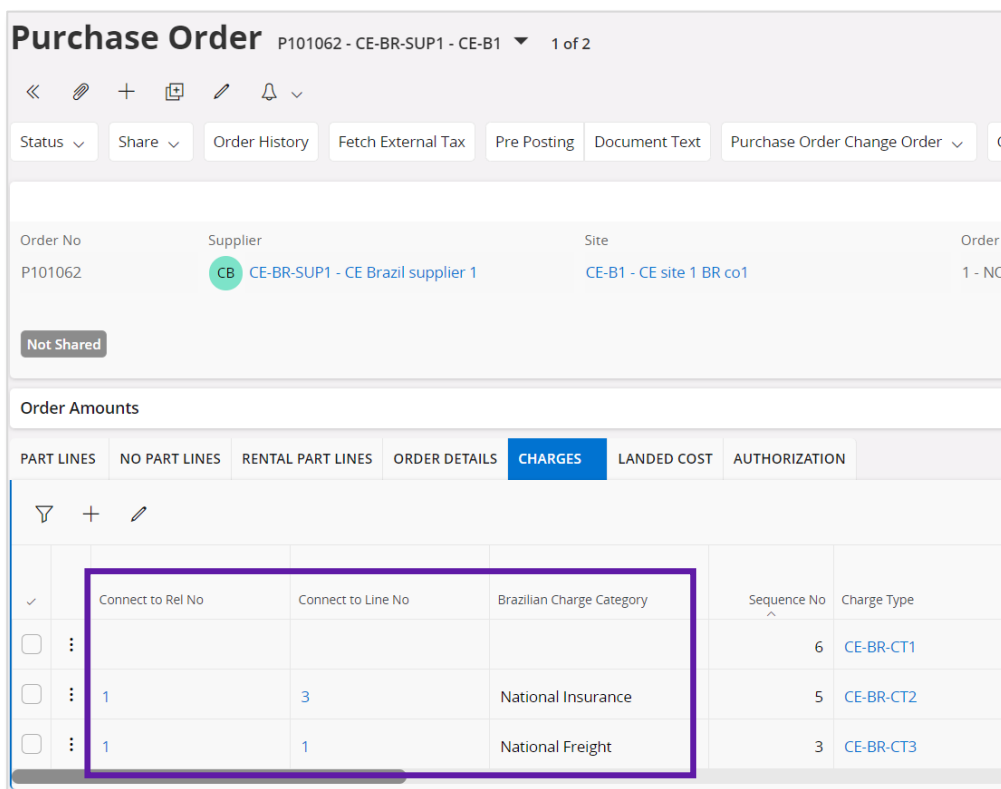
GENERAL | INSPECTION INFO | PRICE LIST | RENTAL PRICE LIST | MANUFACTURERS | CONSIGNMENT | **CHARGES** | DELIVERY OVERHEADS

	Brazilian Charge Category	Charge Type	Charge Group	Charge Group Desc	Distribute Charge By	Invoicing Supplier	Charged Qty	Charge Price
<input checked="" type="checkbox"/>	National Insurance	CE-BR-CT2 - CE Brazil ch...	INS	Insurance Charges		CE-BR-SUP1	1	1.00

Attachments

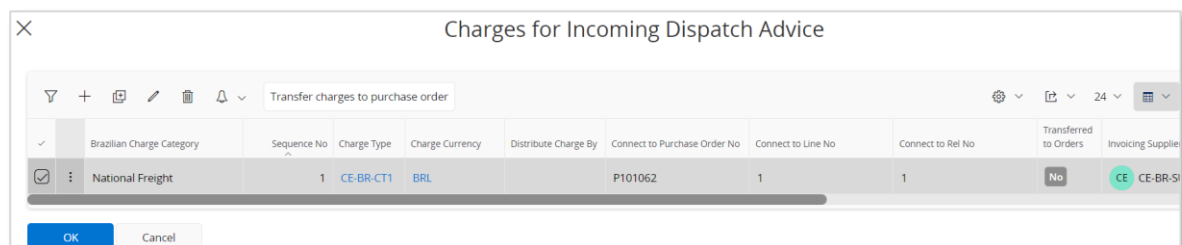
## 7.7 Add or modify Charges in Purchase Order and/or Incoming Dispatch Advice

If default charges have been added in Supplier for Purchase Part these will be inherited to the Purchase Order. These values can be modified if needed in the Purchase Order. It is only charges that are connected to Purchase Order Lines that will have a value in Brazilian Charge Category. This value can be changed if needed also in the Purchase Order. In the **Purchase Order/Charges** tab it is also possible to add and modify new charge lines. They need to be connected to a Purchase Order Line in order to have a **Brazil Charge Category** visible or added.



Connect to Rel No	Connect to Line No	Brazilian Charge Category	Sequence No	Charge Type
			6	CE-BR-CT1
1	3	National Insurance	5	CE-BR-CT2
1	1	National Freight	3	CE-BR-CT3

One common way to add transport related costs in Brazil is to use **Incoming Dispatch Advice** page and add charges there. Also, in this dialog for **Charges for Incoming Dispatch Advice**, the value for **Brazilian Charge Category** can be changed if needed. The value connected to the **Charge Type** will be default if existing.



Brazilian Charge Category	Sequence No	Charge Type	Charge Currency	Distribute Charge By	Connect to Purchase Order No	Connect to Line No	Connect to Rel No	Transferred to Orders	Invoicing Supplier
National Freight	1	CE-BR-CT1	BRL		P101062	1	1	No	CE CE-BR-SI

If new charge lines are added or modified, they need to be either line connected or distributed per line in order to have a **Brazilian Charge Category**.

## 7.8 Tax Request to Avalara

Purchase Order Line connected charges is a part of the information to be included in the Request file sent to Avalara.

See further information in the *Appendix* for the mapping between IFS and Avalara.

## 8 Company, Customer and Supplier basic data for tax calculation, Nota Fiscal and Avalara request

### 8.1 Overview Legal Requirement

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

- 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.

### 8.2 Solution overview

To support this requirement, IFS Cloud 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.

### 8.3 Process overview



### 8.4 Prerequisites

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

### 8.5 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 3<sup>rd</sup> 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.

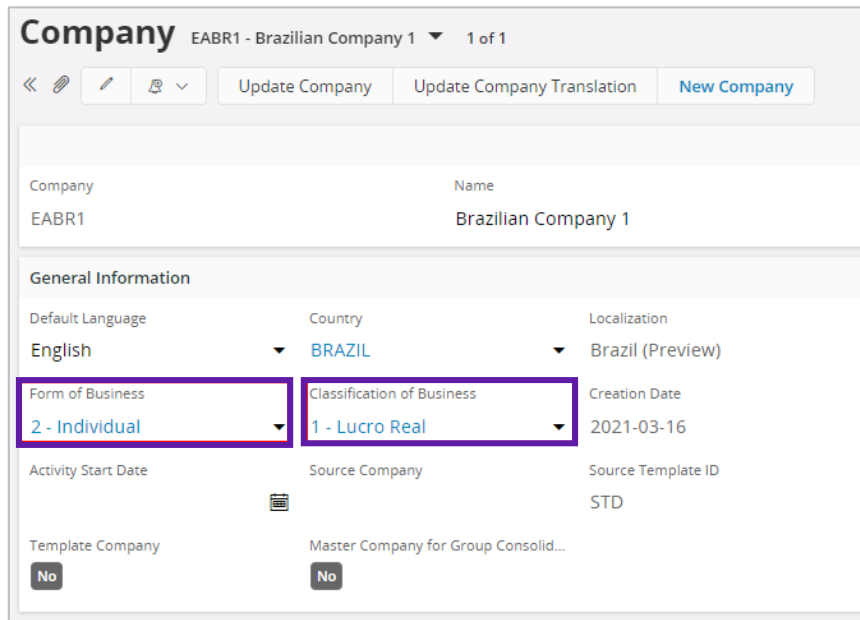
### Forms of Business

✓	:	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](#)

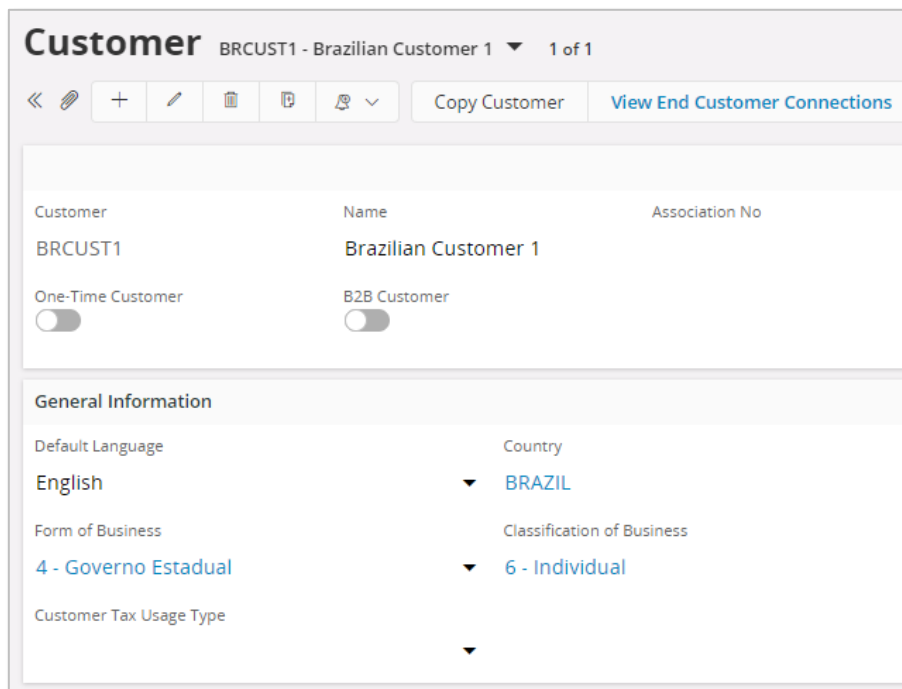
Company	Name
EABR1	Brazilian Company 1

**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

**General Information**

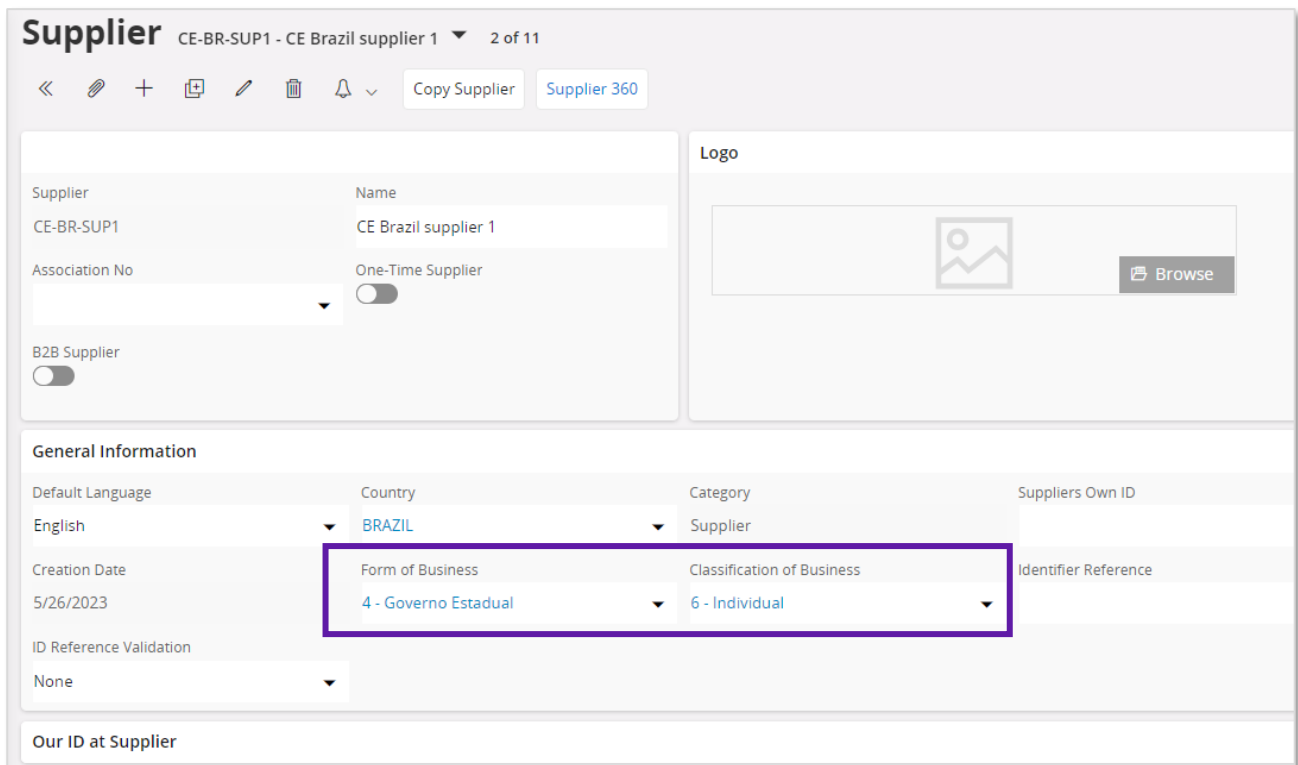
Default Language	Country
English	BRAZIL
Form of Business	Classification of Business
4 - Governo Estadual	6 - Individual
Customer Tax Usage Type	

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").

**Supplier: Form of Business and Classification of Business**

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



**Supplier** CE-BR-SUP1 - CE Brazil supplier 1 2 of 11

Copy Supplier Supplier 360

Supplier: CE-BR-SUP1  
 Name: CE Brazil supplier 1  
 Association No: [dropdown]  
 One-Time Supplier:   
 B2B Supplier:

Logo: [Image Placeholder] Browse

**General Information**

Default Language	Country	Category	Suppliers Own ID
English	BRAZIL	Supplier	
Creation Date	Form of Business	Classification of Business	Identifier Reference
5/26/2023	4 - Governo Estadual	6 - Individual	
ID Reference Validation			
None			

Our ID at Supplier

The field **Form of Business** can set to different values depending on supplier. For example, 6 for foreign suppliers, that indicates that this is an international supplier which will show the description "Estrangeiro".

The field **Classification of Business**" can also be set to different values depending on supplier. For example, 7 for foreign suppliers, that indicates that this is an international supplier which will show the description "Não Aplicável".

## 9 Address specific tax registration numbers

### 9.1 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.

**CNAE** is the acronym for National Classification of Economic Activities. It consists of a code composed of 7 digits that will identify the economic activity carried out by a business.

**SUFRAMA** is the name of the agency that manages the Manaus Free Trade Zone. Companies that have the SUFRAMA code may have tax benefits.

The above tax registration numbers are mandatory information for both NF-e issuer and receiver in the NF-e XML. Also, this info is needed in the procurement flow in the Avalara request.

### 9.2 Process Overview



### 9.3 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.

### 9.4 Enter basic data for tax id types

Ensure the Tax ID Types “CNPJ”, “STATE\_REG”, “CNAE” and “SUFRAMA” are defined for Country Code “BR” in the *Application Base Setup/Enterprise/Tax/Tax ID Types* page (standard functionality)

### Tax ID Types

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

## 9.5 Enter address specific tax id numbers

### 9.5.1 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)				

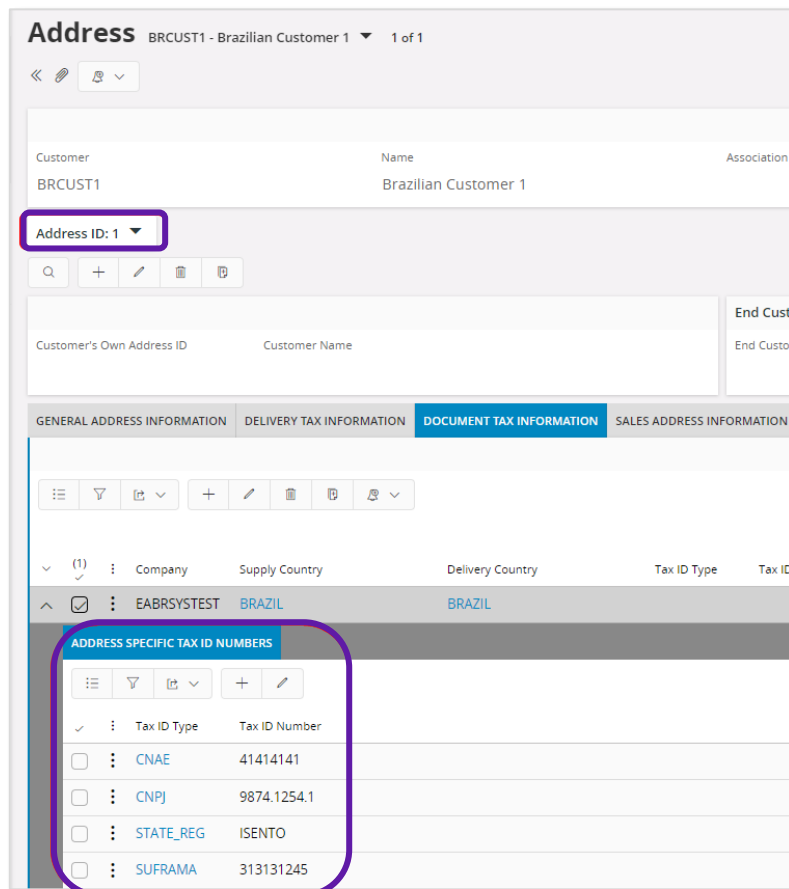
Tax Exempt Information

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

### 9.5.2 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.



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.

### 9.5.3 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
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.

## 9.6 Delimitations

Address specific tax registration numbers for Forwarder is supported if the Forwarder is connected with a Supplier.

## 10 Automatic generation of official invoice number

### 10.1 Overview Legal Requirement

In Brazil, Nota Fiscal series are needed to segregate and control the Nota Fiscal numbering. Nota Fiscal number intervals are assigned to companies by the tax authority and there is a legal requirement to use the assigned numbers for the issued Nota Fiscals. Each series has its own Nota Fiscal 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 Nota Fiscal series are separating goods and services.

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

### 10.2 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:



### 10.3 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.

### 10.4 Enter basic data

The basic data described in below chapters must be entered to support the Nota Fiscal numbering.

#### 10.4.1 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 *Application Base Setup/Enterprise/Company/Company/Invoice* page for the relevant company and select “Official Invoice Number Components”.

**Invoice** EABR1 - Brazilian Company 1 1 of 1

Company: EABR1      Name: Brazilian Company 1      Association No:

**GENERAL**    DEFAULT INVOICE TYPES    PO MATCHING    DOCUMENT MANAGEMENT

**Official Invoice Number Components**

**Posting Parameters**

Create Posting at Invoice Entry:       Same No Preliminary and Final Supplier Invoice:       Same Date Preliminary and Final Supplier Invoice:

Accepted Invoice Voucher Difference in Accounting Currency:      Accepted Invoice Rounding Difference in Invoice Currency:

Miscellaneous Parameters

Specify names and descriptions as per below on the “Components” tab.

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

### Official Invoice Number Components

**COMPONENTS**    SERIES    COMPONENT B    COMPONENT C    BRANCHES

✓		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	Nota Fiscal Number	Nota Fiscal Number

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 Nota Fiscals.

The “Generate Official Invoice Number” parameter should be set to “At Create Nota Fiscal”.



**Invoice** EABR1 - Brazilian Company 1 1 of 1

Company: EABR1 Name: Brazilian Company 1

GENERAL | DEFAULT INVOICE TYPES | PO MATCHING | DOCUMENT MANAGEMENT | NF-E COMPLIANCE

Save Cancel Edit

**Posting Parameters**

Create Posting at Invoice Entry  Same No on Preliminary and Final Supplier Invoice Voucher

Accepted Invoice Voucher Difference in Accounting Currency:  Accepted Invoice Rounding Difference in Invoice Currency:

**Miscellaneous Parameters**

Planned Payment Date Calculation Base: Pay. Term Base Date Unique Supplier Invoice No Per: Supplier

Supplier Invoice Authorization Only by Separate Function  Cash Discount Based on Gross Amount

Unique Payment Reference Validation  Generate Official Invoice Number: At Create Nota Fiscal

#### 10.4.2 DEFINE NOTA FISCAL SERIES

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

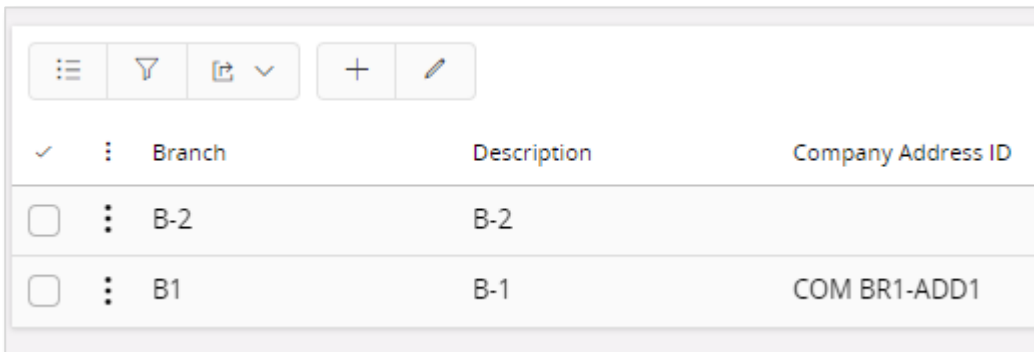
### Official Invoice Number Components

COMPONENTS | **SERIES** | BRANCH | COMPONENT C | BRANCHES

Value	Description
<input checked="" type="checkbox"/> : 009	Goods
<input type="checkbox"/> : NFS	Services

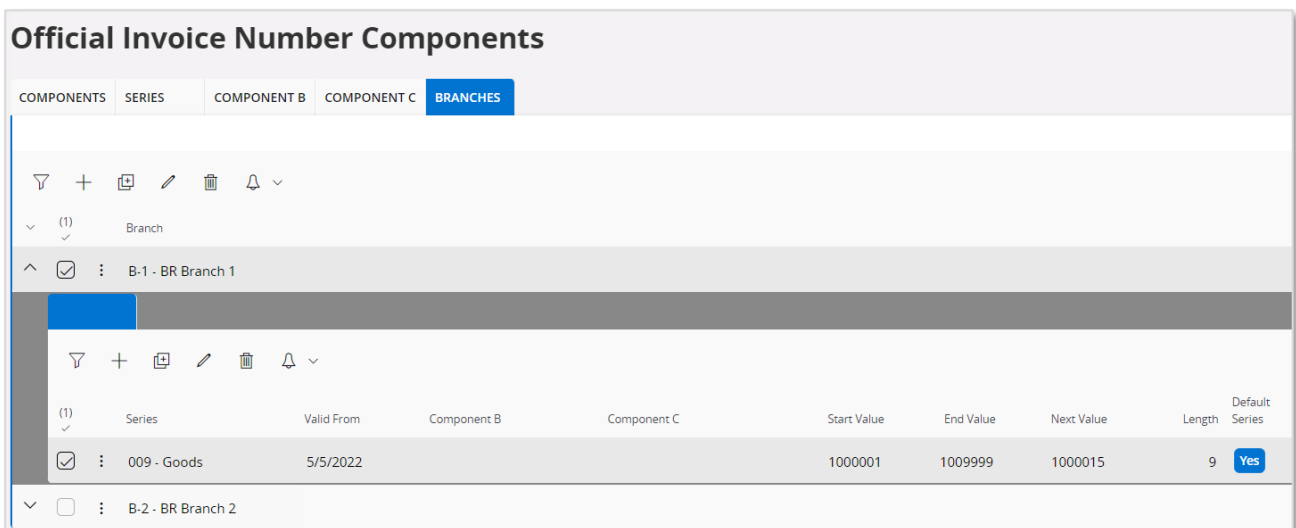
### 10.4.3 HDEFINE NOTA FISCAL NUMBER SERIES PER BRANCH

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 IDs that need Nota Fiscal numbers to be generated.



Official Invoice Number Components																													
COMPONENTS	SERIES	COMPONENT B	COMPONENT C	BRANCHES																									
<div style="display: flex; justify-content: space-between; align-items: center;"> <span>Filter + Add Edit Delete Bell</span> </div> <div style="margin-left: 20px;"> <p>Branch</p> <p>^ [x] : B-1 - BR Branch 1</p> </div>																													
<div style="display: flex; justify-content: space-between; align-items: center;"> <span>Filter + Add Edit Delete Bell</span> </div> <table border="1"> <thead> <tr> <th>(1)</th> <th>Series</th> <th>Valid From</th> <th>Component B</th> <th>Component C</th> <th>Start Value</th> <th>End Value</th> <th>Next Value</th> <th>Length</th> <th>Default Series</th> </tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/></td> <td>009 - Goods</td> <td>5/5/2022</td> <td></td> <td></td> <td>1000001</td> <td>1009999</td> <td>1000015</td> <td>9</td> <td>Yes</td> </tr> </tbody> </table>										(1)	Series	Valid From	Component B	Component C	Start Value	End Value	Next Value	Length	Default Series	<input checked="" type="checkbox"/>	009 - Goods	5/5/2022			1000001	1009999	1000015	9	Yes
(1)	Series	Valid From	Component B	Component C	Start Value	End Value	Next Value	Length	Default Series																				
<input checked="" type="checkbox"/>	009 - Goods	5/5/2022			1000001	1009999	1000015	9	Yes																				
<p>^ [ ] : B-2 - BR Branch 2</p>																													

Select a Branch in the *Financials/Customer Invoice/Basic Data/Official Invoice Number Components* page, tab “Branches”. Use the drop-down list to connect Nota Fiscal Series and enter the Nota Fiscal number interval (start and end value) for the series. The length of the Nota Fiscal 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.

### 10.4.4 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	Use Part Catalog Description for Sales Part
Use Inventory Default	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## 10.5 Create customer order

When the Customer Order is created, the default Nota Fiscal 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** V10060 1 of 1

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

Order No	Customer	Site	Order Type	Wanted Delivery Date/Time
V10060	BC BRCUST1 - Brazilian customer	BRA	NFE	8/3/22, 12:00 AM

**Order Amounts**

Total Net Amount/Base	Total Contribution Margin/Base	Contribution Margin(%)	Total Net Amount/Curr	Total Tax Amount/Curr	Total Gross Amount/Curr
500.00 BRL	350.00 BRL	70.00	500.00 BRL	127.41 BRL	627.41 BRL

**ORDER DETAILS**

Coordinator	Currency	Customer's PO No	Additional Discou...	Priority
HH DEDEMO07 - Harald Hess	BRL		0	
Reference	Agreement ID	Language Code	Final Consumer	
		en - English	No	
Salesperson	Add Rebate Customer	Main Representative		
Ordering Region	Ordering District	Market	Classification Stan...	Created
				8/3/2022
Limit Sales to Ass...	Order Net Weight	Order Volume	Document Text	Notes
No	2	0.5	No	

**Delivery Address**

Delivery Address  
1 - Brazilian customer

**Document Address**

Document Address  
1 - Brazilian customer

**Invoice**

Tax ID	Tax ID Validated ...	Tax Liability
		TAX
Invoice Customer	Addr ID	
Required Prepay ...	Advance/Prepay...	Supply Country
0	No	BRAZIL
Customer Tax Usage Type	Series	
	009 - Goods	

**Delivery Settings**

Deliver-from Supplier	Ship-Via	Delivery Terms
	SV1 - Ship Via 1	301 - Free on Board - Origin
Del Terms Location	Route	Forwarder
Customer Calendar	External Transport Calendar	Backorder Option

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

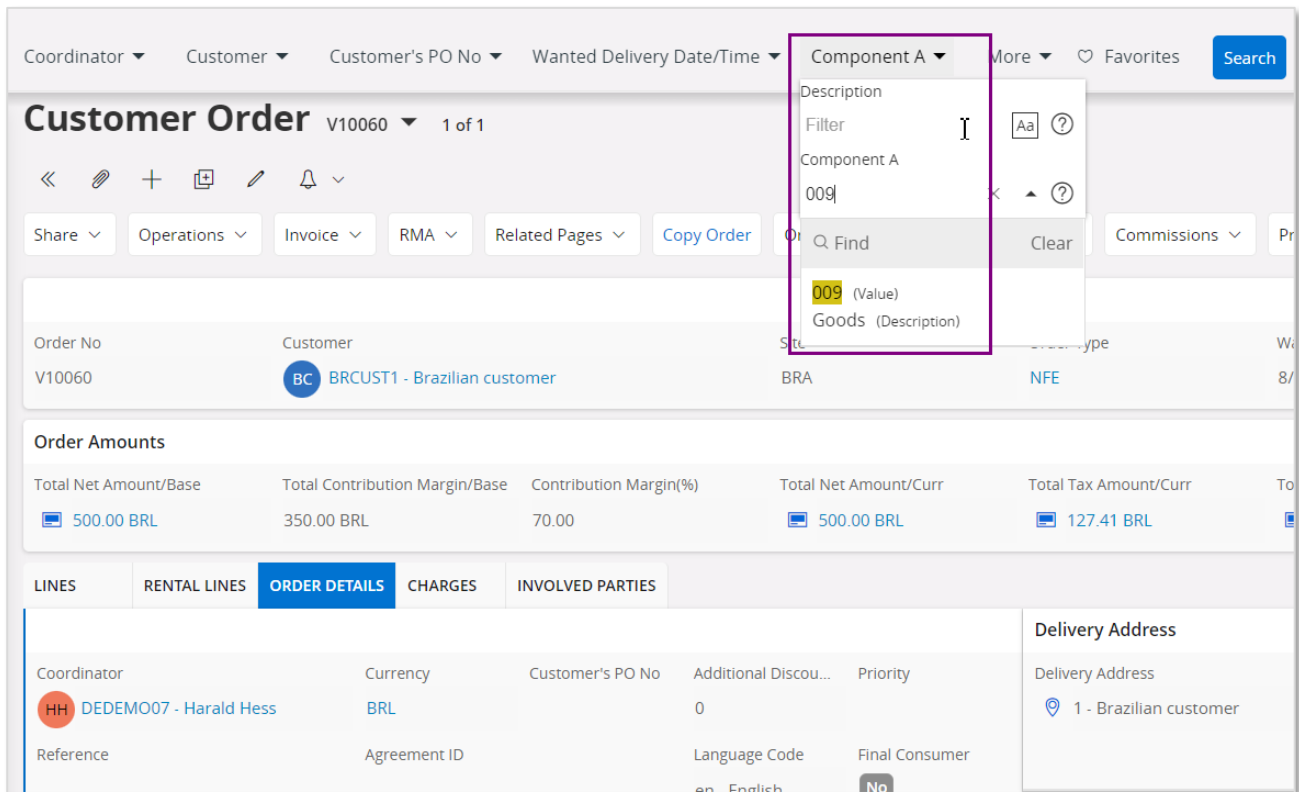
## 10.6 Create Customer Invoice for single customer order delivery or Shipment delivery

In the scenario where an individual Customer Order is delivered; follow the IFS standard process to create a Customer Order debit invoice.

In the scenario where several Customer Orders are delivered using the IFS Cloud Shipment functionality, follow the standard process to create a Shipment Invoice. It will result in a created Customer Order Collective debit invoice.

The customer orders connected to a Shipment might not have the same value for “Series” but they are delivered from the same site. The Nota Fiscal series for a Shipment Invoice (collective customer order debet invoice) will be fetched from default “Component A” from the connected branch (and not from customer orders).

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



The screenshot shows the IFS Customer Order interface. At the top, there is a search bar with a dropdown menu for "Component A". The dropdown menu is open, showing a search filter with the text "009" entered. Below the search bar, there are several tabs: "LINES", "RENTAL LINES", "ORDER DETAILS" (which is selected), "CHARGES", and "INVOLVED PARTIES". The "ORDER DETAILS" tab shows a table with columns for Coordinator, Currency, Customer's PO No, Additional Discou..., Priority, Reference, Agreement ID, Language Code, and Final Consumer. The "Delivery Address" section shows "1 - Brazilian customer".

Coordinator	Currency	Customer's PO No	Additional Discou...	Priority	Reference	Agreement ID	Language Code	Final Consumer
HH DEDEMO07 - Harald Hess	BRL		0				en - English	No

## 10.7 Create Outgoing Nota Fiscal and generate NF-e XML

Create the Outgoing Nota Fiscal from the Customer Invoice and generate the NF-e XML file.

### Outgoing Nota Fiscal - 009101000011 1 of 1

Send Cancel Request
Customer Invoice
Customer Invoice Postings Analysis

Sender		Receiver
Company	Company Name	Customer
EABR1	Brazilian Company 1	BRCUST1

Nota Fiscal Series 009	Nota Fiscal No 101000011	Invoice Date 8/3/2022
Object Reference 009101000011	Object Reference Status Posted Auth	Business Transaction Id 100
Currency Code BRL		
Nota Fiscal Text additional info for tax		

Amounts		
Gross Amount	Net Amount	Tax Amount
627.41	500.00	127.41

LINES

ADDRESS

GENERAL

NF-E INFORMATION

		Line ID	Quantity	Price	Net Amount	Net Dom Amount	Tax Amount	Tax Amount in Accounting Currency	Tax Code
✓		1	1	500.00	500.00	500.00	127.41	127.41	

The Nota Fiscal series, Nota Fiscal number and the IFS Invoice No for the preliminary invoice is fetched to the below XML tags:

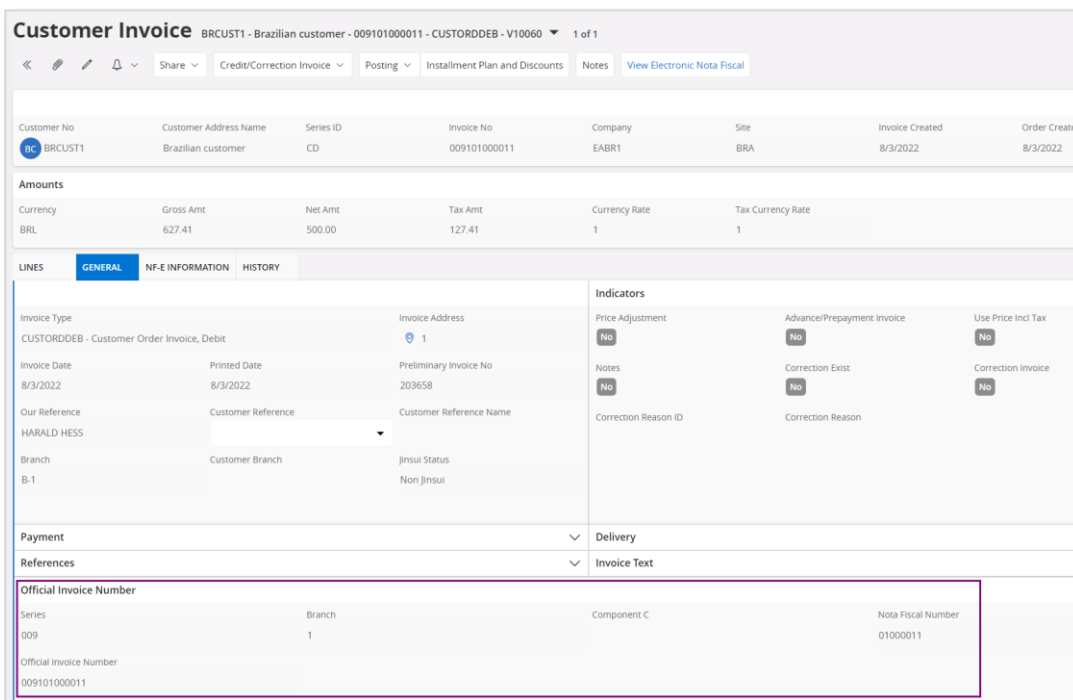
```

- <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>00000003</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 - Nota Fiscal 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)

The Customer Invoice is updated with the Official Invoice Number references.



**Customer Invoice** BRCUST1 - Brazilian customer - 009101000011 - CUSTORDDEB - V10060 1 of 1

Customer No: BRCUST1, Customer Address Name: Brazilian customer, Series ID: CD, Invoice No: 009101000011, Company: EABR1, Site: BRA, Invoice Created: 8/3/2022, Order Created: 8/3/2022

Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
BRL	627.41	500.00	127.41	1	1

**Official Invoice Number**

Series	Branch	Component C	Nota Fiscal Number
009	1		01000011

Official Invoice Number: 009101000011

## 10.8 Delimitations

No delimitations defined.

# 11 Extended Tax Codes and Tax Calculation Structures set-up

## 11.1 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 Cloud.

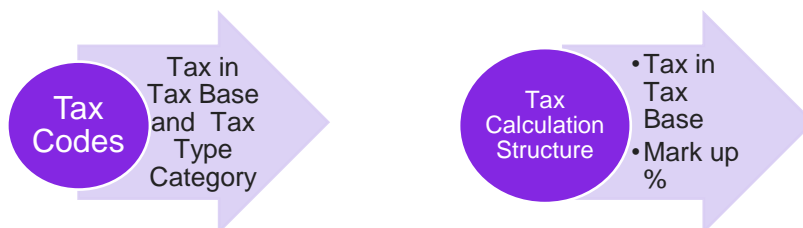
For legal tax reporting purposes, a tax type category must be defined for each tax code.

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 (%).

## 11.2 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 to 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 (%)**.

## 11.3 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).



## 11.4 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

## 11.5 Tax in Tax Base in Tax Codes Page

### 11.5.1 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.

Tax Amount in core for 17% = 87X17% = 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

### 11.5.2 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						
<span>☰</span> <span>🔍</span> <span>📄</span> <span>+</span> <span>✎</span> <span>🗑️</span> <span>📄</span> <span>Tax Texts per Tax Code</span> <span>Copy to Companies</span> <span>Translatio</span>						
<span>Tax Code</span> <span>Description</span> <span>Tax Type</span> <span>Tax in Tax Base</span> <span>More</span> <span>♥ Favorites</span> <span>Clear</span> <span>🔍</span> <span>⋮ Sett</span>						
(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)

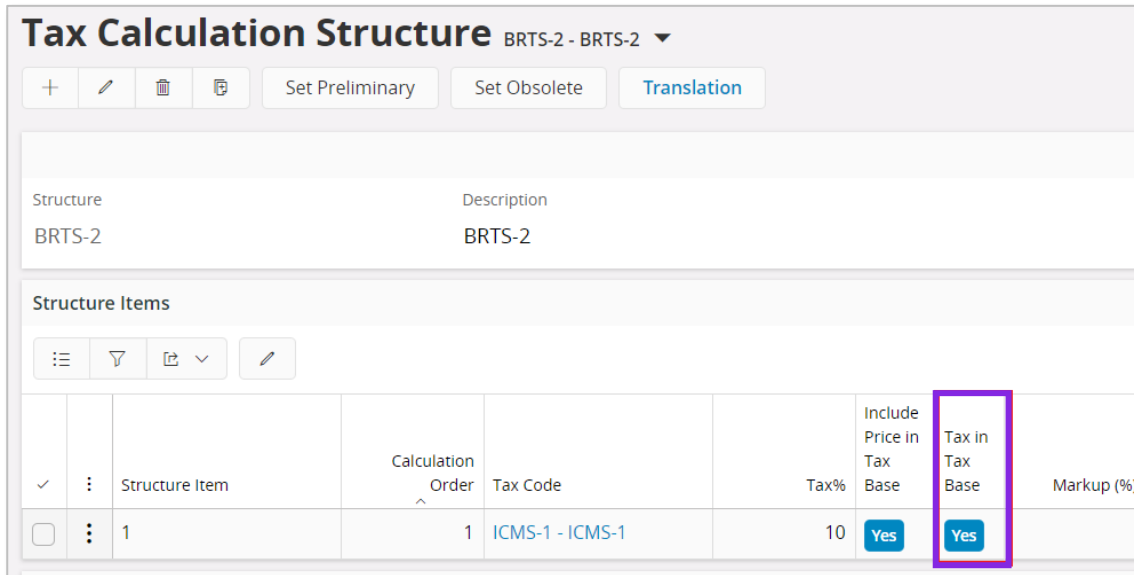
$$TB = \frac{100 \times 100}{100 - 10} = 111.11$$

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

### 11.5.3 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						
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 (%)
1	1	ICMS-1 - ICMS-1	10	Yes	Yes	

## 11.6 Markup (%) in Brazilian Tax Calculation

### 11.6.1 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 ( $T$ ) =  $137.50 \times 20\% = 27.50$

### 11.6.2 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 <small>DU:BR:TCS1 - DU:BR:TCS1</small>								
<span>+</span> <span>✎</span> <span>🗑️</span> <span>🔗</span> <span>Set Preliminary</span> <span>Set Obsolete</span> <span>Translation</span>								
Structure		Description						
DU:BR:TCS1		DU:BR:TCS1						
Structure Items								
<span>☰</span> <span>🔍</span> <span>📄</span> <span>✎</span>								
		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;"> <span>☰</span> <span>🔍</span> <span>🔄</span> <span>Set Default</span> </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;"> <span>OK</span> <span>Cancel</span> </div>						

### 11.7 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,

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

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.

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

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,

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

$$p - Net\ Amount = 100.00$$

$(t1 + t2 + t3 + \dots tn)$  - Sum of all tax rates connected to the Tax Calculation Structure

$$= 100 - (5 + 20)$$

$$= 100 - 25$$

$$= 75$$

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

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

$$Tax\ Base\ Amount = 133.33$$

- 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,

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

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

$$\text{Tax Amount} = 29.33$$

×
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
:	136.00	ICMS 5%	Tax	5	6.67	6.67
:	146.67	ICMS 20%	Tax	20	29.33	29.33

OK
Cancel

### 11.8 Delimitations

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



## 12 Integration to Brazilian External Tax System – Tax Determination

### 12.1 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 Cloud 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 or Purchase 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 or PO Line level.

The integration supports the following functional flows in IFS:

- Customer Order
- Customer Order Invoice
- Outgoing Tax Document
- Purchase Order

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.

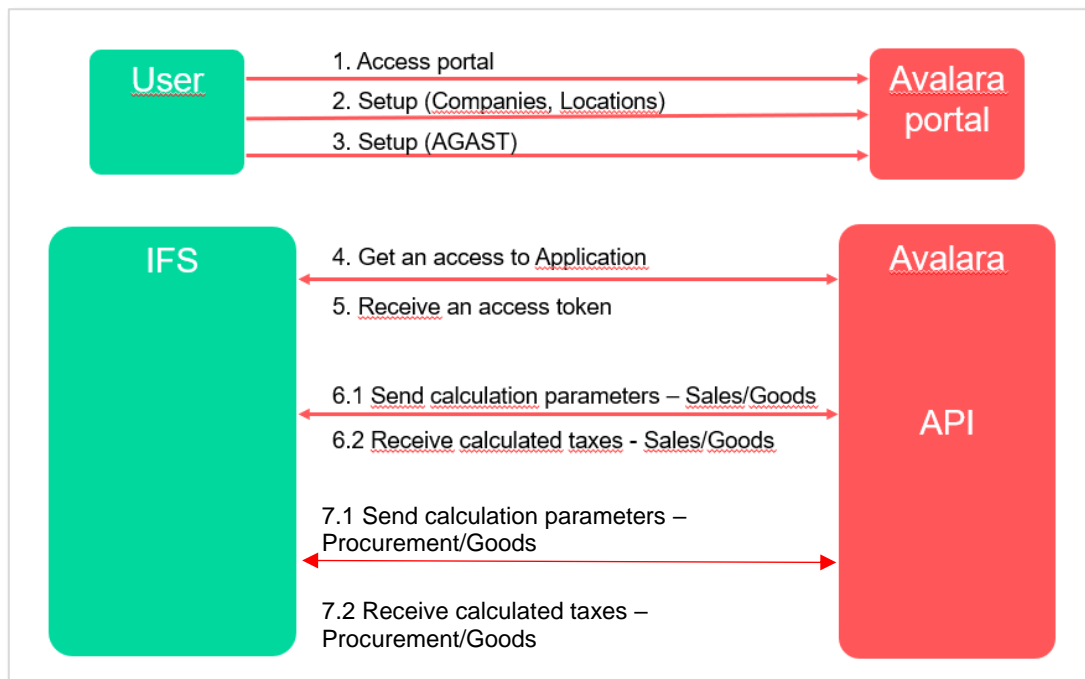
When a tax call is initiated from IFS Cloud, a call is made to the AvaTax Brazil software to fetch the correct tax types and tax rates based on the information on the customer, customer order invoice, tax document or in the procurement flow from the supplier and purchase order. Following main parameters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

- Company Document Address
- Company tax registration numbers, activity sector and tax regime
- Customer setting for ICMS Taxpayer
- Customer Document Address (the document address associated with the customer order)
- Customer tax registration numbers, activity sector and tax regime
- Supplier setting for ICMS Taxpayer
- Supplier Document Address and supplier tax registration numbers
- Goods classification code (NCM) on sales respectively purchase parts in PO
- Goods acquisition reason on sales respectively purchase parts in PO
- Goods acquisition origin on sales respectively purchase parts in PO
- Business transaction code on sales respectively purchase order
- Discount Amount on the PO line
- Line connected charge on PO

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. The discount amount is needed to be calculated if any discount is added for each row in the purchase order and sent to Avalara. Based on the information sent, Avalara determines the correct tax rates and tax amounts and return the information back to IFS Cloud. The information is then uploaded into the relevant Customer Order Tax Lines, Customer Order Invoice Tax Lines, Purchase Order Tax Lines etc.

## 12.2 Process Overview

### Integration Overview Example



### Process Overview with Customer Order sales of goods



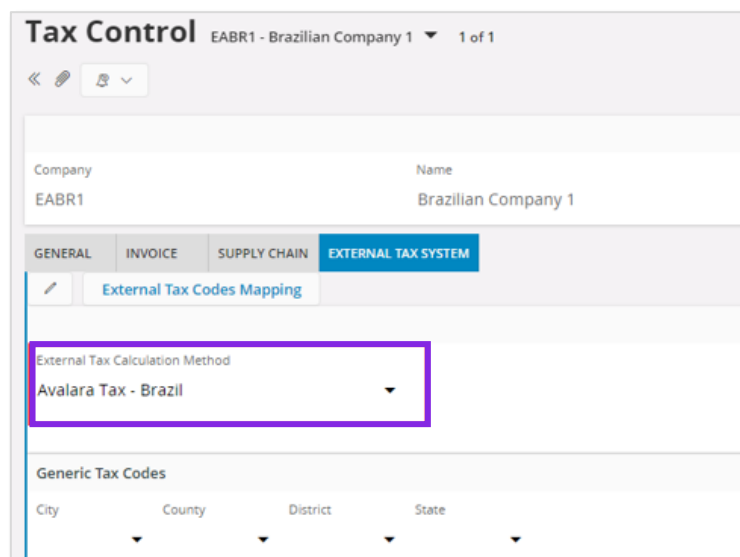
### Process Overview with Purchase Order purchase of goods



## 12.3 Prerequisites

The company must be set-up to use Brazilian localization, see the Company Set-Up chapter, and the “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 screenshot shows the 'Tax Control' interface for 'EABR1 - Brazilian Company 1'. The 'EXTERNAL TAX SYSTEM' tab is selected, and the 'External Tax Codes Mapping' sub-tab is active. A dropdown menu for 'External Tax Calculation Method' is highlighted with a purple box, showing 'Avalara Tax - Brazil' as the selected option. Below this, there are fields for 'Generic Tax Codes' including 'City', 'County', 'District', and 'State', each with a dropdown arrow.

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. Also, for the procurement flow the tax liability need to be TAX on the supplier address and the purchase part should be 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 Nota Fiscals” and “Use Automatic Generation of Official Invoice Numbers” must be enabled to fulfill data requirements for the Integration. Also, company, customer and supplier basic data for tax calculation and Nota Fiscal must be defined. Please see the specific chapters on how to set up the data needed. Same basic data needed for Outgoing Nota Fiscal, as for example Detailed address, States and Cities, are also needed for the Procurement flow.

## 12.4 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, Part and Sales Parts for sales flow, as well as the Supplier and Purchase Parts for procurement flow. If line connected purchase charges are used also the Purchase Charge Types need connected values for Brazil Charge Category.

### 12.4.1 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 .....

### 12.4.2 Disable Customer and Supplier Tax Code Validations

Disable Customer Tax Code Validations in the page *Application Base Setup/Enterprise/Company/Company/Tax Control* and the *General* tab. Also do the same for the Supplier Tax Code Validation.

### Tax Control

CE-COMP-BRAZIL - CE company with Brazil localization 1 of 5

Company	Name	Association No	Created By
CE-COMP-BRAZIL	CE company with Brazil localization		CEFRSE

**GENERAL** INVOICE SUPPLY CHAIN EXTERNAL TAX SYSTEM

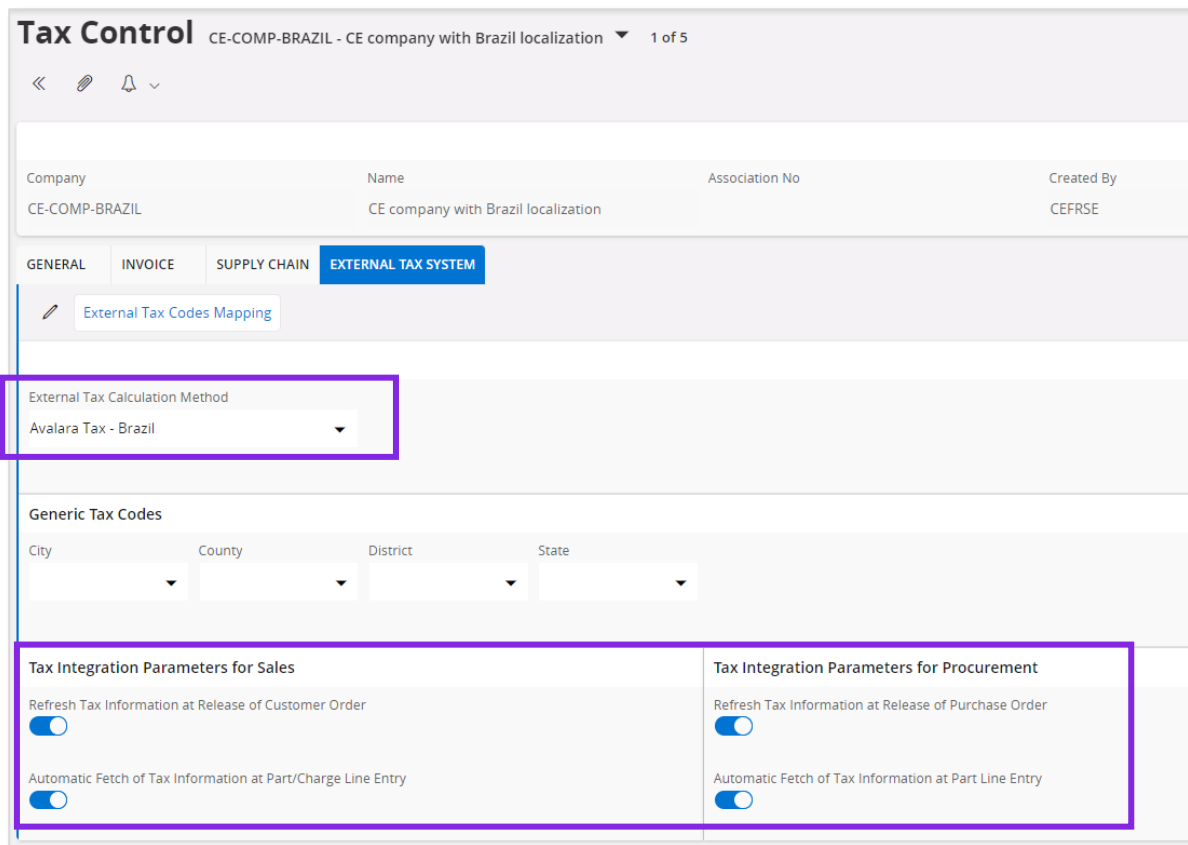
Customer Tax Code Validation	Supplier Tax Code Validation
Object Level <input type="checkbox"/> Address Level <input type="checkbox"/> Transaction Level <input type="checkbox"/>	Object Level <input type="checkbox"/> Transaction Level <input type="checkbox"/>

Max Overwriting Level on Tax	Additional Parameters
Level in Percent <input type="text"/> Level in Accounting Currency <input type="text"/>	Tax Liability <input type="text"/> Tax Rounding Method <input type="text"/> Round to the Nearest Modify Tax % in Tax Codes <input type="checkbox"/>

### 12.4.3 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 for Sales. For procurement a similar toggle is there to control requests sent to Avalara in the procurement flow.



**Tax Control** CE-COMP-BRAZIL - CE company with Brazil localization 1 of 5

Company: CE-COMP-BRAZIL | Name: CE company with Brazil localization | Association No: | Created By: CEFRSE

Tabs: 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 for Sales	Tax Integration Parameters for Procurement
Refresh Tax Information at Release of Customer Order <input checked="" type="checkbox"/>	Refresh Tax Information at Release of Purchase Order <input checked="" type="checkbox"/>
Automatic Fetch of Tax Information at Part/Charge Line Entry <input checked="" type="checkbox"/>	Automatic Fetch of Tax Information at Part Line Entry <input checked="" type="checkbox"/>

### 12.4.4 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 3<sup>rd</sup> 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	<input type="button" value="Yes"/>
<input type="checkbox"/>	:	BR ICMS-0	BR ICMS 0%	Tax	0	100	ICMS	<input type="button" value="Yes"/>
<input type="checkbox"/>	:	BR IPI-0	BR IPI 0%	Tax	0	100	IPI	<input type="button" value="No"/>
<input type="checkbox"/>	:	BR PIS-0	BR PIS 0%	Tax	0	100	PIS	<input type="button" value="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	Name
EABR1	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"/>

### 12.4.5 Define the Sales Part Price without taxes

Avalara is using 3 different calculation types, namely “Net”, “Gross” and “Final”. Currently IFS is only supporting 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: SARK01 Description: Sark Brazil Part 01 Configurable: No DOP: No

Unit Of Measure

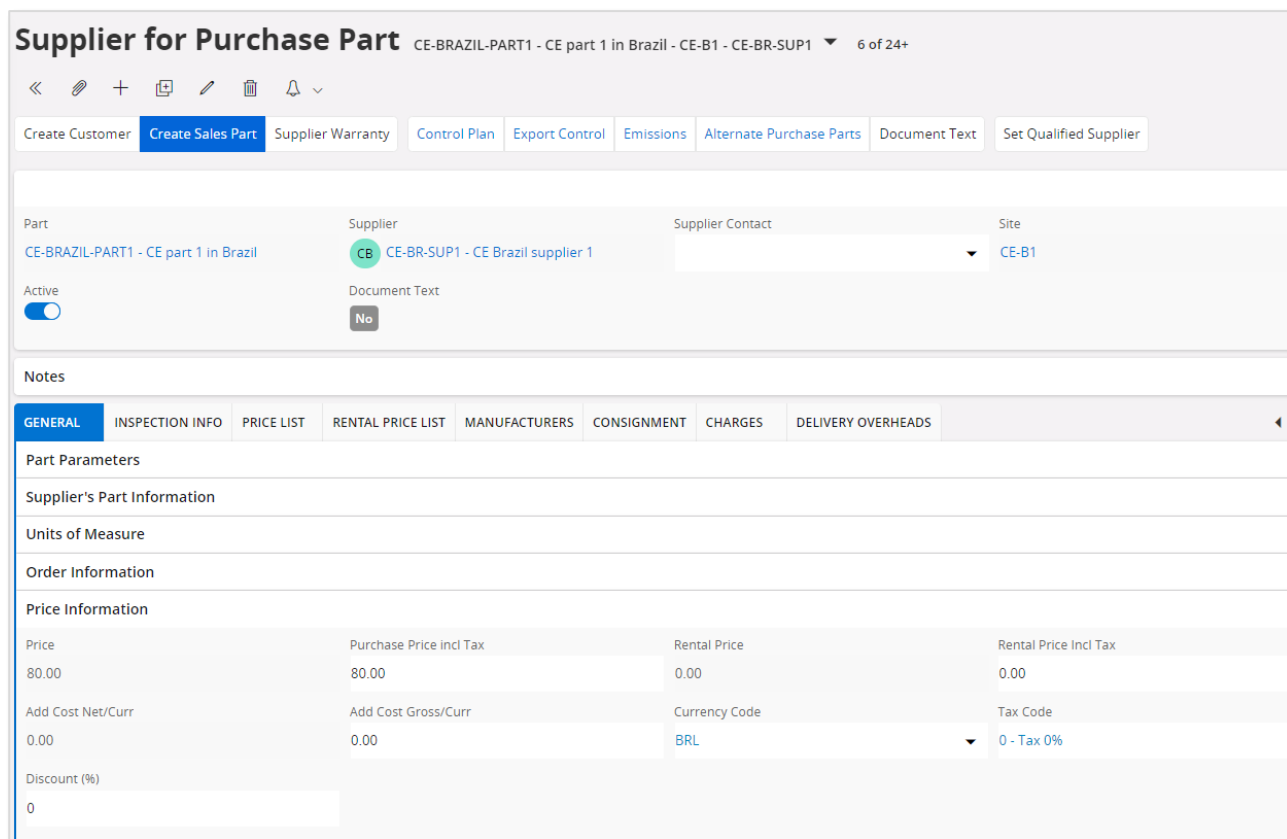
**Pricing**

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.**

### 12.4.6 Define the Supplier for Purchase Part Price including Taxes

When using the Avalara integration, you will need to set the Purchase Part as taxable so you can add tax code as 0 in the **Supplier for Purchase Part** page. You should also enable the **Use Price incl Tax** toggle, so you can define the default Purchase Price incl Tax.



**Supplier for Purchase Part** CE-BRAZIL-PART1 - CE part 1 in Brazil - CE-B1 - CE-BR-SUP1 6 of 24+

Part: CE-BRAZIL-PART1 - CE part 1 in Brazil  
 Supplier:  CE-BR-SUP1 - CE Brazil supplier 1  
 Supplier Contact:   
 Site: CE-B1  
 Active:   
 Document Text:

**Notes**

Part Parameters  
 Supplier's Part Information  
 Units of Measure  
 Order Information  
**Price Information**

Price	Purchase Price incl Tax	Rental Price	Rental Price Incl Tax
80.00	80.00	0.00	0.00
Add Cost Net/Curr	Add Cost Gross/Curr	Currency Code	Tax Code
0.00	0.00	BRL	0 - Tax 0%
Discount (%)			
0			

For companies using Avalara the purchase orders created will have the setting in PO header as "Price incl Tax" regardless of setup on supplier and company.

## 12.5 Create Customer Order

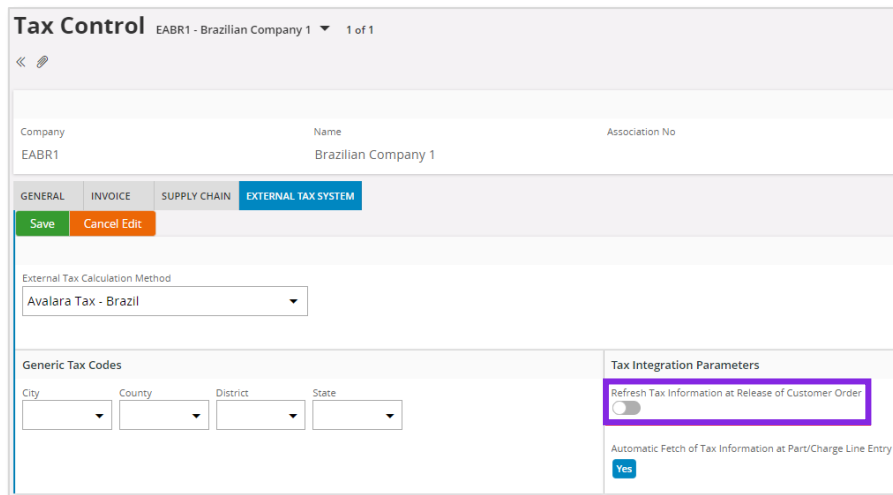
For Customer Order a new tax Calculated/Fetched is initiated resulting in new tax requests being sent to Avalara under the following circumstances:

- 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 Cloud core functionality, **Company/Tax Control/External Tax System** tab, “Tax Integration Parameters for Sales”.

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: [blank]

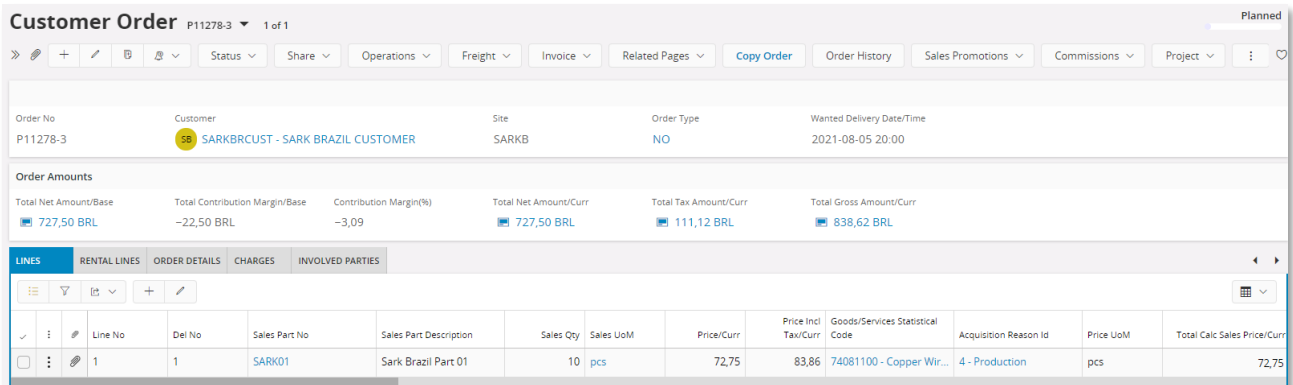
Tabs: GENERAL, INVOICE, SUPPLY CHAIN, **EXTERNAL TAX SYSTEM**

Buttons: Save, Cancel Edit

External Tax Calculation Method: Avalara Tax - Brazil

Generic Tax Codes: City, County, District, State (all dropdowns)

Tax Integration Parameters: Refresh Tax Information at Release of Customer Order (toggle off), 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

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

### Input Message Data

☰ 🔍 📄

<input checked="" type="checkbox"/>	Name
<input type="checkbox"/>	MESSAGE_REQUESTS.json

### Output Message Data

☰ 🔍 📄

<input checked="" type="checkbox"/>	Name
<input type="checkbox"/>	MESSAGE_RESPONSE.txt

☰ 🔍 📄

<input checked="" type="checkbox"/>	Name	Chain Link No	Address Data	Transport Connector	State	Error Text	Envelope	Transformer
<input type="checkbox"/>		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

### 12.5.1 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":"0470d0d8-2442-4430-8854-307948910de7"
  "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

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

Order No	Customer	Site	Order Type	Wanted Delivery Date/Time
P11619	<span>SB</span> 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
<span>IA</span> * - IFS Applications	BRL		0	
Reference	Agreement ID	Language Code	Final Consumer	
		en - English	<span>No</span>	
Salesperson	Add Rebate Customer	Main Representative		
		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.		
Ordering Region	Ordering District	Market	Classification Stand...	
Limit Sales to Assort...	Order Net Weight	Order Volume	Document Text	
<span>No</span>	0	0	<span>No</span>	Subject to ICMS_Reduction Ben...

**Delivery Address**

Delivery Address

📍 HEAD OFFICE - SARK BRAZIL CUSTOMER

**Document Address**

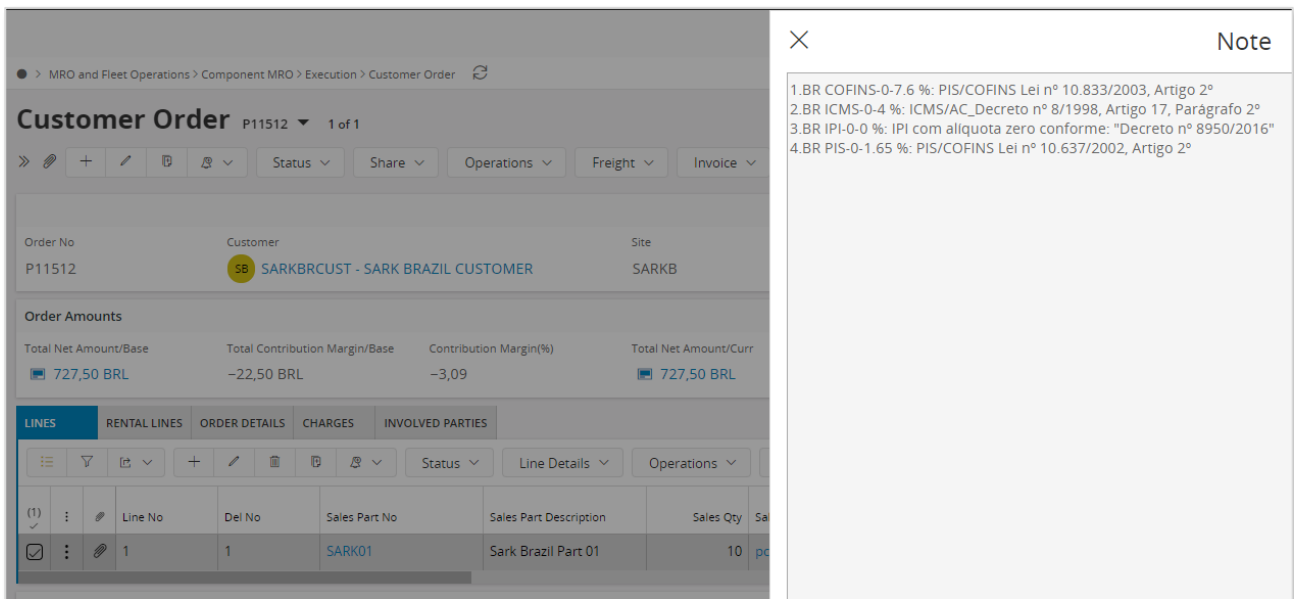
Document Address

📍 HEAD OFFICE - SARK BRAZIL CUSTOMER

**Invoice**

Tax ID	Tax ID Validated Date	Tax Liability
		TAX
Invoice Customer	Addr ID	

Country Solution Brazil 68



The screenshot displays the IFS Customer Order interface for order P11512. The main window shows order details such as Order No (P11512), Customer (SARKBRCUST - SARK BRAZIL CUSTOMER), and Site (SARKB). It also displays Order Amounts: Total Net Amount/Base (727,50 BRL), Total Contribution Margin/Base (-22,50 BRL), Contribution Margin(%) (-3,09), and Total Net Amount/Curr (727,50 BRL). A table of lines is visible, with one line item: Line No 1, Del No 1, Sales Part No SARK01, Sales Part Description Sark Brazil Part.01, Sales Qty 10.

An expanded 'Note' window is overlaid on the right, containing 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
  
```

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

## 12.6 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 for Brazilian country specifics, 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 Nota Fiscal.

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.**

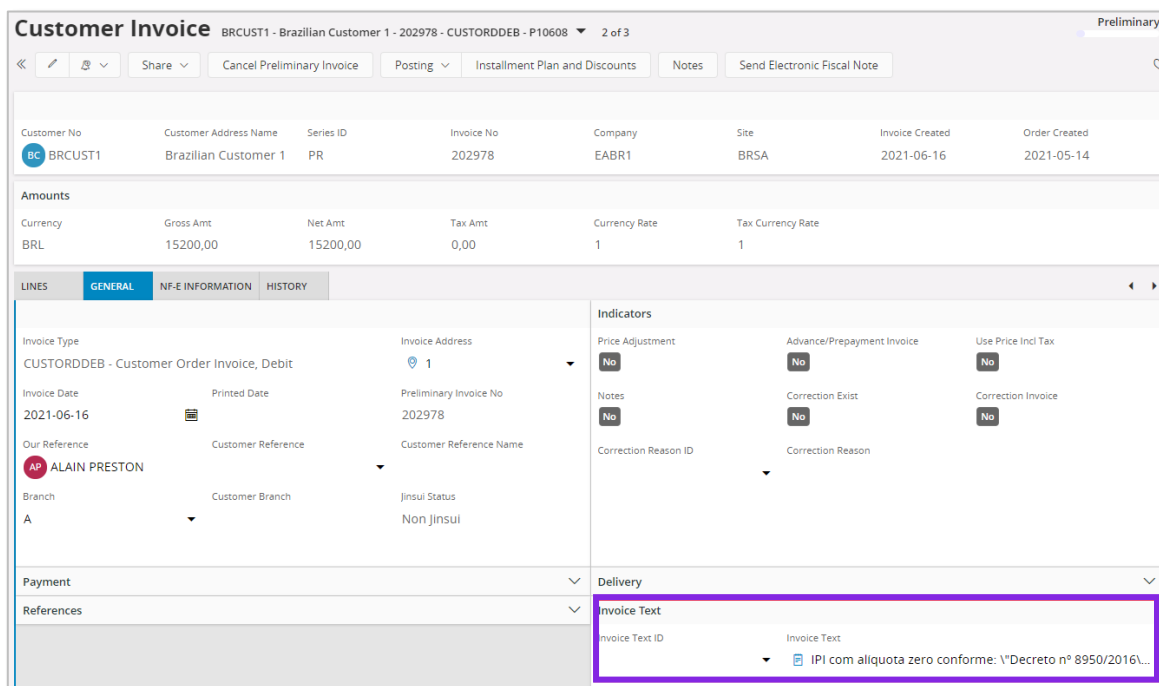
```

    "establishment": {
      "name": "SH-BR-CUST",
      "federalTaxId": "1333953200209",
      "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",
      "tIm": "1"
    },
    "additionalInfo": {
      "complementaryInfo": "IPI com alíquota zero conforme: \\\"Decreto nº 8950/2016\\\"\\n\\\"PIS/COFINS Lei nº 10.637/2002, Artigo 2º\\n\\\"PIS/COFINS Lei nº 10.833/2003, Artigo 2º\\n\\\"ICMS/SP Decreto nº 45.490/2000, Artigo 52, Inciso I"
    }
  }

```

### 12.6.1 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.



The screenshot shows the 'Customer Invoice' interface for a Brazilian customer. The invoice is in a 'Preliminary' state. The 'Additional Info' field is highlighted with a purple box, showing the complementary information: "IPI com alíquota zero conforme: \\\"Decreto nº 8950/2016\\\"\\n\\\"PIS/COFINS Lei nº 10.637/2002, Artigo 2º\\n\\\"PIS/COFINS Lei nº 10.833/2003, Artigo 2º\\n\\\"ICMS/SP Decreto nº 45.490/2000, Artigo 52, Inciso I".

Customer No	Customer Address Name	Series ID	Invoice No	Company	Site	Invoice Created	Order Created
BC 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

**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	Preliminary Invoice No	Notes	Correction Exist	Correction Invoice
2021-06-16		202978	No	No	No

Our Reference: AP ALAIN PRESTON

Branch: A | Customer Branch: | Jinsui Status: Non Jinsui

Payment: | Delivery: | Invoice Text: IPI com alíquota zero conforme: \\\"Decreto nº 8950/2016\\\"...

### 12.6.2 Handle Outgoing Nota Fiscals

Please read chapter “Outgoing Nota Fiscals” for description.

### 12.6.3 Create Postings

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

## 12.7 Create Purchase Order

For Purchase Order a new tax Calculated/ Fetched is initiated resulting in new tax requests being sent to Avalara under the following circumstances (depending on Company setup and order status):

- New purchase order line is added
- Purchase Qty is updated
- Purchase Price is updated
- If Company default Document Address is updated also manual command to fetch tax is needed
- Supplier Document Address is updated on Purchase Order
- Goods/Services Statistical Code is updated
- Acquisition Origin updated
- Acquisition Reason Id is updated
- Line connected charges are added or updated
- Order is Released
- Manual command in Purchase Order to “Fetch External Taxes”.

User can decide whether the taxes are Calculated/ Fetched upon, “Release of Purchase Order” or “PO Line Entry Level”. This is controlled by the IFS Cloud core functionality, *Company/Tax Control/External Tax System* tab, “*Tax Integration Parameters for Procurement*”.

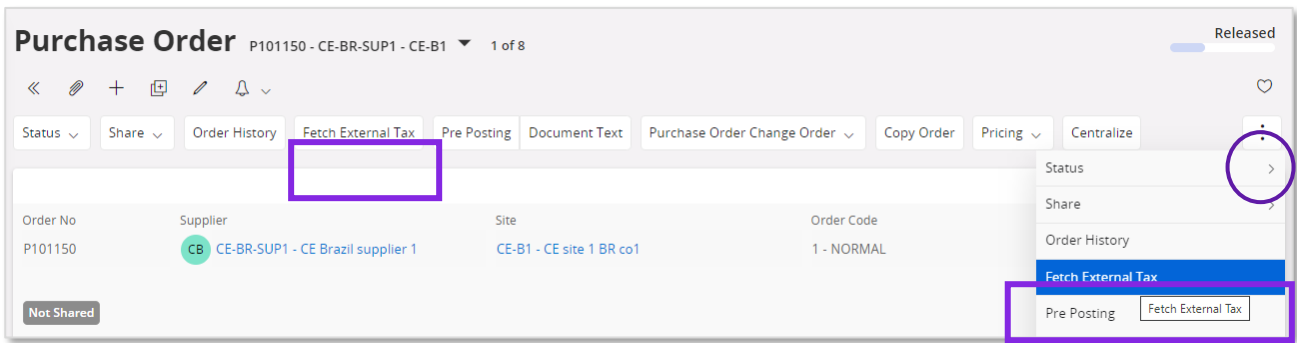
In order to be able to restrict number of requests sent to Avalara there will not be any requests sent to Avalara when modifying above data, before an order is released (when having setup as only to fetch taxes at Purchase Order release). But after release any change of the data will automatically generate a request to update taxes from Avalara. (Except for when adding a new line, as fetching for part line entry is disabled.)

If instead the toggle for fetching taxes at part line entry is enabled the changes will trigger a request to update taxes regardless of status.

Example: If user decides not to send tax requests upon releasing the order. Then the option Refresh Tax Information at Release of Purchase Order in *Company/Tax Control/External Tax System* tab (standard functionality) should be disabled. But please note that if using this setup, you will need to manually fetch the taxes for automatically added PO lines, as explained more below.

In the Purchase Order header there is a new command available to Fetch External Taxes from Avalara that can be used whenever the user want to manually trigger a tax calculation from Avalara.





When using the new manual command in the PO header “Fetch External Taxes” a request will be sent to Avalara. This command will be enabled even if there are lines which are not supposed to be sent. When a request is sent to Avalara then the taxes will be fetched/updated for all the lines in the PO. Exception to this is for PO lines which are not supposed to get Avalara taxes:

- when having status Cancelled
- when Tax Liability is EXEMPT
- when Not Taxable.

This means that those lines are not sent in the request to Avalara.

**PLEASE NOTE** that for automatically created lines there will be no support for automatically getting the taxes from Avalara. The user needs to fetch the taxes for these lines by using the manual command in the Purchase Order header to fetch taxes or use the setup to get them automatically when release of PO.

This is also needed if the Company default Document Address is changed as this will not generate any automatic fetch of taxes.

When Purchase Order Lines are added, default values will be added for Goods/Services Statistical Code, Acquisition Reason and Acquisition Origin. If no default values are added, these need to be manually entered.

There is also a new column to show the **Discount Amount**, calculated as the discount percentage of the Price incl Tax/Base amount, multiplied by the line quantity.

When all information needed for the request to be sent is present, a request to Avalara can be processed correctly. If something is missing, you will receive an error and details about the error can be seen in the response message details.

**Purchase Order** P101130 - CE-BR-SUP1 - CE-B1 1 of 1

<< 🔗 + 📄 ✎ 🔔 ⌵

Status ⌵ Share ⌵ Order History Fetch External Tax Pre Posting Document Text Purchase Order Change Order ⌵ Copy Order P

---

Order No: P101130  
 Supplier: CB CE-BR-SUP1 - CE Brazil supplier 1  
 Site: CE-B1 - CE site 1 BR co1  
 Order Code: 1 - NORMAL

**Not Shared**

---

**Order Amounts**

Total Net Amount/Base	Total Net Amount/Curr	Total Tax Amount/Curr	Total Gross Amount/Curr
7.63 BRL	7.63 BRL	1.37 BRL	9.00 BRL

---

**PART LINES** NO PART LINES RENTAL PART LINES ORDER DETAILS CHARGES LANDED COST AUTHORIZATION

🔍 + ✎ Create Lines from Template ⚙️ ⌵ 📄 ⌵

✓	Part No	Quantity	Business Operation	Goods/Services Statistical Code	Acquisition Origin	Acquisition Reason	Discou (%)	Discount Amount
<input type="checkbox"/>	CE-BRAZIL-PART3	1	1102	45019000 - waste of c...	4 - Nacional, cu...	SC-BR-RS - Goods ...	10	1.00



The request and response message details can be checked in the page for Application messages. View details and download the message in order to check the values sent/received.

## Application Messages 2380026 1 of 1



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

Application Message ID	Subject	Type	Sender
2380026	Message has been successfully executed	CONNECT	IFS_BR
Function	Receiver	State	External Message ID
AVALARA_BR_INTEGRATION_SERVICE	CONNECT	Finished	699A673384F14B7993C96321FFC23A53
State Date	Options	Error Text	Created From
9/7/23, 9:25 PM			
Initiated By	Initiated	Execute As	Locale
CEFRSE	9/7/23, 9:25 PM	Initiator	en-US
Queue	Inbound	Routing Rule Used	
DEFAULT	<b>No</b>	Example_Avalara_Brazil_Integration_Service	

### Input Message Data

<input type="checkbox"/>	Name	  <span>24</span>
<input type="checkbox"/>	MESSAGE_REQUESTS.json	

### Output Message Data

<input type="checkbox"/>	Name	  <span>24</span>
<input type="checkbox"/>	MESSAGE_RESPONSE.txt	

```

"header": {
  "eDocCreatorType": "self",
  "amountCalcType": "gross",
  "companyLocation": "77.214.253/0001-92",
  "documentCode": "P101169",
  "messageType": "goods",
  "locations": {
    "entity": {
      "name": "CE-BR-SUP1",
      "type": "stateGovernment",
      "taxesSettings": {
        "icmsTaxPayer": "true"
      }
    },
    "address": {
      "street": "Estrada Municipal Martins",
      "zipcode": "14813-000",
      "cityName": "Sao Paulo",
      "state": "Sp",
      "countryCode": "01058",
      "country": "BRA"
    },
    "activitySector": {
      "type": "cnae",
      "code": "7120100"
    }
  },
  "establishment": {
    "name": "CE-COMP-BRAZIL",
    "federalTaxId": "77.214.253/0001-92",
    "stateTaxId": "25633398999991",
    "suframa": "865302326",
    "type": "individual",
    "taxesSettings": {
      "icmsTaxPayer": "true"
    }
  },
  "address": {
    "street": "detailed street adr for CE-ADR1",
    "zipcode": "10100-000",
    "cityName": "Sau paulo",
    "state": "Sp",
    "countryCode": "01058",
    "country": "BRA"
  },
  "activitySector": {
    "type": "cnae",
    "code": "2656265"
  }
},
"goods": {
  "indFinal": 0,
  "transport": null
},
"lines": [
  {
    "lineCode": 1,
    "itemCode": "CE-BRAZIL-PART1",
    "numberOfItems": 1,
    "lineUnitPrice": 80,
    "lineAmount": 80,
    "lineTaxedDiscount": 0,
    "useType": "resale",
    "operationType": "standardPurchase",
    "orderNumber": "P101169",
    "orderItemNumber": "1",
    "freightAmount": 10,
    "insuranceAmount": 5,
  }
]

```

```

"header": {
  "eDocCreatorType": "self",
  "amountCalcType": "gross",
  "companyLocation": "77.214.253/0001-92",
  "documentCode": "P101169",
  "messageType": "goods",
  "locations": {
    "entity": {
      "name": "CE-BR-SUP1",
      "type": "stateGovernment",
      "taxesSettings": {
        "icmsTaxPayer": true
      }
    },
    "address": {
      "street": "Estrada Municipal Martins",
      "zipcode": "14813-000",
      "cityName": "Gavião Peixoto",
      "state": "Sp",
      "countryCode": "01058",
      "country": "BRA",
      "cityCode": "3516853"
    },
    "activitySector": {
      "type": "cnae",
      "code": "7120100"
    },
    "federalTaxId": ""
  },
  "establishment": {
    "name": "CE-COMP-BRAZIL",
    "federalTaxId": "77.214.253/0001-92",
    "stateTaxId": "25633398999991",
    "suframa": "865302326",
    "type": "individual",
    "taxesSettings": {
      "icmsTaxPayer": true
    }
  },
  "address": {
    "street": "detailed street adr for CE-ADR1",
    "zipcode": "10100-000",
    "cityName": "Sau paulo",
    "state": "Sp",
    "countryCode": "01058",
    "country": "BRA",
    "cityCode": 0
  },
  "activitySector": {
    "type": "cnae",
    "code": "2656265"
  }
},
"goods": {
  "indFinal": 0,
  "transport": null,
  "model": "55",
  "idDest": 0,
  "tpEmis": "1",
  "class": "Compra de material para uso ou consumo",
  "tpImp": "1"
},
"lines": [
  {
    "lineCode": 1,
    "itemCode": "CE-BRAZIL-PART1",
    "numberOfItems": 1,
    "lineUnitPrice": 80,
    "lineAmount": 80,
    "lineTaxedDiscount": 0,
    "useType": "resale",
    "operationType": "standardPurchase",
    "orderNumber": "P101169",
    "orderItemNumber": "1",
    "freightAmount": 10,
    "insuranceAmount": 5,
  }
]

```

When response message from Avalara has been received the tax lines will be updated in the dialog for Purchase Order Line Taxes.

The data received from Avalara will include Tax Base Amount, IFS Tax Code (fetched based on the tax codes mapping set-up), Tax %, Tax Amount in Curr and Base, CST Code, Legal Tax Class (for IPI taxes) and Tax Type Category.

Purchase Order Line Taxes

Gross Amount/Curr	Net Amount/Curr	Tax Amount/Curr	Non-deductible Tax Amount/Curr
9.00	7.63	1.37	0.00
<b>Total Tax Amount/Curr</b>			
1.37			

Tax Base Amount	Tax Code	Tax Type	Tax(%)	Deductible(%)	Tax Amount/Curr	Tax Amount/Base	Non-deductible Tax/Curr	Total Tax Amount	CST Code	Legal Tax Class	Tax Type Category
0.00	SC-BR-COFINS-0	Tax	0	100	0.00	0.00	0.00	0.00	70		COFINS
9.00	SC-BR-ICMS-0	Tax	18	100	1.62	1.62	0.00	1.62	00		ICMS
0.00	SC-BR-PIS-0	Tax	0	100	0.00	0.00	0.00	0.00	70		PIS

This dialog with these specific Avalara columns will only be shown for part lines when using Avalara integration, the standard tax dialog is shown for no parts and rental parts.

### 12.7.1 Citation information in Purchase 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.

The Avalara "Citation Information" is saved as a "Note" on the Purchase Order header and on the Purchase Order lines.

**Purchase Order** P100638 - CE-BR-SUP1 - CE-B1 1 of 1

Order No: P100638   
 Supplier: CE-BR-SUP1 - CE Brazil supplier 1   
 Site: CE-B1 - CE site 1 BR co1   
 Order Code: 1 - NORMAL   
 Receipt Date: 8/10/23, 3:36

**Order Amounts**

PART LINES   NO PART LINES   RENTAL PART LINES   **ORDER DETAILS**   CHARGES   LANDED COST   AUTHORIZATION

**General**

Currency: BRL   
 Buyer: CE-PERSON1 - Cecilia Franzen   
 Coordinator: CE-PERSON1 - Cecilia Franzen   
 Supplier Contact:

Project id:   
 Order Date: 8/10/2023   
 Revision No: 0   
 Supplier's Order No:

Purchase Code:   
 Total Weight: 0   
 Total Volume: 0   
 Language Code: en - English

Schedule Order:    
 Document Text:

Note: Subject to ICMS Reduction Benefits: ICMS/SP

Example from PO header Note:

✕
Note

Subject to ICMS Reduction Benefits: "ICMS/SP Decreto nº 45.490/2000, Anexo II, Artigo 27, Inciso I c/c Resolução SF nº 14/2013, Artigo 1º, Inciso I c/c Decreto Federal nº 5.906/2006, Anexo I"  
 Para aplicação do citado benefício fiscal é necessário observar as condições determinadas pelo Artigo 51 e Anexo II, Artigo 27, RICMS/SP.

Example from PO line Note:

✕
Note

0.SC-BR-COFINS-0-0 %: PIS/COFINS Lei nº 9.718/1998, Artigo 8º  
 1.SC-BR-ICMS-0-18 %: ICMS/SP Decreto nº 45.490/2000, Artigo 52, Inciso I  
 2.SC-BR-PIS-0-0 %: PIS/COFINS Lei nº 9.715/1998, Artigo 8º, inciso I

## 12.8 Tax Request to Avalara when having Line connected charges

The charges that are using the same Brazilian Charge Category for a line will be summarized and sent for the different Avalara tags.

For example, if two charge lines connected to line no 1, rel no 1 are having National Freight as Brazilian Charge Category, the sum of 5+5=10 will be shown in the request message as freightAmount.

PART LINES											NO PART LINES											RENTAL PART LINES											ORDER DETAILS											CHARGES											LANDED COST											AUTHORIZATION										
(1)	Connect to Rel No	Connect to Line No	Brazilian Charge Category	Sequ... No	Charge Type	Charge Type Description	Charge Price/Base	Charge (%)	Charge Price Incl Tax/Charge Curr	Cl																																																																		
<input checked="" type="checkbox"/>	:	1	1	National Freight	3	CE-BR-CT3	Cecilia Brazil charge t	5.00	5.00																																																																			
<input type="checkbox"/>	:	1	1	National Freight	2	CE-BR-CT1	Cecilia Brazil charge t	5.00	5.00																																																																			
<input type="checkbox"/>	:	1	1	National Insurance	1	CE-BR-CT2	CE Brazil charge type	5.00	5.00																																																																			

```

"orderNumber": "P101140",
"orderItemNumber": "1",
"freightAmount": 10,
"insuranceAmount": 5,
"itemDescriptor": {
  "hsCode": "45019000",

```

## 12.9 Delimitations

For the Sales flow this release only covers tax determination via integration to Brazilian external tax system for Customer Order sales, Customer Order invoicing of goods transactions and interstice movement of goods within same company. 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 for the sales flow.

For Procurement it covers the tax determination via integration to Brazilian external tax system (Avalara) for Purchase Order. Also line connected charges are supported. In the procurement flow Gross price is used. Please Note, that only Gross Amount Calculations are correct in the Purchasing solution for this release. Net amount calculations are not correct, this issue will be addressed in a coming release.

When using the Avalara integration additional costs on purchase order line is not supported. Also note that centralized Purchase Orders are not supported.

## 13 Outgoing Nota Fiscal

### 13.1 Overview Legal Requirement

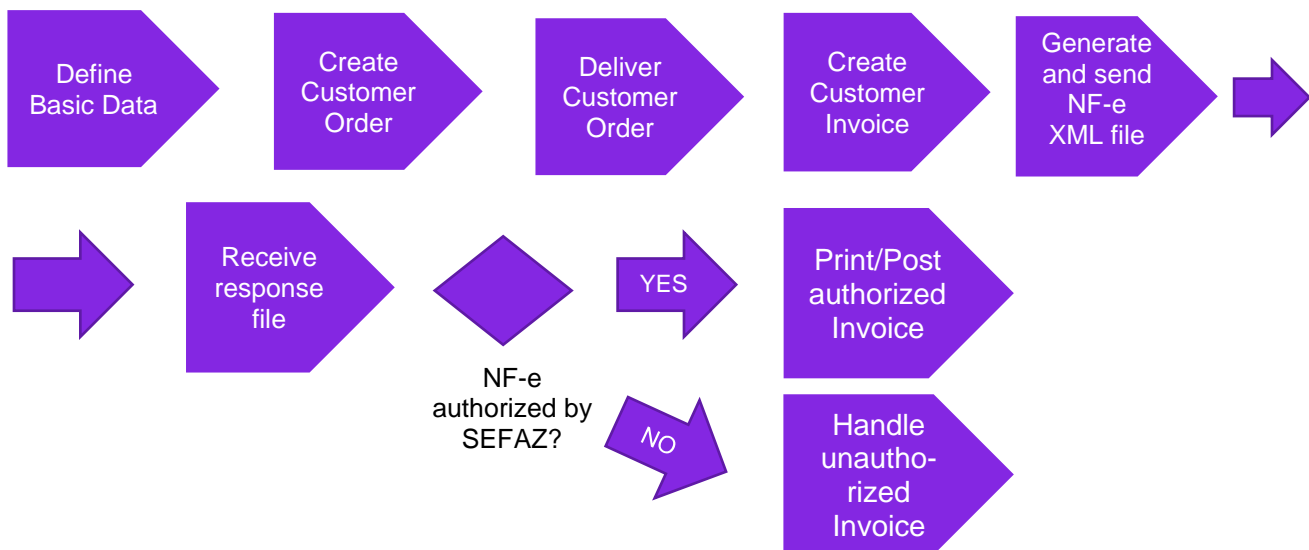
In Brazil the Nota Fiscal is a mandatory official document that must be issued to prove the existence of a commercial act, e.g., sale of goods. It's a tax document that registers transfer of ownership or possession of a good or commercial activity provided by a company to an individual or another company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

The NF-e is the Nota Fiscal 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 Nota Fiscal has been accepted by SEFAZ. A printed version of the Nota Fiscal (DANFE) must accompany the goods during transportation.

The Notas Fiscais must always be issued in Brazilian Real (BRL).

### 13.2 Process Overview

#### Customer Order sales of goods



### 13.3 Prerequisites

The company must be set-up to use Brazilian localization, see the Company Set-Up chapter, and the "Outgoing Nota Fiscais" 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", "Use Automatic Generation of Official Invoice Numbers" and "Cancel PostedAuth Customer Order Invoices" 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.

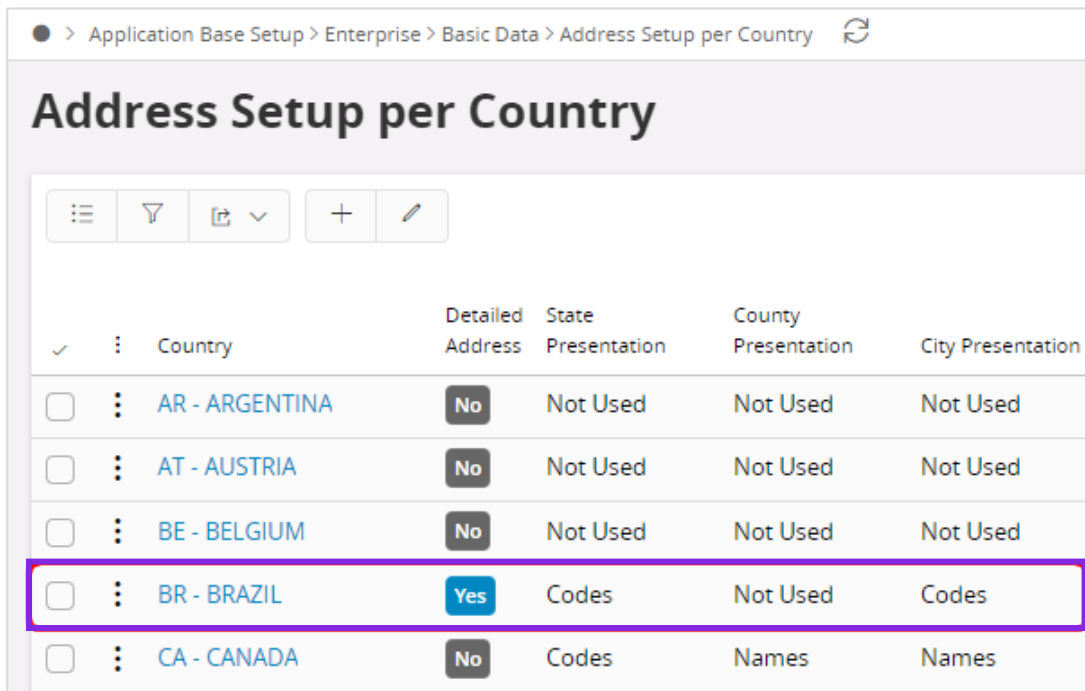


## 13.4 Define Basic Data

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.

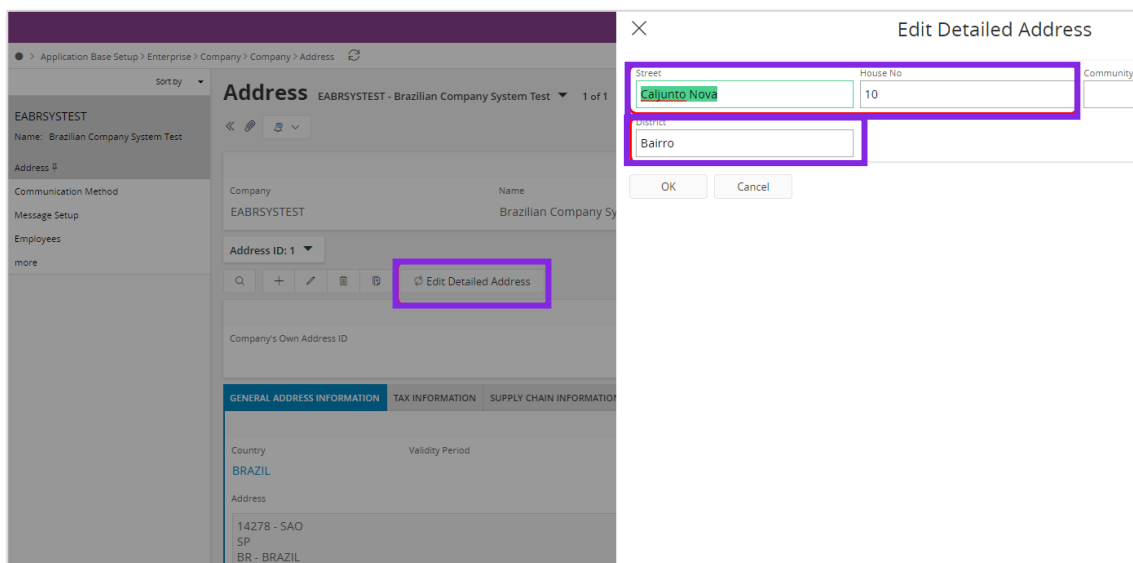
### 13.4.1 Address Setup Brazil

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 store and fetch the address information needed for the Nota Fiscal.



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*” functionality enables the possibility to define **Street**, **House No** and **District** in specific address fields on Company, Customer etc. This information is required in the NF-e xml file.



Application Base Setup > Enterprise > Company > Company > Address

**Address** EABRSYSTEST - Brazilian Company System Test 1 of 1

Company: EABRSYSTEST Name: Brazilian Company System Test

Address ID: 1

Edit Detailed Address

---

Company's Own Address ID

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

Country: BRAZIL Validity Period

Address: 14278 - SAO SP BR - BRAZIL

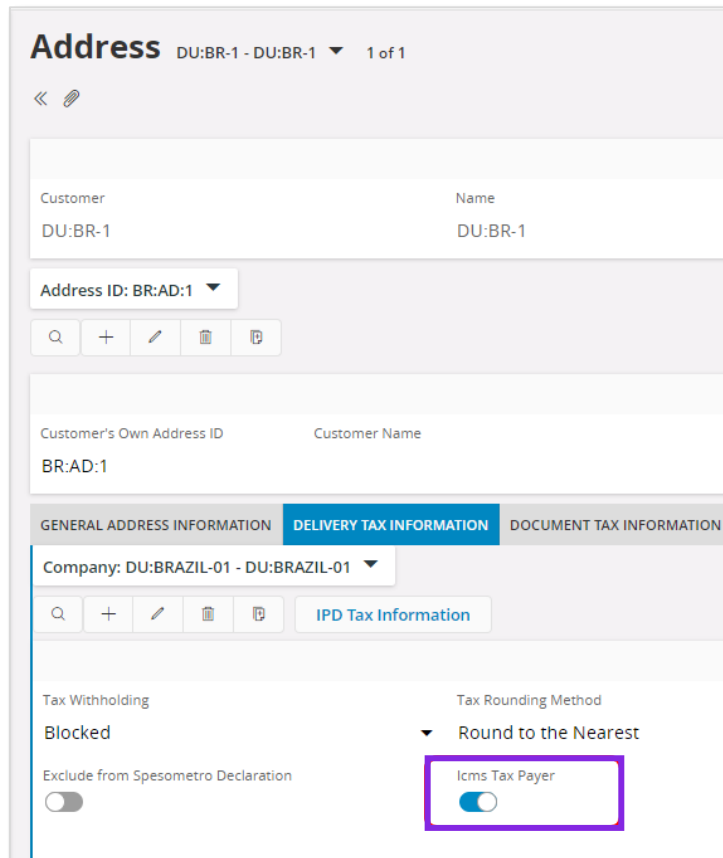
**Edit Detailed Address**

Street:  House No:  Community

District:

### 13.4.2 ICMS Tax Payer

**ICMS Tax Payer** functionality is available in the *Sales/Customer/Customer/Address/Delivery Tax Information* page which indicates that the customer is an ICMS tax payer for the specific address ID.



The screenshot shows the 'Address' configuration page for DU:BR-1. The 'DELIVERY TAX INFORMATION' tab is selected. Under 'Company: DU:BRAZIL-01 - DU:BRAZIL-01', the 'ICMS Tax Payer' toggle switch is turned on and highlighted with a red box. Other settings include 'Tax Withholding' set to 'Blocked', 'Tax Rounding Method' set to 'Round to the Nearest', and 'Exclude from Spesometro Declaration' set to off.

The setting, *ICMS Tax Payer* 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>
</dest>

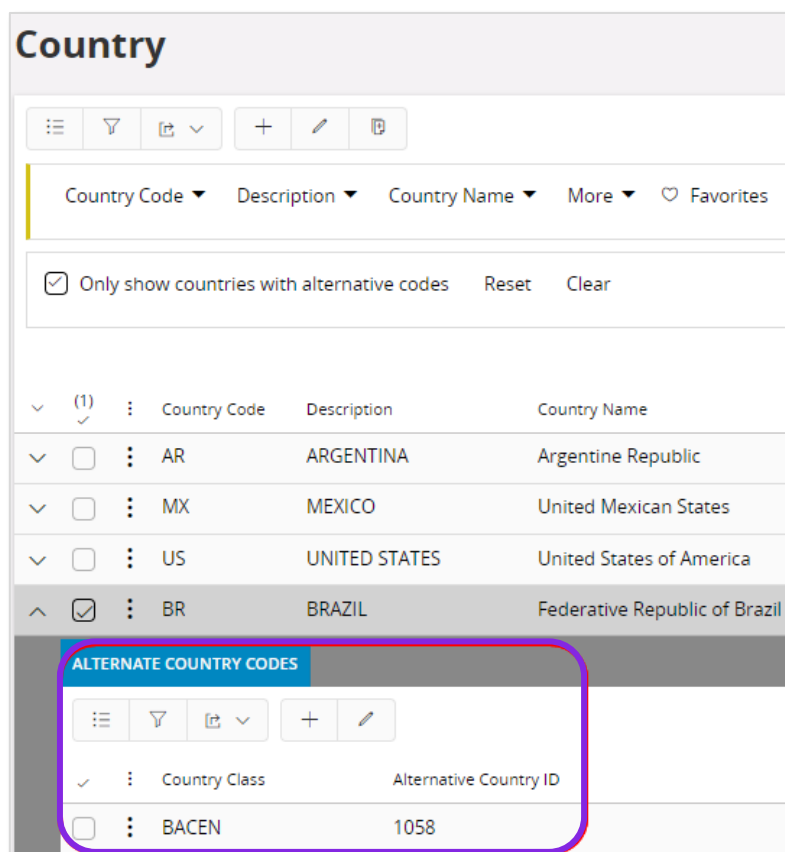
```

- 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 in 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)

### 13.4.3 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 are included in the NF-e XML file.

Use IFS standard functionality “Alternate Country Codes” 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.



**Country**

Country Code Description Country Name More Favorites

Only show countries with alternative codes Reset Clear

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

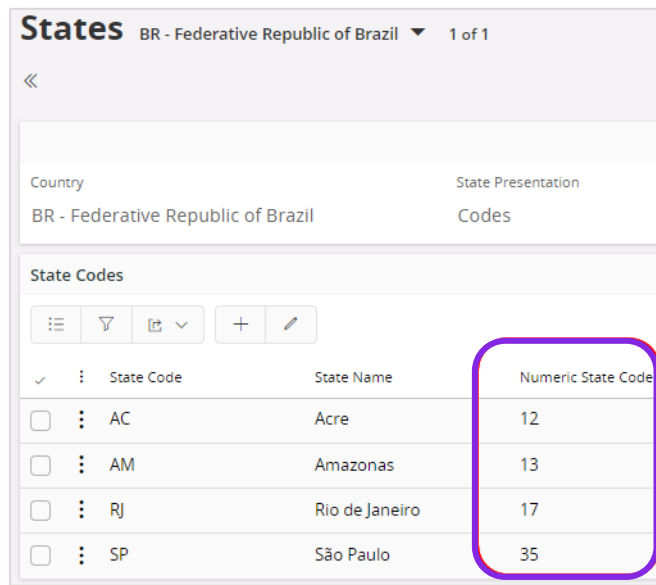
**ALTERNATE COUNTRY CODES**

Country Class	Alternative Country ID
BACEN	1058

### 13.4.4 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.

To define **IBGE State Code**, use IFS standard functionality “Numeric State Code” in the *Application Base Setup/Enterprise/Basic Data/States* page.



Country	State Presentation
BR - Federative Republic of Brazil	Codes

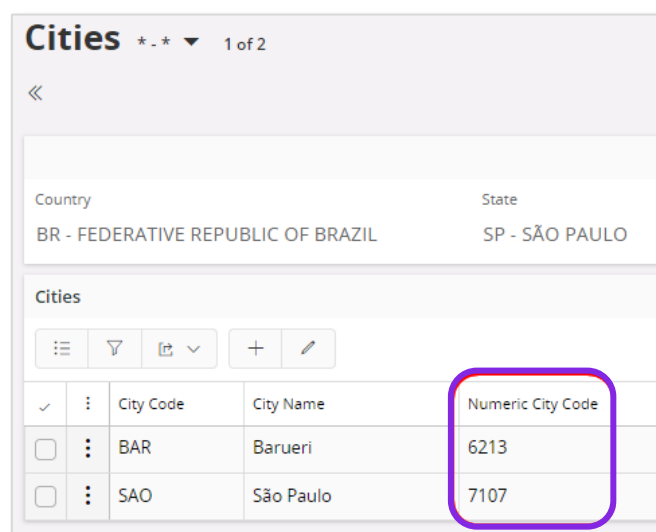
  

State Code	State Name	Numeric State Code
AC	Acre	12
AM	Amazonas	13
RJ	Rio de Janeiro	17
SP	São Paulo	35

### 13.4.5 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

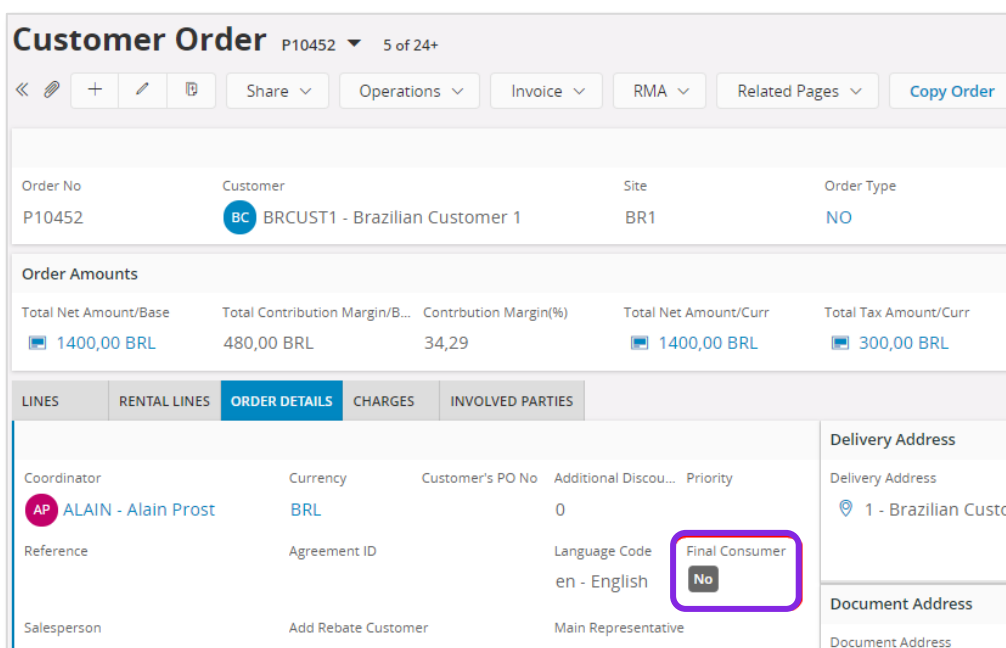
### 13.4.6 Final consumer

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

New functionality, “Final Consumer” is added in the *Sales/Order/ Customer Order/ Order Details* tab with default value NO.

This could be manually enabled considering the below criteria prescribed by the Brazilian authorities, 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



The screenshot shows the 'Customer Order' interface for order P10452. The 'ORDER DETAILS' tab is active. In the 'Final Consumer' dropdown menu, the value 'No' is selected and highlighted with a purple box. Other visible details include: Order No: P10452, Customer: BC BRCUST1 - Brazilian Customer 1, Site: BR1, Order Type: NO, Total Net Amount: 1400,00 BRL, Total Tax Amount: 300,00 BRL, and Coordinator: ALAIN - Alain Prost.

```

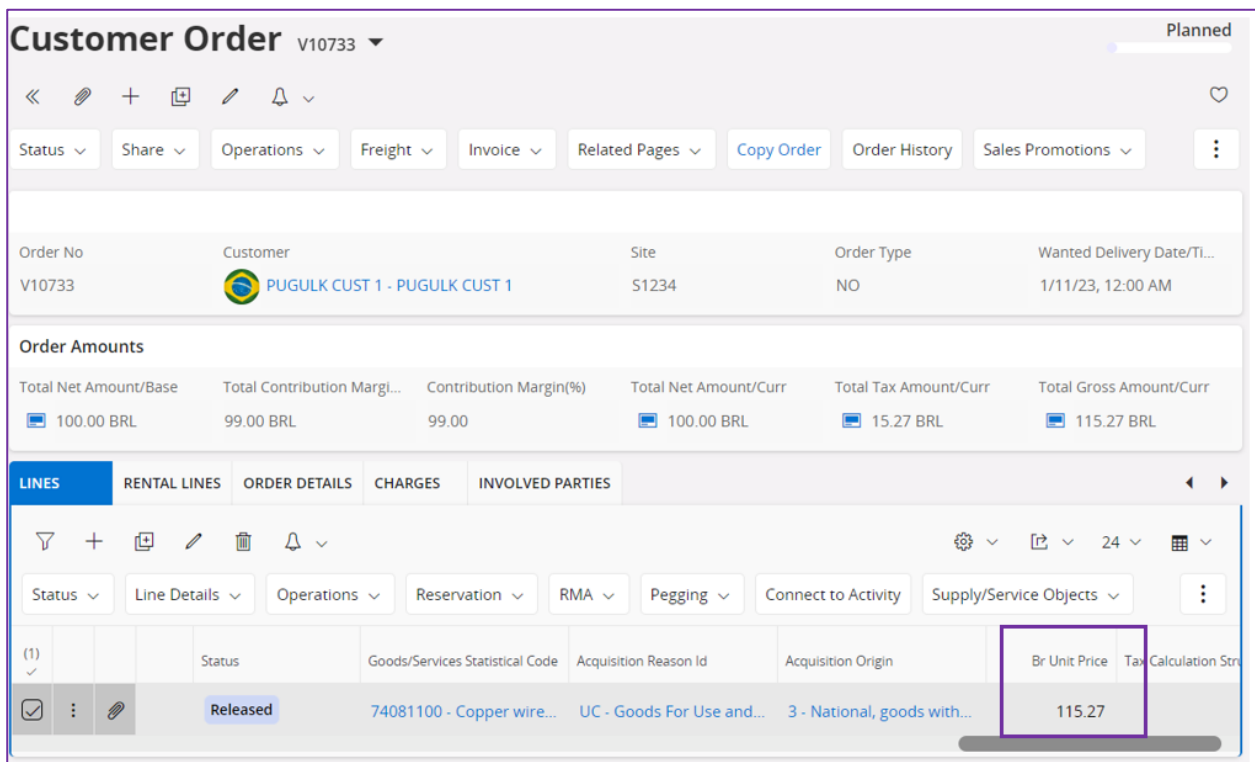
- <NFe xmlns:xs="http://www.w3.org/2001/XMLSchema" xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance" xsi:schemaLocation="http://www.w3.org/2001/XMLSchema http://www.w3.org/2001/XMLSchema" Id="35210612345679123450650090000100021002029788">
- <ide>
  <cUF>35</cUF>
  <cNF>00202978</cNF>
  <natOp>Vendas</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>

```

### Placeholder – “BR Unit Price”

In Brazilian context, some taxes are included in the price of a product (in Brazilian way of explaining). This means that the tax amounts are included in the tax base amount. The tax % is expressed for the tax base amount which includes the tax amount as well. However, the logic used to embed the tax amounts in the price for Brazil considers some specific taxes (ex: ICMS, PIS and COFINS). Some taxes are not a part of this (ex: IPI), as these taxes are always separated from the price in the Nota Fiscal.

This is the placeholder in the Customer Order Line level – “**BR Unit Price**” in order to be the placeholder for the amount returned by Avalara in the attribute line “Unit Price” of Json file., This will be sent as the unit price for Outgoing Nota Fiscal line and xml file item – “**VunCom**”.



**Customer Order** V10733 Planned

Order No: V10733 | Customer: PUGULK CUST 1 - PUGULK CUST 1 | Site: S1234 | Order Type: NO | Wanted Delivery Date/Time: 1/11/23, 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	99.00 BRL	99.00	100.00 BRL	15.27 BRL	115.27 BRL

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

(1)	Status	Goods/Services Statistical Code	Acquisition Reason Id	Acquisition Origin	Br Unit Price	Tax Calculation Str
✓	Released	74081100 - Copper wire...	UC - Goods For Use and...	3 - National, goods with...	115.27	

```

<enderDest>
  <xLgr>No 12</xLgr>
  <nro>15/B</nro>
  <xBairro>Rio</xBairro>
  <cMun>1200401</cMun>
  <xMun>Rio Branco</xMun>
  <UF>AC</UF>
  <CEP>69900-000</CEP>
  <cPais>1058</cPais>
  <xPais>BRAZIL</xPais>
  <fone/>
</enderDest>
<indIEDest>1</indIEDest>
<IE>12347543</IE>
<email/>
</dest>
<det nItem="1">
  <prod>
    <cProd>SALES PART 01</cProd>
    <CEAN>SEM GTIN</cEAN>
    <xProd>Sales Part 01</xProd>
    <NCM>74081100</NCM>
    <CEST>2899900</CEST>
    <EXTIPI/>
    <CFOP>6101</CFOP>
    <uCom>*</uCom>
    <qCom>1.0000</qCom>
    <vUnCom>115.2700</vUnCom>
    <vTrib>115.27</vTrib>
    <CEANtrib>SEM GTIN</cEANtrib>
    <uTrib>pcs</uTrib>
    <qTrib>1.0000</qTrib>
    <vUnTrib>115.27</vUnTrib>
    <indTot>1</indTot>
  </prod>

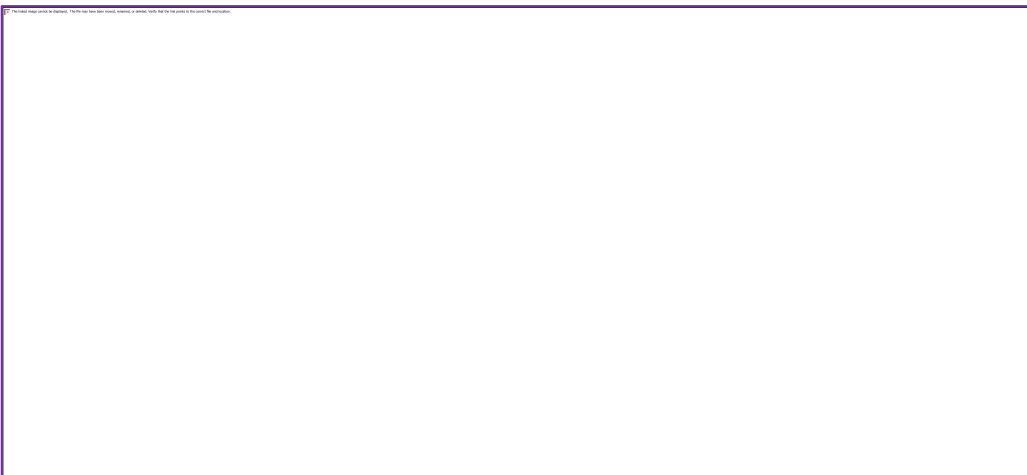
```

**Note:** When Avalara isn't used to calculate the relevant taxes, "BR Unit price" will be calculated manually as follows.

**Calculation**

$$\text{Br Unit Price} = \frac{(\text{Line Net Amount} + \text{Total Line tax Amount Without IPI Taxes})}{\text{Line Quantity}}$$

Example: Br Unit Price = ((1000 + (87.61+46.11+19.02)) / 10 = **115.27**)



### 13.4.7 Presence Type

In the NF-e XML file there is a mandatory tag for “Presence Type” (indPres). The “Presence Type” is fetched from the Business Transaction Code defined in the Customer Order which is connected to 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

```

- <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>
    <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>

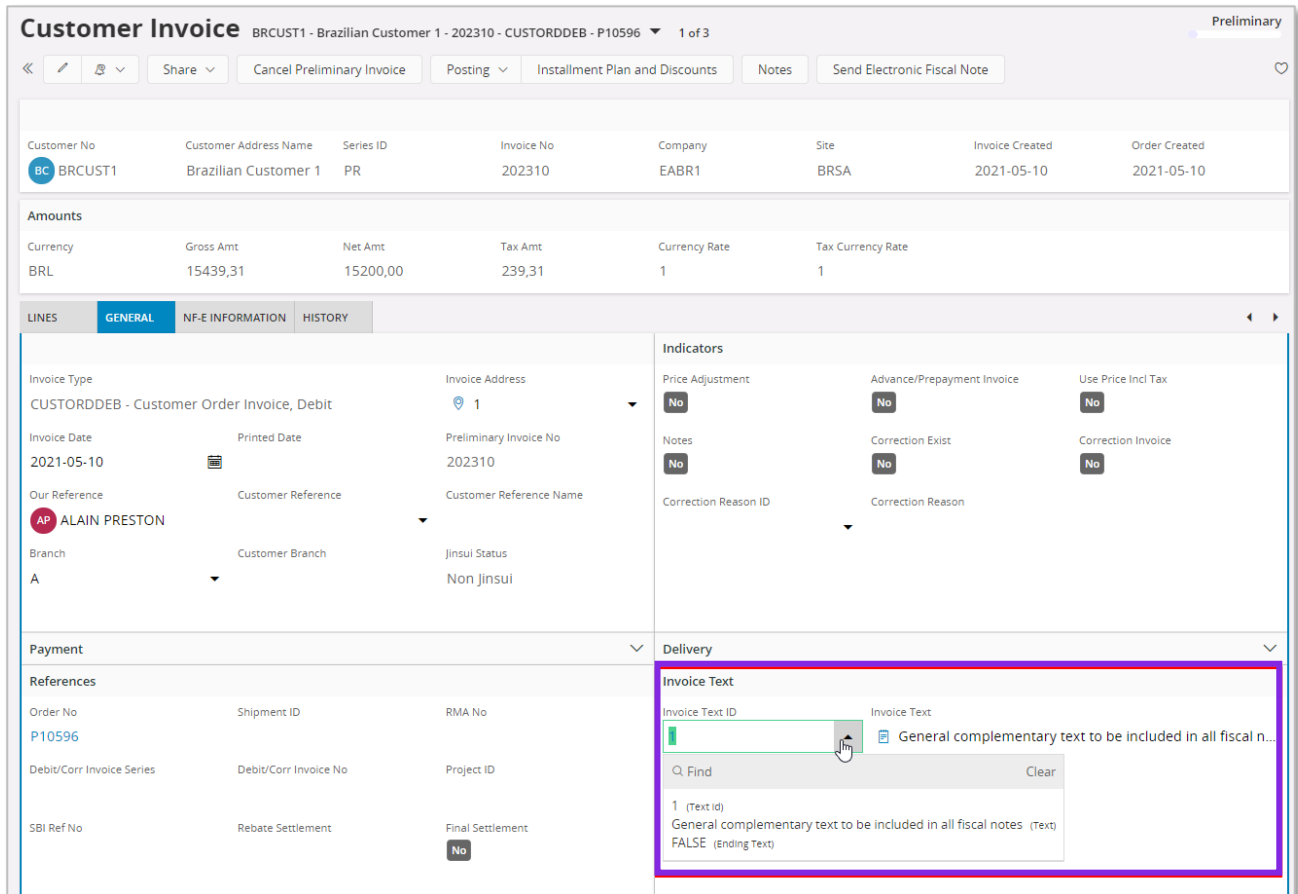
```



### 13.4.8 Complementary information in NF-e

Complementary information related to the Nota Fiscal 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 IDs 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

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
BC BRCUST1	Brazilian Customer 1	PR	202310	EABR1	BRSA	2021-05-10	2021-05-10

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 Address:** 1  
**Invoice Date:** 2021-05-10  
**Our Reference:** ALAIN PRESTON  
**Branch:** A  
**Invoice Date:** 2021-05-10  
**Printed Date:** [Calendar Icon]  
**Preliminary Invoice No:** 202310  
**Customer Reference:**  
**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  
**Shipment ID:**  
**RMA No:**  
**Debit/Corr Invoice Series:**  
**Debit/Corr Invoice No:**  
**Project ID:**  
**SBI Ref No:**  
**Rebate Settlement:**  
**Final Settlement:** No

**Delivery:**  
**Invoice Text:**  
**Invoice Text ID:** [Input Field]  
**Invoice Text:** General complementary text to be included in all fiscal n...  
**Q Find:** [Input Field] **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: 2021-06-16	Printed Date	Notes: No	Correction Exist: No	Correction Invoice: No
Our Reference: ALAIN PRESTON	Customer Reference	Correction Reason ID	Correction Reason	
Branch: A	Customer Branch			
	Jinsui Status: Non jinsui			

Payment	Delivery
References	Invoice Text
Order No: P10608	Invoice Text ID: Material segue para amostra, sem retorno.;Isento de IC...

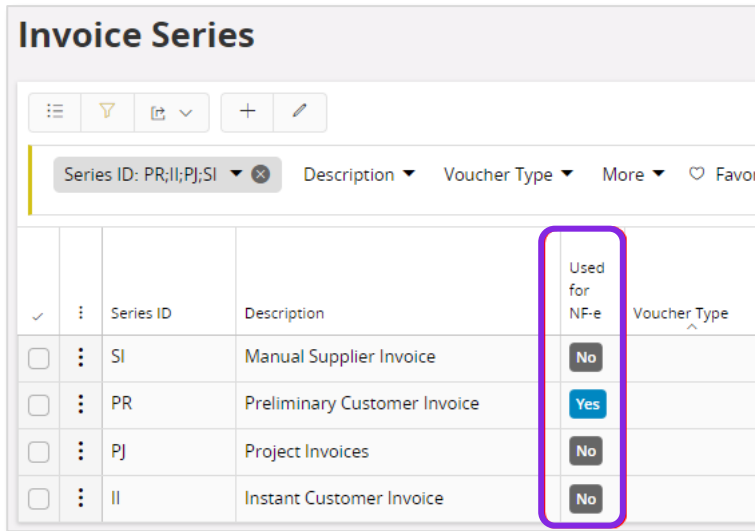
The complementary information entered as Invoice Text on the Customer Invoice is fetched to the NF-e XML file and added in the **infAdic** block and tag "infCpl".  
 With an integration to 3<sup>rd</sup> party tax determination engine for Brazilian taxes enabled, this complementary information can be 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>
- <detpag>
  <tPag>99</tPag>
  <vPag>15200</vPag>
</detpag>
</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>
  
```

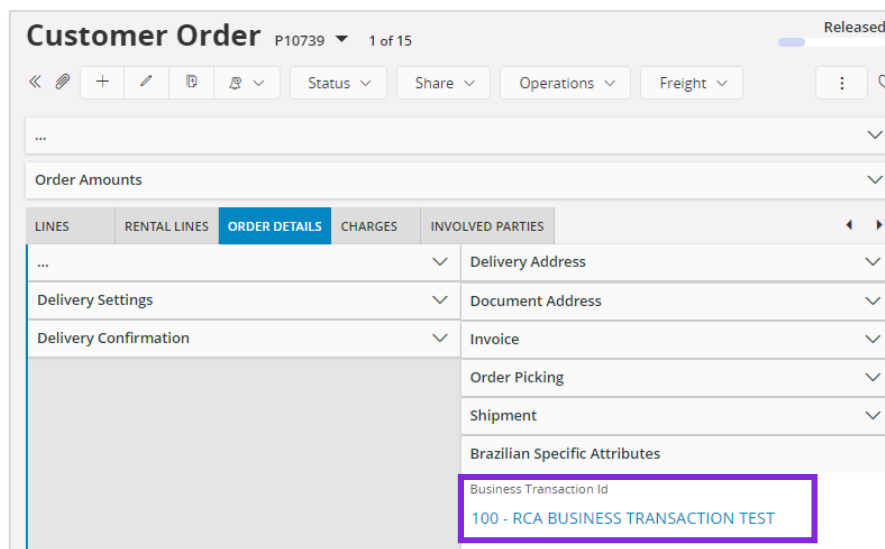
### 13.4.9 Invoice series used for NF-e

Enable the toggle “Used for NF-e” in the *Financials/Customer Invoice/Basic Data/Invoice Series* page for the invoice series 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 Nota Fiscais.



### 13.5 Create 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.



A Customer Order Type which stops the processing before the “Print Invoice” event is performed must be used.

			Stop After
✓	⋮	Events	
<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 3<sup>rd</sup> 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 Nota Fiscal 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

OK Cancel

## 13.6 Deliver Customer Order

### Single Order delivery

Deliver the single Customer Order using standard functionality.

### Shipment delivery

In case of delivery using the IFS Shipment functionality, the Customer Order must be connected to a Shipment Type. Enter a Shipment Type in page *Shipment Management/Outbound Shipment/Basic Data/Shipment Type* and select 'Stop After' the event "Create Invoice" to stop the shipment invoice to be printed automatically before the outgoing NF-e is created and authorized.

Customer Orders with different Business Transaction ID:s are not allowed to be mixed in the same Shipment ID. The selected Business Transaction ID in Customer Order header is transferred to the "Reference ID" field in the Customer Order line and will be considered as a consolidation parameter for Shipments.

It is therefore mandatory to set **Reference ID** as a consolidation parameter in "Consolidate Source Lines By" on the *Shipment Type* page.

**Shipment Type** BR - Brazil 1 of 1

---

Shipment Type: BR    Description: Brazil    Confirm Shipment Location:     Online Processing:     Approve before Delivery:

Keep Manual Gross Weight and Volume:     Packing Proposal:

---

**Shipment Creation**

Customer Order: At Order Release    Shipment Order: Not Automatic    Receipt Return: Not Automatic

**Consolidation Parameters**

Consolidate Source Lines by

Reference ID

---

SHIPMENT EVENTS    **CUSTOMER ORDER EVENTS**    SHIPMENT ORDER

Event	Stop After
CREATE INVOICE	<input type="checkbox"/>
PRINT INVOICE	<input checked="" type="checkbox"/>

In the generated NF-e XML file header tag IDE\_INDPRES value represents the Presence Type which is taken from the Business Transaction ID in the Customer Order.

### 13.7 Create Customer Invoice

Create the Customer (Order) Invoice or the Shipment Invoice (Customer Order Collective Invoice, Debit) in Preliminary state using IFS standard functionality.

### 13.8 Create Outgoing Nota Fiscal

As Notas Fiscais must always be issued in Brazilian Real, Customer Orders/Invoices for sales in foreign currencies will be converted into accounting currency BRL when the Outgoing Nota Fiscal is created.

Company level parameter, “*Manually Process Nota Fiscal*” determines whether the Outgoing Nota Fiscal is automatically created when creating the Customer Invoice or manually created from the Outgoing Nota Fiscal page.

**Invoice** DU-BR - DU-BR Company ▾ 1 of 5

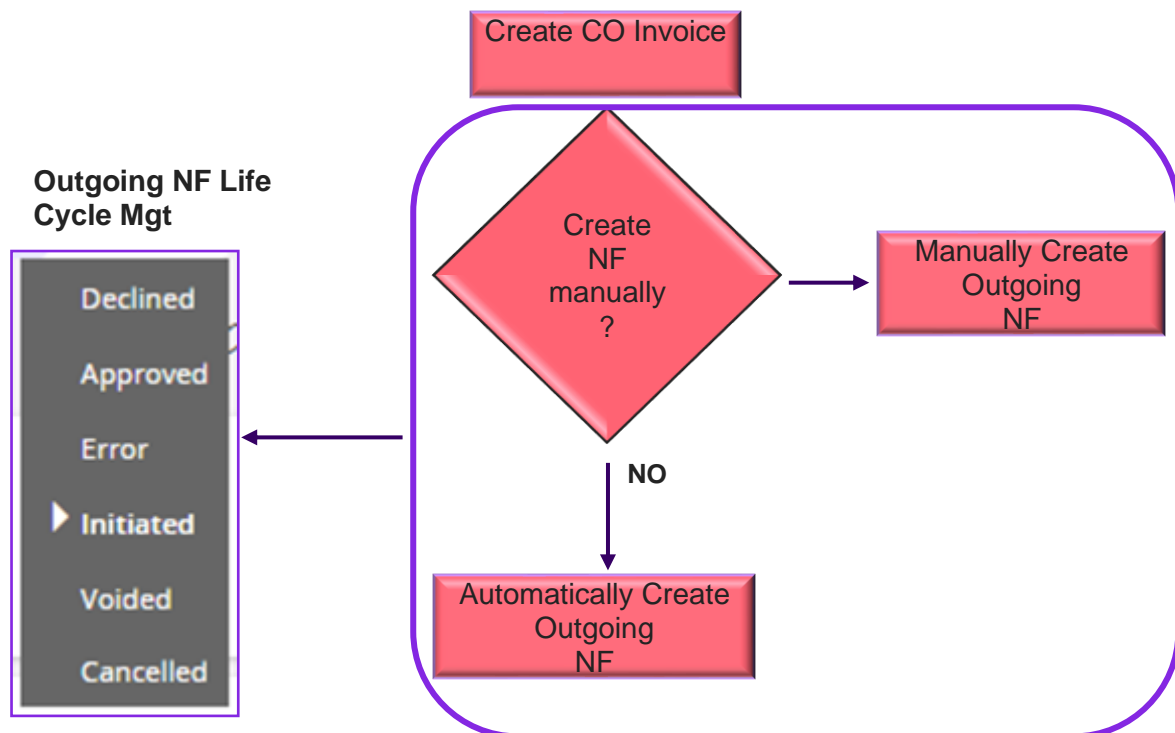
Company: DU-BR      Name: DU-BR Company      Association No:   
 Created By: DUDALK

GENERAL    DEFAULT INVOICE TYPES    PO MATCHING    DOCUMENT MANAGEMENT    **NF-E COMPLIANCE**

Manually Process Incoming Nota Fiscal:       Manually Process Outgoing Nota Fiscal:

Attachments

Process Overview



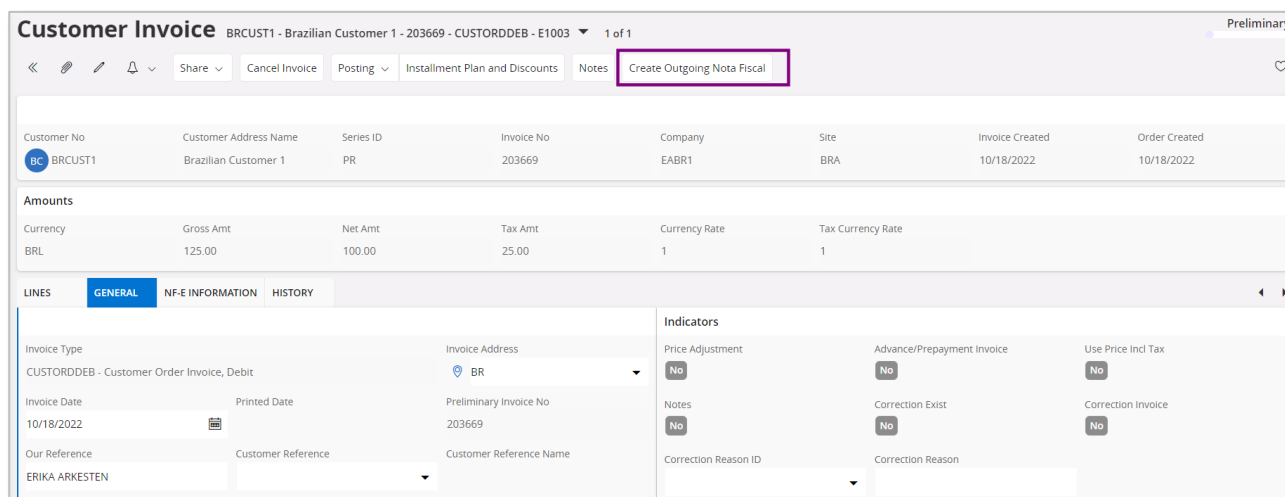
Below table shows, how this Company level parameter, “*Manually Process Nota Fiscal*” works with Customer Order Invoice, *Outgoing Nota Fiscal* and the NFe XML generation.

Parameter, Manually Process Nota Fiscal	Outgoing Nota Fiscal object	NFe XML generation
Enabled (Outgoing NF is Manually processed)	First, Customer Order Invoice is created and the Outgoing NF need to be manually created by using the command, “ <i>Create Outgoing Nota Fiscal</i> ”.	NFe XML need to be manually generated by using the command “ <i>Send Nota Fiscal</i> ” in the Outgoing NF page.
Disabled (Outgoing NF is Automatically processed)	When Customer Order Invoice is created, the Outgoing NF object is automatically created.	NFe XML is automatically generated based on the Outgoing NF object.
	<i>*Both the Outgoing NF object and the NFe XML is automatically generated</i>	

## 13.9 Outgoing Nota Fiscal Life Cycle Management

### 13.9.1 Outgoing NF Manually created

Company level parameter, “*Manually Process Nota Fiscal*” is enabled, then in the Customer Order Invoice process, Outgoing Nota Fiscal need to be manually created. To facilitate this manual process, command “*Create Outgoing Nota Fiscal*” is enabled on CO Invoice.



The screenshot displays the 'Customer Invoice' interface for a Brazilian customer. At the top, there are navigation buttons: 'Share', 'Cancel Invoice', 'Posting', 'Installation Plan and Discounts', 'Notes', and 'Create Outgoing Nota Fiscal' (highlighted with a purple box). Below this, a table shows invoice details: Customer No (BRCUST1), Customer Address Name (Brazilian Customer 1), Series ID (PR), Invoice No (203669), Company (EABR1), Site (BRA), Invoice Created (10/18/2022), and Order Created (10/18/2022). An 'Amounts' section shows Currency (BRL), Gross Amt (125.00), Net Amt (100.00), Tax Amt (25.00), Currency Rate (1), and Tax Currency Rate (1). The 'LINES' section is currently on the 'GENERAL' tab, showing fields for Invoice Type, Invoice Address, Invoice Date, and Our Reference. An 'Indicators' section contains several toggle buttons for 'Price Adjustment', 'Advance/Prepayment Invoice', 'Use Price Incl Tax', 'Notes', 'Correction Exist', and 'Correction Invoice', all currently set to 'No'.



**Customer Invoice** BRCUST1 - Brazilian Customer 1 - 203669 - CUSTORDDEB - E1003 1 of 1 Preliminary

View Outgoing Nota Fiscal

Customer No	Customer Address Name	Series ID	Invoice No	Company	Site	Invoice Created	Order Created
BRCUST1	Brazilian Customer 1	PR	203669	EABR1	BRA	10/18/2022	10/18/2022

Amounts						
Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate	
BRL	125.00	100.00	25.00	1	1	

**GENERAL** | NF-E INFORMATION | HISTORY

Invoice Type		Invoice Address		Indicators	
CUSTORDDEB - Customer Order Invoice, Debit		BR		Price Adjustment	Advance/Prepayment Invoice
Invoice Date: 10/18/2022		Preliminary Invoice No: 203669		No	No
Our Reference: ERIKA ARKESTEN		Customer Reference Name		Notes	Correction Exist
				No	No
				Correction Reason ID	Correction Reason

Outgoing Nota Fiscal is created in “Initiated” state while the connected CO Invoice is in “Preliminary” state and the associated CO is in “Closed” state.

Outgoing NF Status	CO Invoice Status	CO Status
Initiated	Preliminary	Closed

### Generate and Send NF-e XML File

Once the Outgoing Nota Fiscal object is created it’s automatically set to the status of “Initiated” and the option “Send Nota Fiscal” is enabled. Use this command **Send Nota Fiscal** to generate the NF-e XML and send to the third party system integrator to communicate with the Brazilian Tax Authority for approval.

**Outgoing Nota Fiscal - 00910000022** 1 of 1 Initiated

Send Nota Fiscal

Sender		Receiver	
Company	DU-BR	Customer	DU-BRCUST-1
Company Name	DU-BR Company	Customer Name	DU-BRCUST-1

Nota Fiscal Series	Nota Fiscal No	Invoice Date
009	100000022	7/12/2022
Object Type	Object Reference	Object Reference Status
Customer Order Invoice	207755	Preliminary
Business Transaction Id	Payment Terms	Currency Code
100	0	BRL
Nota Fiscal Text		
Valor total do ICMS relativo ao Fundo de Combate à Pobreza (FCP) para a UF de destino: R\$ 0,00 Valor total do ICMS de partilha para a UF do destinatário: R\$ 37,86V...		

Once the Outgoing Nota Fiscal is sent to the third-party system integrator, Outgoing Nota Fiscal status is automatically set as “Sent Request”.

ing Nota Fiscal ↻ Company DU-BR Company

## Outgoing Nota Fiscal - 00910000022 1 of 1

Sent Request

Customer Invoice

Sender	Receiver
Company DU-BR	Customer DU-BRCUST-1
Company Name DU-BR Company	Customer Name DU-BRCUST-1

Nota Fiscal Series	Nota Fiscal No	Invoice Date
009	100000022	7/12/2022
Object Type	Object Reference	Object Reference Status
Customer Order Invoice	207755	Preliminary
Business Transaction Id	Payment Terms	Currency Code
100	0	BRL

**Note**

-When the Outgoing Nota Fiscal is set to the status of "Initiated" and "Sent Request", the IFS standard command on CO preliminary invoice "Print Invoice" is disabled.

**13.9.2 Outgoing NF Automatically created**

When the Company parameter, "Manually Process Nota Fiscal" is disabled, the Outgoing Nota Fiscal Object is automatically created the Customer Order Invoice process, Once the Outgoing Nota Fiscal Object is created in the Customer Order Invoice process, also the NFe XML is automatically generated based on the Outgoing NF object and send to the third-party system integrator to communicate with the Brazilian Tax Authority.

Since in this scenario, both the Nota Fiscal Object and the NFe XML are automatically generated and sent to the Tax Authority for Approval, *Outgoing Nota Fiscal* is created in "Sent Request" state. The connected CO Invoice is in "Preliminary" state and the associated CO is in "Closed" state.

Outgoing NF Status	CO Invoice Status	CO Status
Sent Request	Preliminary	Closed

ing Nota Fiscal DU-BR Company

## Outgoing Nota Fiscal - 00910000022 1 of 1

Customer Invoice Sent Request

Sender		Receiver	
Company	DU-BR	Customer	DU-BRCUST-1
Company Name	DU-BR Company	Customer Name	DU-BRCUST-1

Nota Fiscal Series	Nota Fiscal No	Invoice Date
009	10000022	7/12/2022
Object Type	Object Reference	Object Reference Status
Customer Order Invoice	207755	Preliminary
Business Transaction Id	Payment Terms	Currency Code
100	0	BRL

### 13.9.3 Generation and assigning a “NF-e Key” to NF-e XML

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 Outgoing Nota Fiscal/ NF-e Information tab, field “NF-e Key”. With this key every individual Nota Fiscal can be identified, and it’s also used to match the SEFAZ response to the right IFS Nota Fiscal.

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 Nota Fiscal	4
CNPJ	CNPJ registration of Issuer	14
Mod	Nota Fiscal model from Nota Fiscal	2
Serie	Nota Fiscal Series from Nota Fiscal	3 (left zeros are used if series is less than 3 positions)
nNF	Nota Fiscal Number from Nota Fiscal	9 (left zeros are used if series is less than 9 positions)
tpEmis	Emission Type from Nota Fiscal (=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 Nota Fiscal”. In case the Nota Fiscal 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.

**Outgoing Nota Fiscal - 009101000013** Sent Request

Customer Invoice

Sender		Receiver	
Company	Company Name	Customer	Customer Name
EABR1	Brazilian Company 1	BRCUST1	Brazilian customer

Nota Fiscal Series	Nota Fiscal No	Invoice Date	Object Type
009	101000013	8/3/2022	Customer Order Invoice
Object Reference	Object Reference Status	Business Transaction Id	Payment Terms
203662	Preliminary		10
Currency Code	Nota Fiscal Text		
BRL	add info on taxes		

Amounts		
Gross Amount	Net Amount	Tax Amount
2800.00	2640.00	160.00

LINES ADDRESS GENERAL **NF-E INFORMATION**

Issue Date	NF-e Key	NF-e Protocol No	NF-e Processing Date
8/3/2022	13220812457891414789650091010000131002036626		
NF-e Status Code	Return Message		

### 13.9.4 Generation of NF-e XML

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>

```

Once the Outgoing Nota Fiscal is created and set to the initiated status, connected CO Invoice couldn't be processed alone. Connected Outgoing Nota Fiscal should 1<sup>st</sup> process and the further processing of CO Invoice is dependent on the Outgoing NF status which describes in the chapters below.

### 13.9.5 Outgoing NF Approved

Once the Outgoing Nota Fiscal is Approved, connected CO Invoice will be automatically Approved.

Out Going NF Status	CO Invoice Status	CO Status
Approved	Approved	Closed

#### Receive Response File

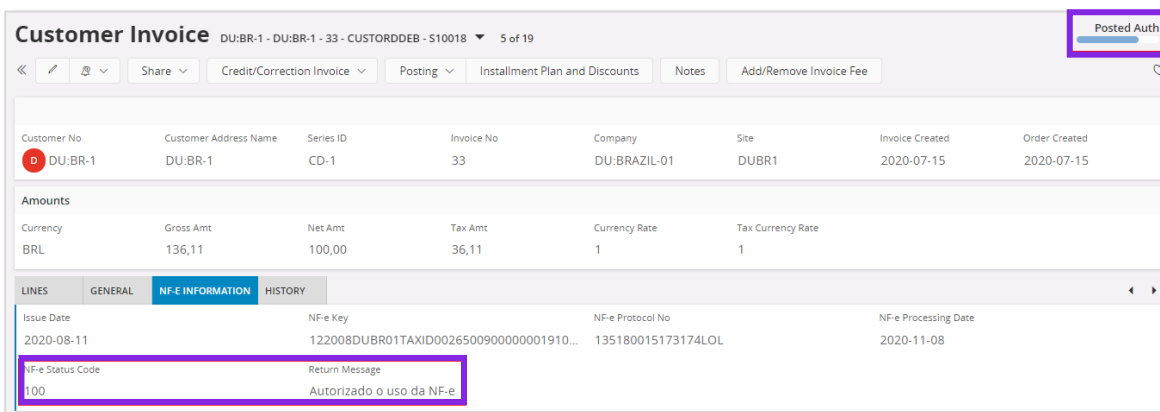
The Brazilian tax authority SEFAZ will in real time validate the received NF-e XML file and send back a response XML which must be received by IFS prior to the physical release of goods.

Similar to the sending of XML process, 3<sup>rd</sup> 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 3<sup>rd</sup> party service provider, IFS reads the file and recognize the correct Nota Fiscal by validating the “Nf-e Key”.

Then the “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:

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

Below the table, the 'NF-e Status Code' is 100, and the 'Return Message' is 'Autorizado o uso da NF-e'. A 'Posted Auth' status is indicated in the top right corner of the interface.

```

<?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>

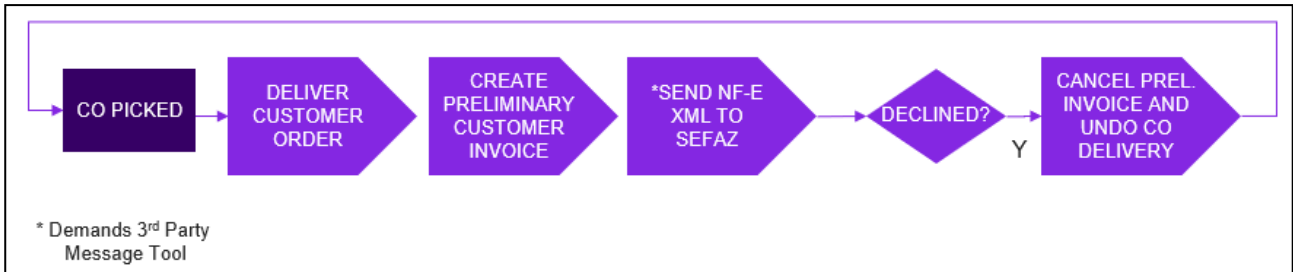
```

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”.

Handling all these scenarios are described in chapters below.

### 13.9.6 Outgoing NF Declined

Outgoing Nota Fiscal could be Declined by the Brazilian tax authority. This could happen when the issuer or recipient has some pending issue and irregularities with the Brazilian Government, i.e., may not perform business transactions within the state.



When a Nota Fiscal is declined it cannot be voided or cancelled and the Nota Fiscal number cannot be used again.

#### Outgoing Nota Fiscal - 009100000029 1 of 1

Declined

Customer Invoice
Customer Invoice Postings Analysis

<b>Sender</b>		<b>Receiver</b>	
Company	DU-BR	Customer	DU-BRCUST-1
Company Name	DU-BR Company	Customer Name	DU-BRCUST-1

Nota Fiscal Series	Nota Fiscal No	Invoice Date
009	100000029	7/17/2022
Object Type	Object Reference	Object Reference Status
Customer Order Invoice		Cancelled
Business Transaction Id	Payment Terms	Currency Code

Once IFS Cloud received the Declined response message from the 3<sup>rd</sup> party integrator, Outgoing Nota Fiscal is set to the status “Declined”.

LINES	ADDRESS	GENERAL	NF-E INFORMATION
Issue Date		NF-e Key	NF-e Protocol No
7/17/2022		352207123456789012346500910000002910020850...	135180015173174LOL
NF-e Processing Date		NF-e Status Code	Return Message
1/10/2022		110	Denegado o uso da NF-e

NF-e Status Code “110” and “303” are examples of response codes meaning the Nota Fiscal is declined.

Subsequently, the connected CO Invoice get “Cancelled”.

**Customer Invoice** DU-BRCUST-1 - DU-BRCUST-1 - 208503 - CUSTORDDEB - V10260 1 of 1 Cancelled

Share Posting Installation Plan and Discounts Notes View Electronic Nota Fiscal

Customer No	Customer Address Name	Series ID	Invoice No	Company	Site
<span style="color: red;">D</span> DU-BRCUST-1	DU-BRCUST-1	PR	208503	DU-BR	DUBR1
Invoice Created	Order Created				
7/17/2022	7/17/2022				

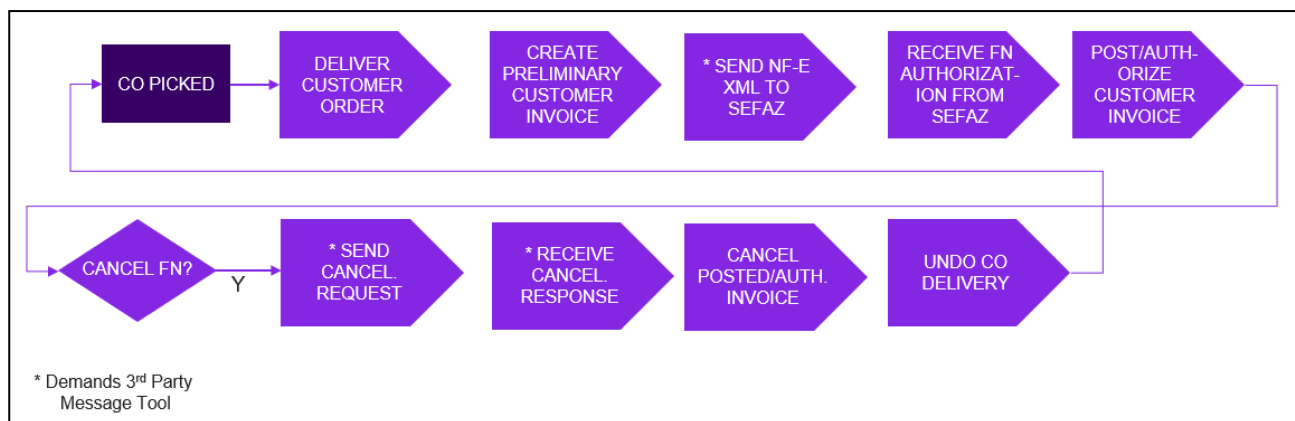
Amounts					
Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
BRL	176.13	100.00	76.13	1	1

Outgoing NF Status	CO Invoice Status	CO Status
Declined	Cancelled	Picked

In this scenario, it's always the "Preliminary" CO Invoice which is get Cancelled and no reversal voucher will be created. Once the CO Invoice is cancelled, connected CO is automatically set to the status of "Picked" (IFS Core functionality).

### 13.9.7 Cancellation Request sent to the Approved Outgoing NF

The general rule stated by Brazilian government says that companies are allowed to Cancel Authorized Nota Fiscales up until 24 hours from the issue date and time. There are some scenarios that still allow cancellation even after 24 hours (can be connected to penalty fee or audit).



Outgoing NF Status	CO Invoice Status	CO Status
Cancelation Request Sent	Authorized	Closed

The "Send Cancel Request" command will generate an outgoing xml file representing the request to cancel the referenced Nota Fiscal number.



```

1 <infEvento>
2   <xServ>CANCELAMENTO</xServ>
3   <chNFe>35220177214253000192650090000010311002063978</chNFe>
4   <tpAmb>2</tpAmb>
5   <xJust>Pedido de Cancelamento de Nota Fiscal Eletronica</xJust>
6 </infEvento>

```

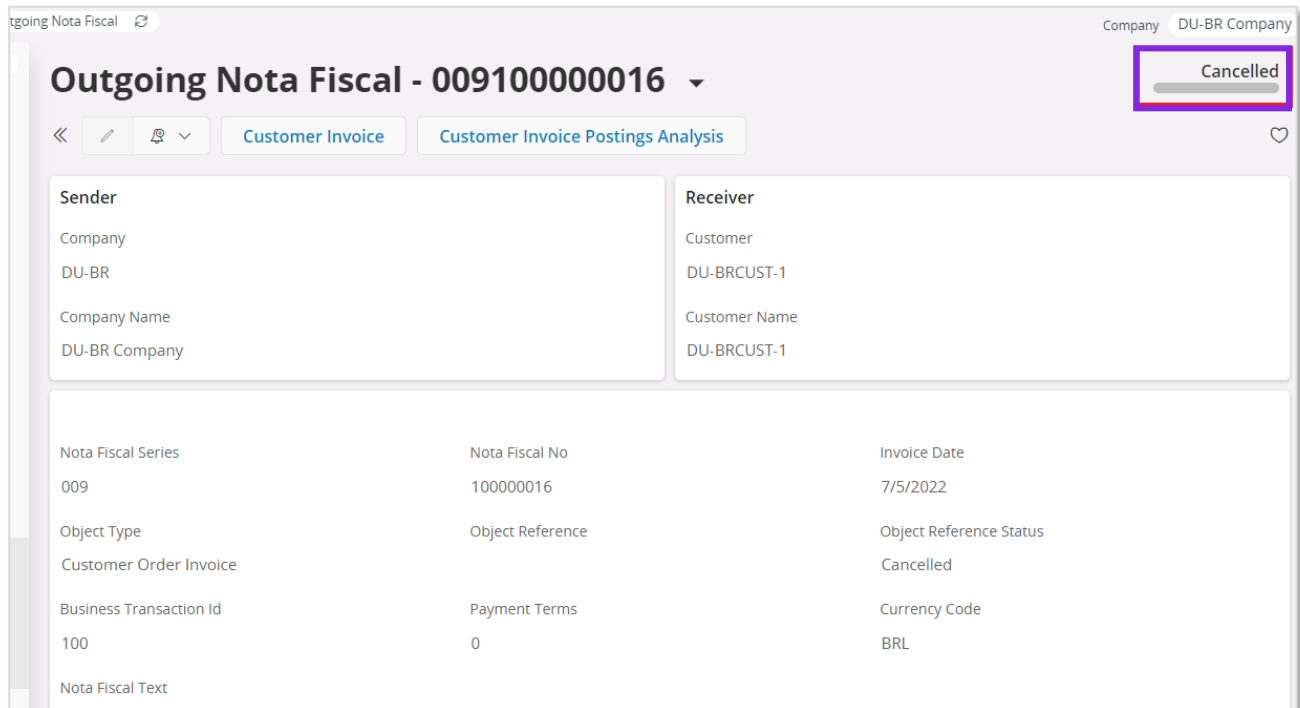
In the above scenario, Outgoing Nota Fiscal status is set to the “Cancellation Request Sent” while connected CO is still Authorized and CO status is Closed.

### 13.9.8 Cancel Approved Outgoing NF

Once the Outgoing Nota Fiscal cancellation request get accepted by the Brazilian Tax Authority, Cancelled response message will receive to the IFS Cloud via a 3<sup>rd</sup> party integrator and the Outgoing Nota Fiscal is set to the status of “Cancelled and the connected CO Invoice too will get automatically Cancelled.

Out Going NF Status	CO Invoice Status	CO Status
Cancelled	Cancelled (Cancelled PostedAuth Invoice)	Picked

In the above scenario, it’s always the PostedAuth CO Invoice getting cancelled, hence a reversal “K” Voucher is created reversing the original CO Invoice postings.



The screenshot shows the IFS Cloud interface for an 'Outgoing Nota Fiscal' record. The record ID is '009100000016'. The status is 'Cancelled', which is highlighted with a red box. The interface includes tabs for 'Customer Invoice' and 'Customer Invoice Postings Analysis'. Below the tabs, there are sections for 'Sender' and 'Receiver' information, and a table of invoice details.

Sender		Receiver	
Company	DU-BR	Customer	DU-BRCUST-1
Company Name	DU-BR Company	Customer Name	DU-BRCUST-1

Nota Fiscal Series	Nota Fiscal No	Invoice Date
009	100000016	7/5/2022

Object Type	Object Reference	Object Reference Status
Customer Order Invoice		Cancelled

Business Transaction Id	Payment Terms	Currency Code
100	0	BRL

Nota Fiscal Text

Amounts		
Gross Amount	Net Amount	Tax Amount
176.13	100.00	76.13

LINES	ADDRESS	GENERAL	NF-E INFORMATION
Issue Date		NF-e Key	NF-e Protocol No
7/5/2022		35220712345678901234650091000001610020696...	135180015173174LOL
NF-e Processing Date		NF-e Status Code	Return Message
6/20/2022		135	Autorizado o uso da NF-e

After receiving a cancel request approval xml file from the tax authority, the NF-e status code will be updated to “135 - Cancelamento Homologado” and the Customer Invoice status will be changed to “Cancelled”.

Customer Invoice								Cancelled
SARKBRUCST - SARK Brazil Customer - 97000034 - CUSTORDDEB - P10864								1 of 1
Customer No	Customer Address Name	Series ID	Invoice No	Company	Site	Invoice Created	Order Created	
SARKBRUCST	SARK Brazil Customer	CD	970000034	SARKBRUCOM	SARKB	2022-01-12	2022-01-12	

Amounts					
Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
BRL	84,21	80,00	4,21	1	1

LINES	GENERAL	NF-E INFORMATION	HISTORY
Issue Date		NF-e Key	NF-e Protocol No
2022-01-12		3522017721425300019265009000001031100...	135180015173174UB
NF-e Status Code		Return Message	
135		Cancelamento Homologado	

The referenced Customer Order will change status back to “Picked”.

Customer Order					Picked
P10864					1 of 1
Order No	Customer	Site	Order Type	Wanted Delivery Date/Time	
P10864	SARKBRUCST - SARK Brazil Customer	SARKB	NO	1/12/22, 12:00 AM	

Order Amounts					
Total Net Amount/Base	Total Contribution Margin/Base	Contribution Margin(%)	Total Net Amount/Curr	Total Tax Amount/Curr	Total Gross Amount/Curr
80.00 BRL	20.00 BRL	25.00	80.00 BRL	4.21 BRL	84.21 BRL

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	Price UoM	Total Calc Sales Price/Curr	Discount Amount/Curr	Total Order Line Discount (%)
1	1	001	Outer Cover	1	pcs	80.00	84.21	pcs	80.00	0.00	

If a Payment Proposal, Mixed Payment, RMA, Credit Invoice or Correction Invoice is attached to any "PostedAuth" Invoice/Approved Nota Fiscal, an error will create to stop the cancellation process when receiving an approved cancellation response from SEFAZ.

The K voucher is created and revert the original voucher postings.

### 13.9.9 Received Error response from the Brazilian Tax Authority

If a Brazilian tax authority recognized errors in the request file, they will send Error responses via the 3<sup>rd</sup> party integrator. There could be 2 types of Errors as describes bellow:

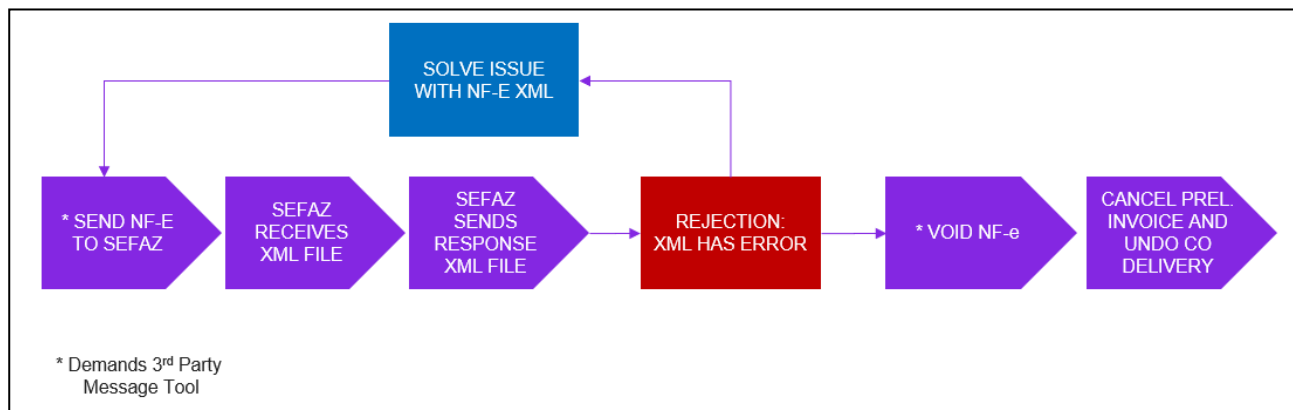
-Receive an Error Response which could be rectified

Outgoing NF Status	CO Invoice Status	CO Status
Error	Preliminary -Rectify the error and re-send the NFE (Use Same Nfe No)	Closed

-Recive an Error Response which couldn't be rectified

Outgoing NF Status	CO Invoice Status	CO Status
Error	Cancelled (Preliminary Invoice)  a) Send Void Request from a Nota Fiscal. b) Approved Void Request- Cancelled the Preliminary state Invoice	a) Send Void request- Closed b) Approved Void Request- Picked

When a Nota Fiscal is rejected due to some error in the schema of xml file or some inconsistent information, the Nota Fiscal number can be used again. The companies can fix the issue found in such Nota Fiscal and request authorization again. If the problem cannot be fixed, the Nota Fiscal must be **Voided**. A void request must be sent and approved by the Tax Authority. After the tax authority approved the void request, the Nota Fiscal number cannot be used again.



When the return message from the Tax Authority is “Error” the command “Send Void Request” will be available in the Outgoing Nota Fiscal page.

Outgoing Nota Fiscal - 00910000028 1 of 1

Send Nota Fiscal **Send Void Request** Customer Invoice Customer Invoice Postings Analysis

Sender **Send Void Request** Receiver

Company DU-BR  
DU-BR  
Company Name DU-BR Company  
Customer DU-BRCUST-1  
Customer Name DU-BRCUST-1

Nota Fiscal Series	Nota Fiscal No	Invoice Date
009	100000028	7/17/2022
Object Type	Object Reference	Object Reference Status
Customer Order Invoice	208502	Preliminary
Business Transaction Id	Payment Terms	Currency Code
100	0	BRL
Nota Fiscal Text		
Valor total do ICMS relativo ao Fundo de Combate à Pobreza (FCP) para a UF de destino: R\$ 0,00Valor total do ICMS de partilha para a UF do destinatário: R\$ 37,86V...		

Error

The “Send Void Request” command will generate an outgoing xml file representing the request to void the referenced Nota Fiscal number and the Outgoing Nota fiscal is set to the status “*Sent Void Request*”.

Outgoing Nota Fiscal - 00910000028 1 of 1

Customer Invoice **Customer Invoice Postings Analysis**

Sender Receiver

Company DU-BR  
DU-BR  
Company Name DU-BR Company  
Customer DU-BRCUST-1  
Customer Name DU-BRCUST-1

Nota Fiscal Series	Nota Fiscal No	Invoice Date
009	100000028	7/17/2022
Object Type	Object Reference	Object Reference Status
Customer Order Invoice	208502	Preliminary
Business Transaction Id	Payment Terms	Currency Code

Sent Void Request

After receiving a void request approval xml file from the tax authority, the NF-e status code will be updated to “102 - Inutilização de número homologado” and the Outgoing NF status is set to “*Voided*”.

ping Nota Fiscal Company DU-BR Company

## Outgoing Nota Fiscal - 009100000028 1 of 1

Voided

Customer Invoice
Customer Invoice Postings Analysis

Sender	Receiver
Company DU-BR	Customer DU-BRCUST-1
Company Name DU-BR Company	Customer Name DU-BRCUST-1

Nota Fiscal Series 009	Nota Fiscal No 100000028	Invoice Date 7/17/2022
Object Type Customer Order Invoice	Object Reference	Object Reference Status Cancelled
Business Transaction Id	Payment Terms	Currency Code

### Amounts

Gross Amount 176.13	Net Amount 100.00	Tax Amount 76.13
------------------------	----------------------	---------------------

LINES	ADDRESS	GENERAL	NF-E INFORMATION
Issue Date 7/17/2022			NF-e Key 352207123456789012346500910000002810020850... <span style="float: right;">NF-e Protocol No 135180015173174LOL</span>
NF-e Processing Date 6/20/2022			<span style="border: 1px solid purple; padding: 2px;">NF-e Status Code 102</span> <span style="float: right;">Return Message Autorizado o uso da NF-e</span>

The connected Customer Order Invoice status will be changed to "Cancelled".

### Customer Invoice

DU-BRCUST-1 - DU-BRCUST-1 - 208502 - CUSTORDDEB - V10260 1 of 1 Cancelled

[Share](#) [Posting](#) [Installation Plan and Discounts](#) [Notes](#) [View Electronic Nota Fiscal](#)

Customer No	Customer Address Name	Series ID	Invoice No	Company	Site
<span style="color: red;">D</span> DU-BRCUST-1	DU-BRCUST-1	PR	208502	DU-BR	DUBR1
Invoice Created	Order Created				
7/17/2022	7/17/2022				

Amounts					
Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
BRL	176.13	100.00	76.13	1	1

[LINES](#) **GENERAL** [NF-E INFORMATION](#) [HISTORY](#)

Invoice Type	Indicators
CUSTORDDEB - Customer Order Invoice - Debit	Price Adjustment No

The referenced Customer Order will change status back to "Picked".

### Customer Order

V10260 1 of 1 Picked

[+](#) [Share](#) [Operations](#) [Freight](#) [Invoice](#) [Related Pages](#)

Order No	Customer	Site	Order Type	Wanted Delivery Date/Ti...
V10260	<span style="color: red;">D</span> DU-BRCUST-1 - DU-BRCUST-1	DUBR1	NO	7/18/22, 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	76.13 BRL	176.13 BRL

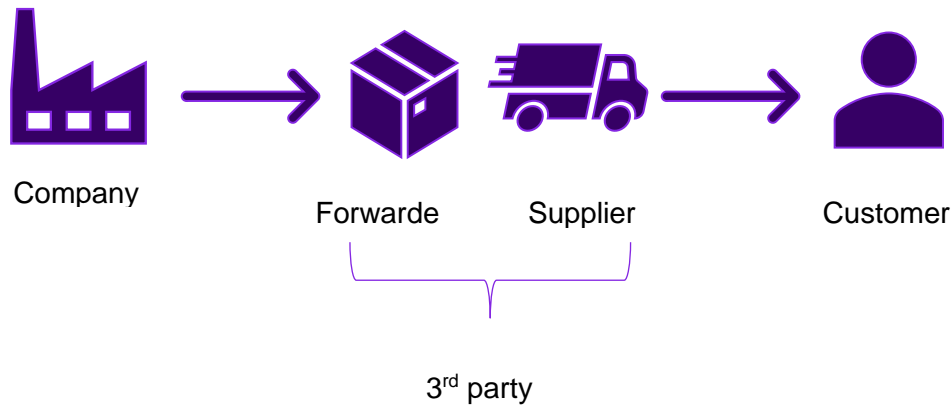
**LINES** [RENTAL LINES](#) [ORDER DETAILS](#) [CHARGES](#) [INVOLVED PARTIES](#)

Line No	Del No	Sales Part No	Sales Part Description	Sales Qty	Sales UoM	Confirmed	Price

## 13.10 Handling of transport related attributes in outgoing nota fiscal for deliveries handled by 3rd party forwarders/suppliers

In here we consider about outgoing nota Fiscal behavior if the Transportation process happen with 3<sup>rd</sup> party (Forwarder). Mainly Brazilian tax authority SEFAZ request details of Transportation including Forwarder, Delivery info, weights, and Volume etc.

### 13.10.1 Process Overview



### 13.10.2 Basic data

From the functional point of view, forwarder is not the actual transport service provider and most of the time they will get a service supplier to arrange the delivery. So basically, forwarder coordinate the shipment with their customer and service supplier.

Connect a Supplier to the Forwarder in the *Application Base Setup/Enterprise/Forwarder* page. Brazilian tax details can be defined in the *Application Base Setup/Enterprise Supplier* page under *Address/Document Tax Information* tab.

**Forwarder** UPS - United Parcel Service - ▾

⏪ ✎ + 📄 📄 🗑️ 🔔 ▾

Forwarder	Name	Association No
UPS	United Parcel Service	

Supplier

**UP** UPS - UPS-Delivery partner ▾

Supplier	Name
UPS	UPS-Delivery partner

Address ID: UPS AD1 ▾

🔍 + 📄 ✎ 🗑️

Supplier's Own Address ID	Supplier Name

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

🔍 + 📄 ✎ 🗑️ 🔔 ▾

▼	(1) ✓	Company	Tax ID Type	Tax ID Number
⤴	<input checked="" type="checkbox"/>	RCCOM2		

**ADDRESS SPECIFIC TAX ID NUMBERS**

🔍 + ✎

✓	Tax ID Type	Tax ID Number
<input type="checkbox"/>	CNPJ	19940987654321
<input type="checkbox"/>	STATE_REG	20220804

### 13.10.3 Transportation details in NFe

Users need to enter below new attributes manually in outgoing nota Fiscal just before sending it to Brazilian tax authority SEFAZ.

Vehicle & Package details:


Attributes
Vehicle License Plate
Vehicle Country
Vehicle State
Volume Numbers
Volume Labels



Below attributes are fetched from the customer invoices or outgoing tax document according to the below mentioned criteria.

Attributes	Data entry method in customer order	Data entry method in Shipment order
Forwarder	Fetched from Customer invoice	Fetch from Shipment/General/Delivery informati
Forwarder address	retrieve from Forwarder basic data (default document address) & possible to change via LOV.	
Supplier	Fetched forwarder connected Supplier.	
Supplier address	retrieve supplier's default document address, possible to change via LOV.	
CNPJ	retrieve from document tax information from supplier under connected company.	
State Reg	retrieve from document tax information from supplier under connected company.	
Net weight	Total net weight of all lines from master part data.	Fetched from Shipment/general/weight/net weight
Gross Weight	If Outgoing nota Fiscal going to make via shipment, it can fetch from the Shipment. If else values fetched from reserved parts data	Fetched from Shipment/general/weight/Operativ
Volume	Total volume of all lines from master part data	Fetched from Shipment/general/Volume/operati
Delivery Terms	Fetch directly from Customer invoice	Fetched from Shipment
Ship via code	Fetch directly from Customer invoice	Fetched from Shipment

The details of 3<sup>rd</sup> party, coming to the Outgoing Nota Fiscal under the address tab.

LINES	ADDRESS	GENERAL	NF-E INFORMATION
<b>Sender</b>			
Document Address ID	Delivery Address ID	CNPJ	State Registration
ADCOM2	ADCOM2	12345678901234	1111111
<b>Receiver</b>			
Document Address ID	Delivery Address ID	CNPJ	State Registration
CUSAD1	CUSAD1	10010010010012	100100
<b>Forwarder</b>			
Forwarder	Forwarder Document Address	Supplier	Supplier Document Address
 DE - DHL	11	DHL	SUP AD1
CNPJ	State Registration		
9940123456789	00040008		

Other details are coming under General tab as follow.

LINES		ADDRESS	GENERAL	NF-E INFORMATION
<b>Delivery Information</b>				
Ship Via	Delivery Terms	Vehicle License Plate	Vehicle Country	
test	TEST	VEH1234	BR - BRAZIL	
Vehicle State				
SP				
<b>Weight</b>		<b>Volume</b>		
Net Weight	Gross Weight	Volume	Volume Numbers	Volume Labels
10 kg	10 kg	10 m3	N11	V11

### 13.10.4 Transportation details in NF- XML file

According to format of NFe file, 3<sup>rd</sup> party, and other transportation details are passed to xml under “transp” element.

```

<transp>
  <modFrete>9</modFrete>
  <transporta>
    <CNPJ>13.339.532/0001-08</CNPJ>
    <xNome>IP - BRSU1</xNome>
    <IE> 65369841653658</IE>
    <xEnder>BRSA1,,-----BR</xEnder>
  </transporta>
  <veicTransp>
    <placa>123</placa>
    <UF>RS</UF>
  </veicTransp>
  <vol>
    <qVol>0</qVol>
    <esp>m3</esp>
    <marca>2</marca>
    <nVol>1</nVol>
    <pesoL>5</pesoL>
    <pesoB>5</pesoB>
  </vol>
</transp>

```

### 13.11 Delimitations

- In this version, Outgoing Nota Fiscal is not supported in *Instant Invoice* and *Project Invoice* flows.
- Outgoing Nota Fiscal is supported only in the CO flow (and supports only the basic functionalities in CO flow), Supplier Returns for Credit and Intra company goods movements.

## 14 Outgoing Nota Fiscal – Supplier Returns for credit

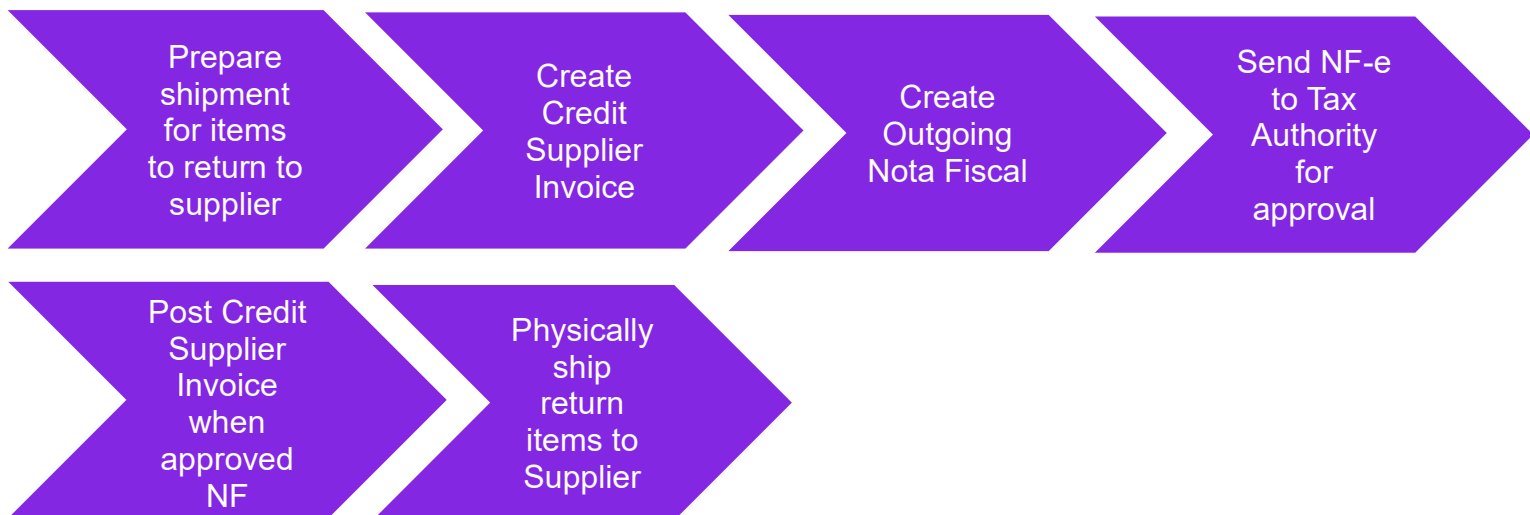
### 14.1 Overview Legal Requirement

Brazilian law requires that companies issue an accompanying Nota Fiscal whenever commodities are moved between different taxpayer units. When you return purchased commodities to the supplier, you must issue a new Outgoing Nota Fiscal to accompany the returned commodities.

When issuing an Outgoing Nota Fiscal to Supplier Returns transaction, following rules must be adhered:

- In Brazil, you can only process a return once the preceding outgoing nota fiscal has been printed.
- The purchase return *nota fiscal* must be based on the supplier's original *nota fiscal*. If merchandise is fully returned, the outbound *nota fiscal* values must be identical to the supplier's original *nota fiscal*.
- If merchandise is partially returned, the outbound *nota fiscal* values must be proportional to the supplier's original *nota fiscal*.
- The tax rates and costs must be returned in the same amounts as those amounts that were used in the supplier's original *nota fiscal*.
- The original freight, insurance, and expenses must also be returned proportionally and handled with a separate *nota fiscal*.

### 14.2 Process Overview



- Creating a Credit Supplier Invoice will automatically generate an Outgoing Nota Fiscal Object.
- Generate Nfe-xml and communicate with the third-party system integrator.
- Outgoing Nota Fiscal lifecycle management is applied (Explained more in detail in the *Outgoing Nota Fiscals* chapter).
- Credit Supplier Invoice could be processed according to the connected Outgoing Nota Fiscal status.

### 14.3 Prerequisites

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

Company level parameter, “*Manually Process Nota Fiscal*” determines whether the Outgoing Nota Fiscal is automatically created when generating the Credit Supplier Invoice or manually processed.

### 14.4 Prepare shipment for items to return to Supplier

Use IFS Cloud generic functionality to register inspection results, set the Receipt Return Type = Return Credit and connect return items to Shipment.

### 14.5 Create Credit Supplier Invoice

#### 14.5.1 Create credit supplier invoice number series




Since the Credit Supplier Invoice is produced by the buyer, it’s required to have a system generated unique number series allocated for each Credit Supplier Invoice in Preliminary state.

Once the Outgoing Nota Fiscal is generated, Outgoing Nota fiscal Number will automatically get assigned to the Credit Supplier Invoice as Credit Supplier Invoice No and replace the system generated Credit Supplier Invoice preliminary number.

To have a system generated and unique number series used in Credit Supplier Invoice flow, use the IFS Cloud core functionality “Print Debit/Credit Notes” as described below.

#### **Define a separate Invoice series used to generate Credit Supplier Invoice**

Go to the *Financials/Supplier Invoice/Basic Data/Invoice Series* page and define a new invoice series to use in Credit Supplier Invoice flow.

Invoice Series				
  				
✓		Series ID	Description	Voucher Type
<input type="checkbox"/>	:	SX	External Supplier Invoice	
<input type="checkbox"/>	:	SR	Supplier returns	
<input type="checkbox"/>	:	SI	Manual Supplier Invoice	
<input type="checkbox"/>	:	SF	Supplier Difference Item	
<input type="checkbox"/>	:	SD	Customer Order Self-Billing Invoice, Debit	
<input type="checkbox"/>	:	SCR	Supplier Credit Invoice	
<input type="checkbox"/>	:	SC	Customer Order Self-Billing Invoice, Credit	

Then define an Invoice No series to be used.

Invoice Number Series				
SCR - Supplier Credit Invoice				1 of 1
<input checked="" type="checkbox"/>	Valid From	Start Value	End Value	Next Value
<input type="checkbox"/>	8/4/2022	5000	5999	5001

**Define a separate Supplier Invoice Type used to generate Credit Supplier Invoice**

Connect the above defined new invoice series to a new Invoice type which could be used to generate Credit Supplier Invoice. Make sure to enable, “Print Debit/Credit Invoice” option which will enable automatically assigning of a Supplier Invoice No to the Credit Supplier Invoice.

Supplier Invoice Types									
Invoice Type	Description	Tax Free Tax Code	Reference Mandatory	Correction Reason Mandatory	Invoice Text Mandatory	Definite Invoice Series ID	Branch	Print Debit/Credit Note	
<input type="checkbox"/> : SUPRECINV	Recurring Supplier Invoice		No	No	No	RS		No	
<input type="checkbox"/> : SUPPINV_CR	Credit Supplier Invoice		No	No	No	SCR		Yes	
<input type="checkbox"/> : SUPPINVRET	Supplier returns		No	No	No	SR		No	
<input type="checkbox"/> : SUPPINV	Manual Supplier Invoice		No	No	No	SI		No	
<input type="checkbox"/> : SUPPEXT	External Supplier Invoice		No	No	No	SX		No	

**Select Above Supp Inv Type when creating the Credit Supplier Invoice**

When you create a Credit Supplier Invoice, make sure to manually select the above defined Supplier Invoice Type, to have a unique Credit Supplier Invoice No in Preliminary state Credit Supplier Invoice.

### New Manual Supplier Invoice

Header Information
Line Information
Posting Information

Company DU-BR	Voucher Date 7/26/2022	Accounting Year 2022	Accounting Period 7	User Group AC	Voucher Type I	Voucher No	
PO Reference	Receipt Reference	Sub Contract Reference	Invoice Advice Reference	Project ID	Supplier		
Invoice Type SUPPINV_CR	Series ID SCR	Invoice No	Currency	Currency Rate	Invoice Date 7/26/2022	Arrival Date 7/26/2022	Pay Term Base Date 7/26/2022
Payment Terms	Due Date	Plan Pay Date	Payment Reference	Automatic Payment Authorization	Authorizer ID		

When you select the above defined Invoice Type, Invoice No field become uneditable and during the process of Credit Supplier Invoice generation, Invoice No is automatically assigned.

#### 14.5.2 Reference Invoice No in the Credit Supplier Invoice

As per the Brazilian legal requirement, the purchase return nota fiscal must be based on the supplier's original nota fiscal. If merchandise is fully returned, the outbound nota fiscal values must be identical to the supplier's original nota fiscal.

If merchandise is partially returned, the outbound nota fiscal values must be proportional to the supplier's original nota fiscal.

To cater the above requirement, we need to establish a connection between the original Nota Fiscal received from the Supplier with the outgoing Nota Fiscal generated based on the new Credit Supplier Invoice. IFS Cloud core functionality "Reference Series" and "Reference Invoice No" is used to establish the connection.

When a Credit Supplier Invoice is created for a Brazilian company, it's a must to connect the original Supplier Debit invoice as follows:

### New Manual Supplier Invoice

● Header Information  
 ○ Line Information  
 ○ Posting Information

Company DU-BR	Voucher Date 7/25/2022	Accounting Year 2022	Accounting Period 7	User Group AC	Voucher Type I	Voucher No
PO Reference 91000177	Receipt Reference	Sub Contract Reference	Invoice Advice Reference	Project ID	Supplier DU-BRSUP1 - DU-BRS	
Invoice Type SUPPINV_CR	Series ID SCR	Invoice No	Currency BRL	Currency Rate 1	Invoice Date 7/25/2022	Arrival Date 7/25/2022
Payment Terms 0 - Due Immediately	Due Date 7/25/2022	Plan Pay Date 7/25/2022	Payment Reference	Automatic Payment Authorization No		
Advance Invoice <input type="checkbox"/>	Gross Amount	Net Amount	Tax Amount			

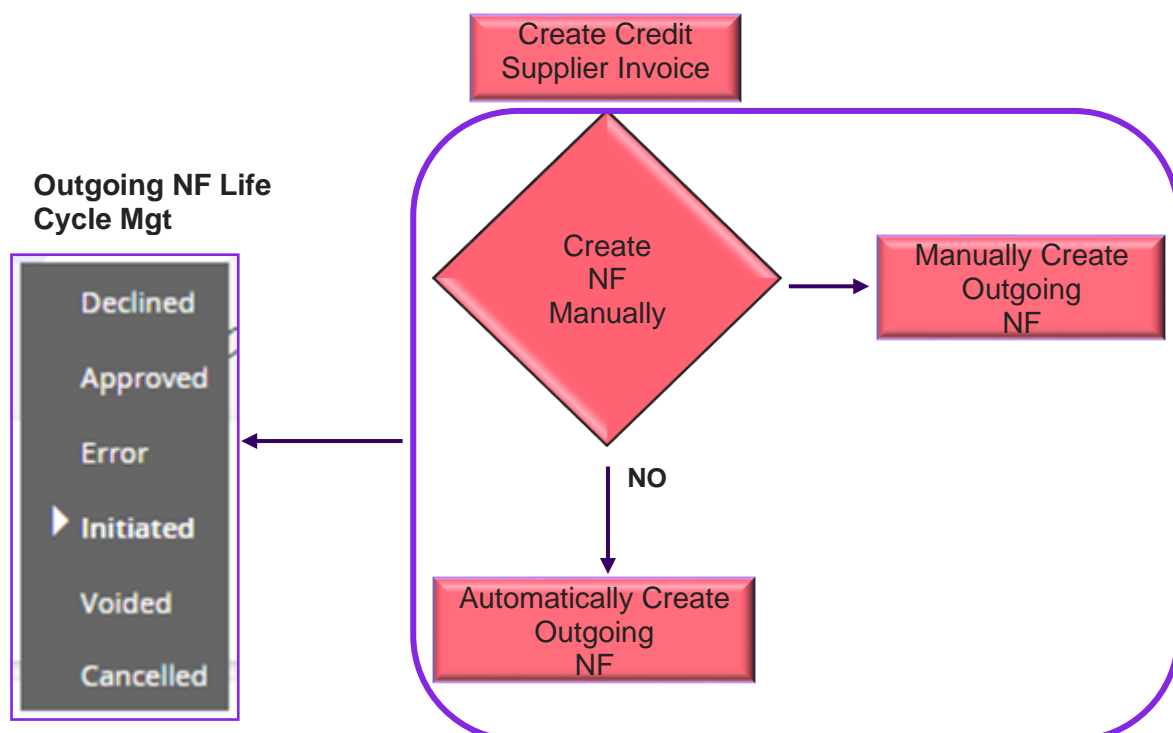
**More Information**

Reference Series SI	Reference Invoice No 91000177	Invoice Recipient DUNEELA - Duneela Danapala	Supplier Invoice Address SUP1:AD1	Delivery Address DUBR AD1
------------------------	----------------------------------	---	--------------------------------------	------------------------------

### 14.5.3 Create Outgoing Nota Fiscal Manually/Automatically

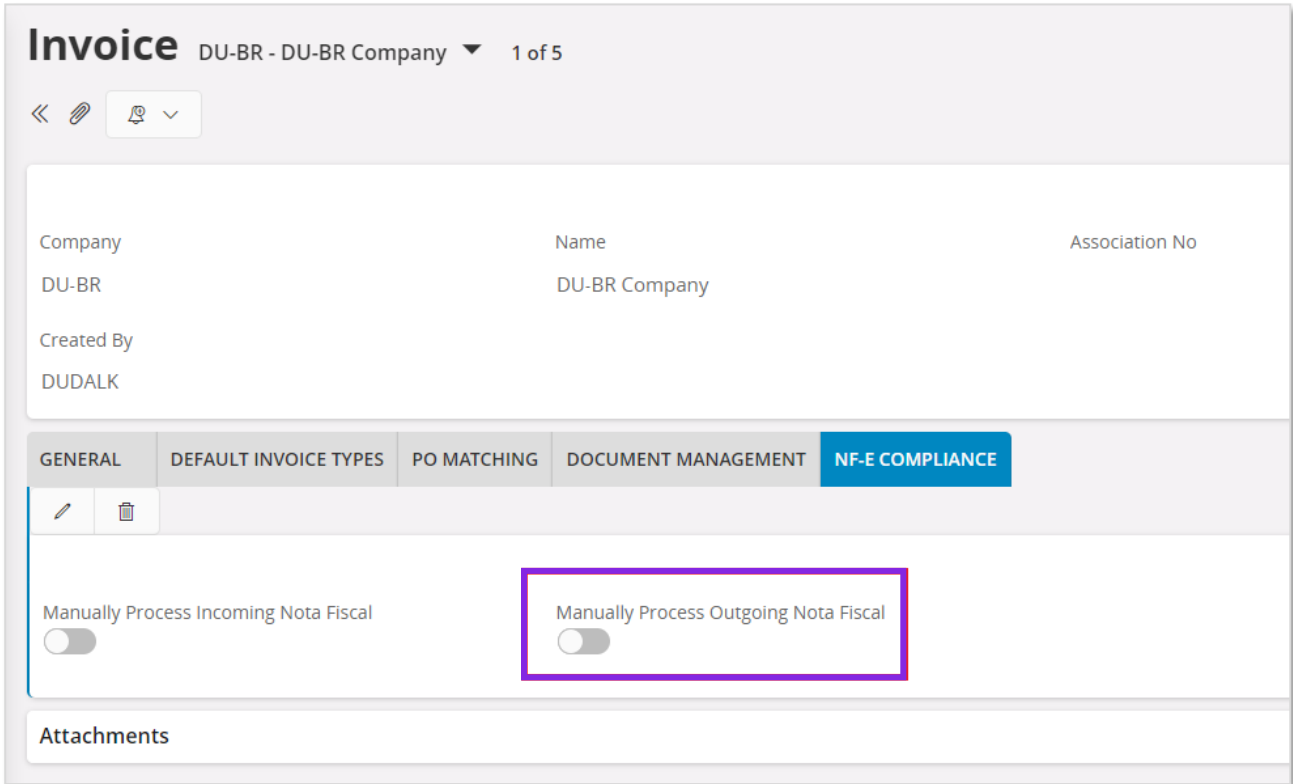
Create the Credit Supplier Invoice in Preliminary state using IFS standard functionality, then create an “Outgoing Nota Fiscal” object in the application. Once the Outgoing Nota Fiscal is created, the preliminary Credit Supplier Invoice number will be replaced by the Outgoing Nota Fiscal number.

#### Process Overview



### 14.5.4 Basic Data setting – Outgoing Nota Fiscal

Company level parameter “*Manually Process Nota Fiscal*” determines whether the Outgoing Nota Fiscal is automatically created when creating the Credit Supplier Invoice or manually processed.



**Invoice** DU-BR - DU-BR Company 1 of 5

Company: DU-BR, Name: DU-BR Company, Association No: [blank]  
 Created By: DUDALK

Tabs: GENERAL | DEFAULT INVOICE TYPES | PO MATCHING | DOCUMENT MANAGEMENT | **NF-E COMPLIANCE**

Manually Process Incoming Nota Fiscal:

Manually Process Outgoing Nota Fiscal:

Attachments

Below table shows, how this Company level parameter “*Manually Process Nota Fiscal*” works with *Credit Supplier Invoice*, *Outgoing Nota Fiscal* and the NFe XML generation.

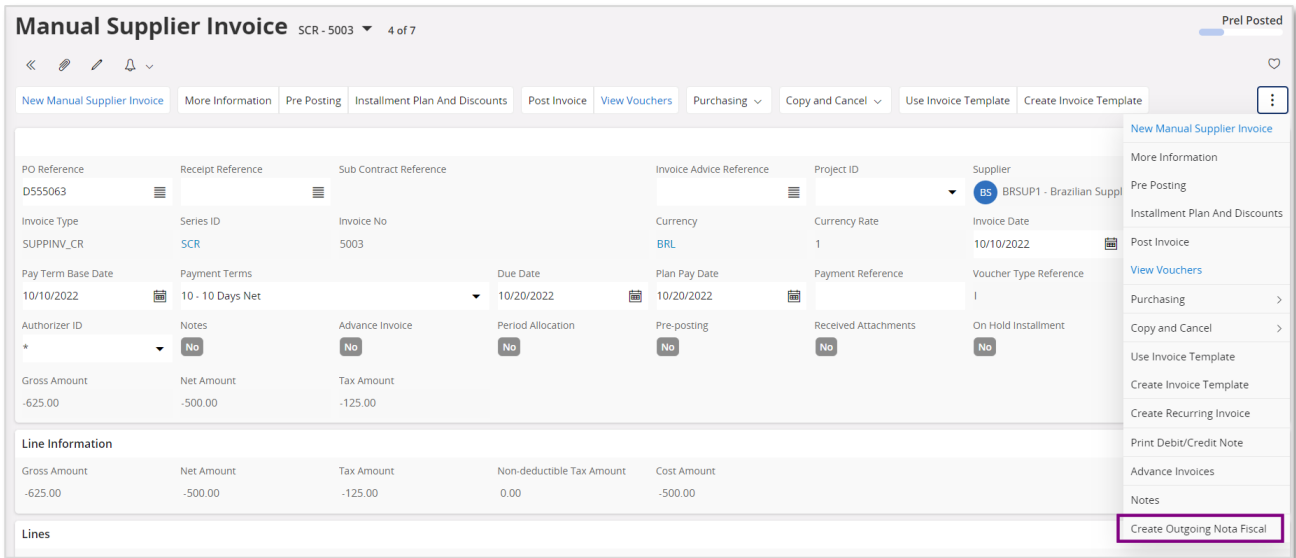
Parameter, Manually Process Nota Fiscal	Outgoing Nota Fiscal object	NFe XML generation
Enabled (Outgoing NF is Manually processed)	First, Credit Supplier Invoice is created, and the Outgoing NF need to be manually created by using the command, “ <i>Create Outgoing Nota Fiscal</i> ”.	NFe XML need to be manually generated by using the command “ <i>Send Nota Fiscal</i> ” on the Outgoing NF object.
Disabled (Outgoing NF is Automatically processed)	When Credit Supplier Invoice is created, the Outgoing NF object is automatically created.	NFe XML is automatically generated based on the Outgoing NF object.
<i>*Both the Outgoing NF object and the NFe is automatically generated</i>		



## 14.6 Outgoing Nota Fiscal Life Cycle Management

### 14.6.1 Outgoing NF **Manually created**

When Company level parameter “Manually Process Nota Fiscal” is enabled, the Outgoing Nota Fiscal needs to be manually created in the Credit Supplier Invoice process. To support this manual process, command “*Create Outgoing Nota Fiscal*” is enabled on Credit Supplier Invoice.



The screenshot shows the 'Manual Supplier Invoice' interface for SCR - 5003. The right-hand menu is open, and the 'Create Outgoing Nota Fiscal' option is highlighted with a red box. The main form displays invoice details such as PO Reference (D555063), Invoice Type (SUPPINV\_CR), and various dates and amounts.

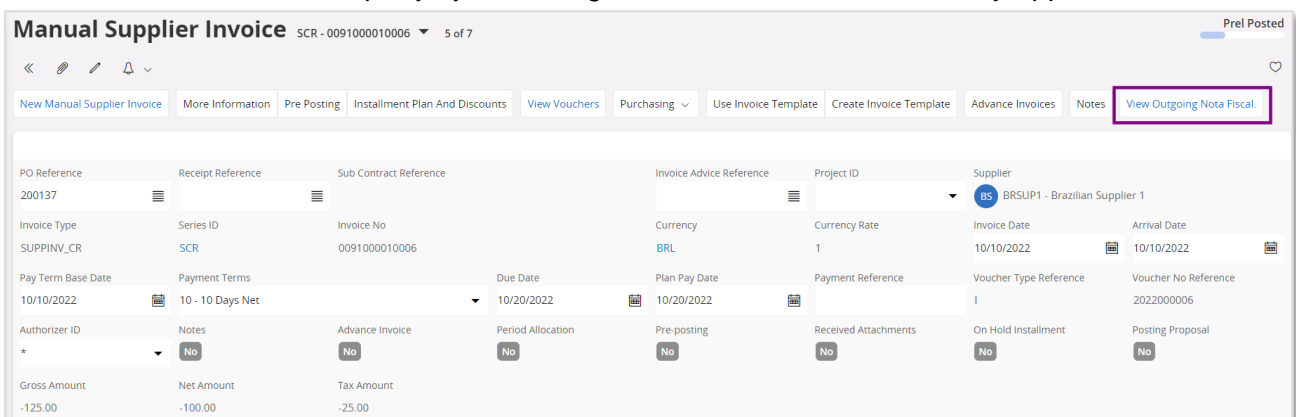
Once the Outgoing Nota Fiscal is created from the Credit Supplier Invoice, command “View Outgoing Nota Fiscal” is enabled.

*Outgoing Nota Fiscal* is created in “*Initiated*” state while the connected Credit Supplier Invoice is in “*Preliminary*” state.

Outgoing NF Status	Credit Supplier Invoice Status
Initiated	Preliminary

### Generate and Send NF-e XML File

Once the Outgoing Nota Fiscal object is created it’s automatically set to the status “Initiated”, and the option “*Send Nota Fiscal*” is enabled. Use this command **Send Nota Fiscal** to generate the NF-e XML and send to the third-party system integrator for Brazilian Tax Authority approval.



The screenshot shows the 'Manual Supplier Invoice' interface for SCR - 0091000010006. The right-hand menu is open, and the 'View Outgoing Nota Fiscal' option is highlighted with a red box. The main form displays invoice details such as PO Reference (200137), Invoice Type (SUPPINV\_CR), and various dates and amounts.

**Outgoing Nota Fiscal - 00910000036** 1 of 1 Initiated

Send Nota Fiscal Manual Supplier Invoice

Send Nota Fiscal

Sender		Receiver	
Company	DU-BR	Supplier	DU-BRSUP1
Company Name	DU-BR Company	Supplier Name	DU-BRSUP1

Nota Fiscal Series	Nota Fiscal No	Invoice Date
009	100000036	7/25/2022
Object Type	Object Reference	Object Reference Status
Manual Supplier Inv Return	17	Preliminary
Business Transaction Id	Payment Terms	Currency Code
	0	BRL
Nota Fiscal Text		

Once the Outgoing Nota Fiscal is sent to the third-party system integrator, Outgoing Nota Fiscal status is automatically set to “Sent Request”.

Outgoing Nota Fiscal Company DU-BR Company

**Outgoing Nota Fiscal - 00910000036** 1 of 1 Sent Request

Manual Supplier Invoice

Sender		Receiver	
Company	DU-BR	Supplier	DU-BRSUP1
Company Name	DU-BR Company	Supplier Name	DU-BRSUP1

Nota Fiscal Series	Nota Fiscal No	Invoice Date
009	100000036	7/25/2022
Object Type	Object Reference	Object Reference Status
Manual Supplier Inv Return	17	Preliminary
Business Transaction Id	Payment Terms	Currency Code
	0	BRL

**Note**

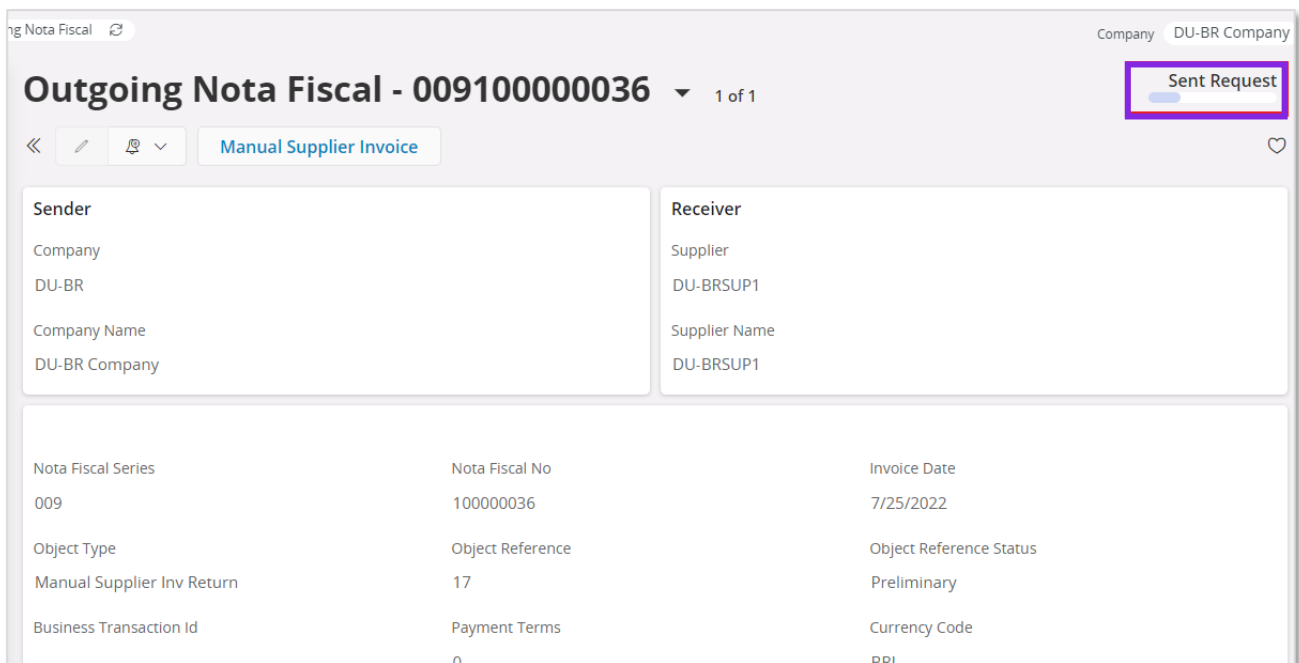
-When the Outgoing Nota Fiscal is set to the status of “Initiated” and “Sent Request”, the IFS standard command on Credit Supplier preliminary invoice, “Post Invoice”, “PO Matching” and “Copy Cancel” options are disabled.

### 14.6.2 Outgoing NF Automatically created

When Company level parameter “Manually Process Nota Fiscal” is disabled, then the Outgoing Nota Fiscal Object is automatically created in the Credit Supplier Invoice process. Once the Outgoing Nota Fiscal Object is created, also NFe XML is automatically generated (based on the Outgoing NF object) and sent to the third-party system integrator to communicate with the Brazilian Tax Authority.

Since both the Nota Fiscal Object and the NFe XML are automatically generated and sent to the Tax Authority for Approval, *Outgoing Nota Fiscal* is created in “*Sent Request*” state. The connected Credit Supplier Invoice is in “Preliminary” state.

Outgoing NF Status	Credit Supplier Invoice Status
Sent Request	Preliminary



Outgoing Nota Fiscal - 009100000036 1 of 1

Company DU-BR Company

Sent Request

Manual Supplier Invoice

Sender		Receiver	
Company	DU-BR	Supplier	DU-BRSUP1
Company Name	DU-BR Company	Supplier Name	DU-BRSUP1

Nota Fiscal Series	Nota Fiscal No	Invoice Date
009	100000036	7/25/2022
Object Type	Object Reference	Object Reference Status
Manual Supplier Inv Return	17	Preliminary
Business Transaction Id	Payment Terms	Currency Code
	0	BRL

### 14.6.3 Generation and Assigning a “NF-e Key” to NF-e XML

The status “Sent Request” means the *Outgoing Nota Fiscal* is created and the NFe XML is generated and communicated with the third-party service provider. In this process, NF-e-Key is also generated and assigned to the Outgoing Nota Fiscal object and added in the NFe XML file.

Amounts		
Gross Amount	Net Amount	Tax Amount
-125.00	-100.00	-25.00

LINES	ADDRESS	GENERAL	NF-E INFORMATION
Issue Date			NF-e Key
7/25/2022			352207123456789012346500910000003610020951...
NF-e Processing Date			NF-e Status Code
			Return Message

### 14.6.4 Generation of NF-e XML

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).

```

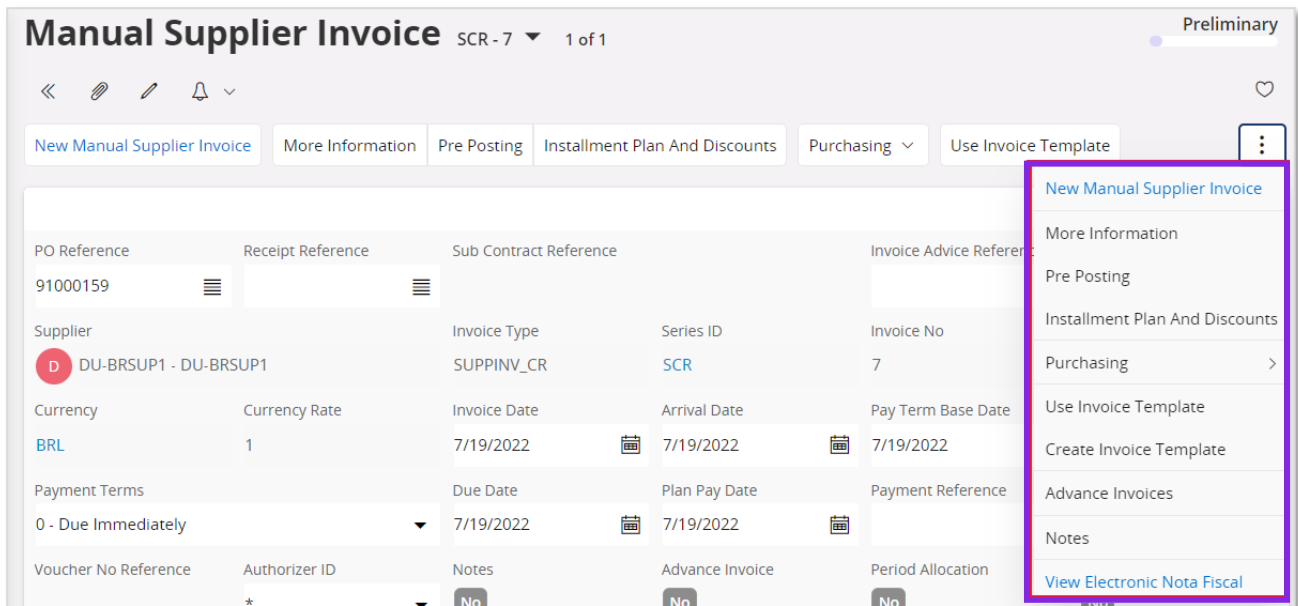
<NFe xmlns="http://www.portalfiscal.inf.br/nfe" xmlns:xsi="http://www.w3.org/200
- <infNFe Id="35201115257504000105650090000100161002104318" versao="4">
  - <ide>
    <cUF>35</cUF>
    <cNF>00210431</cNF>
    <natOp>Vendas</natOp>
    <mod>65</mod>
    <serie>009</serie>
    <nNF>000010016</nNF>
    <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>
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    <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>

```

Once the Outgoing Nota Fiscal is created and set to the initiated status, connected Credit Supplier Invoice couldn't be processed. Connected Outgoing Nota Fiscal should 1<sup>st</sup> process and the further processing of the Credit Supplier Invoice is dependent on the Outgoing NF status (described in the chapters below).

### 14.6.5 Credit supplier invoice with Outgoing Nota Fiscal

Once the Outgoing Nota Fiscal is set to the status "Initiated" and "Sent Request", connected Credit Supplier Invoice couldn't be processed. Which means that from the Credit Supplier Invoice, further processing options like, "Post Invoice", "PO Matching" and "Copy Cancel" are disabled.



Further processing of Credit Supplier Invoice is dependent on the Outgoing Nota Fiscal status and all possible status are described in detail in below chapters.

### 14.6.6 Outgoing NF Approved

Once the Outgoing Nota Fiscal gets Approved, connected Credit Supplier Invoice will get automatically Approved.

Outgoing NF Status	Credit Supplier Invoice Status
Approved	Approved

### 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, 3<sup>rd</sup> 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 3<sup>rd</sup> party service provider, IFS reads the file and recognize the correct Credit Supplier Invoice by validating the "NF-e Key".

The "NF-e Information" tab will be updated with the values from the xml file.

ing Nota Fiscal Company DU-BR Company

## Outgoing Nota Fiscal - 00910000041 1 of 1

Approved

Send Cancel Request Manual Supplier Invoice

Sender	Receiver
Company DU-BR	Supplier DU-BRSUP1
Company Name DU-BR Company	Supplier Name DU-BRSUP1

Nota Fiscal Series	Nota Fiscal No	Invoice Date
009	100000041	7/26/2022
Object Type	Object Reference	Object Reference Status
Manual Supplier Inv Return	21	Preliminary
Business Transaction Id	Payment Terms	Currency Code

SEFAZ Status Code "100" indicates the response file is approved and these Credit Supplier Invoices could be further process and set to status of "PostedAuth".

LINES	ADDRESS	GENERAL	NF-E INFORMATION
Issue Date		NF-e Key	NF-e Protocol No
7/26/2022		35220712345678901235650091000004110020962...	135180015173174LOL
NF-e Processing Date		NF-e Status Code	Return Message
10/7/2020		100	Autorizado o uso da NF-e

```

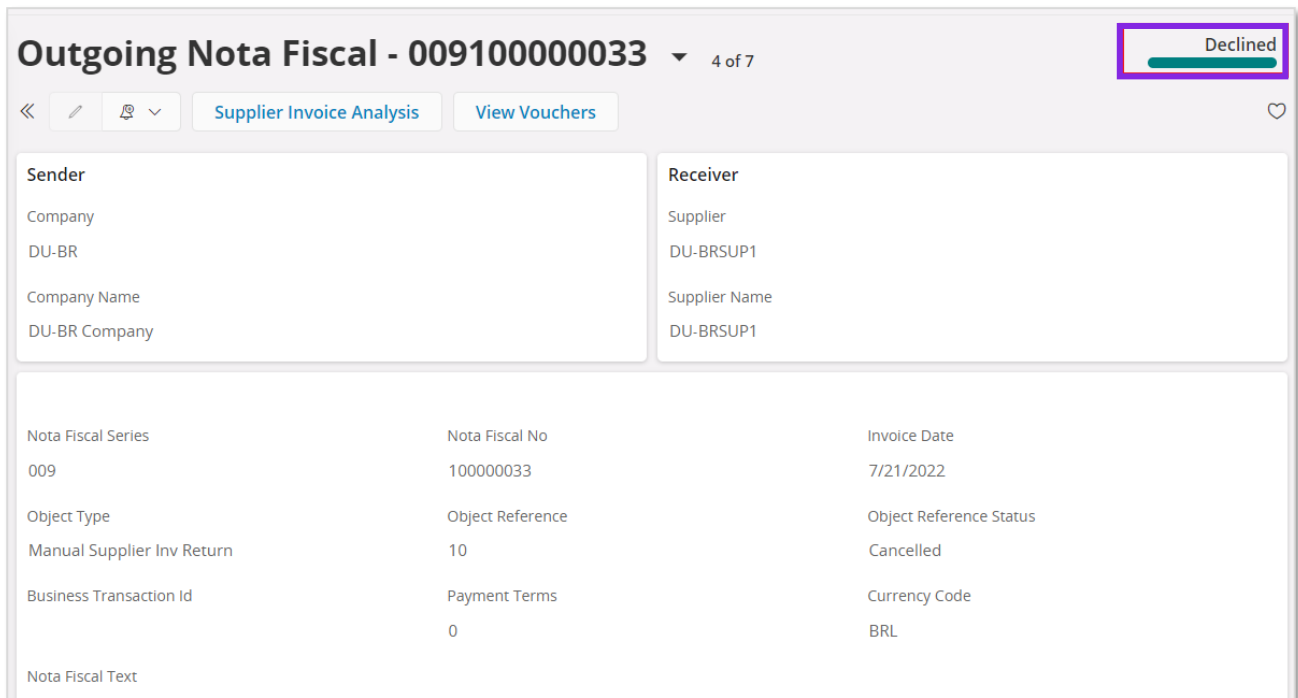
<?xml version="1.0" encoding="UTF-8"?>
- <SOAP-ENV:Envelope xmlns:SOAP-ENV="http://schemas.xmlsoap.org/soap/envelope/">
  - <SOAP-ENV:Header>
    - <fndcn:Message xmlns:fndcn="urn:ifsworld-com:schemas:fndcn" SOAP-ENV:mustUnderstand="1">
      <fndcn:Type>CONNECT</fndcn:Type>
      <fndcn:Function>NFE_RESPONSE</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 and the Credit Supplier Invoice will remain in status "Preliminary" (these scenarios are described in chapters below).

### 14.6.7 Credit Supplier Invoice with Outgoing NF Declined

Outgoing Nota Fiscal could be Declined by the Brazilian tax authority. This could happen when the issuer or recipient has some pending issue and irregularities with the Brazilian Government, i.e., may not perform business transactions within the state.

When a Nota Fiscal is declined it cannot be voided or cancelled and the Nota Fiscal number cannot be used again.



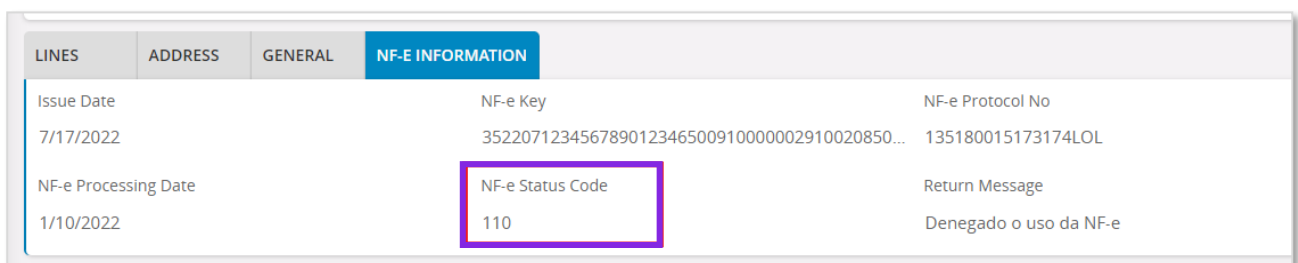
**Outgoing Nota Fiscal - 009100000033** 4 of 7 Declined

Supplier Invoice Analysis View Vouchers

Sender		Receiver	
Company	DU-BR	Supplier	DU-BRSUP1
Company Name	DU-BR Company	Supplier Name	DU-BRSUP1

Nota Fiscal Series	Nota Fiscal No	Invoice Date
009	100000033	7/21/2022
Object Type	Object Reference	Object Reference Status
Manual Supplier Inv Return	10	Cancelled
Business Transaction Id	Payment Terms	Currency Code
	0	BRL
Nota Fiscal Text		

Once the IFS Cloud receives the Declined response message from the 3<sup>rd</sup> part integrator, Outgoing Nota Fiscal is set to the status “Declined”.



LINES	ADDRESS	GENERAL	NF-E INFORMATION
Issue Date		NF-e Key	NF-e Protocol No
7/17/2022		352207123456789012346500910000002910020850...	135180015173174LOL
NF-e Processing Date		NF-e Status Code	Return Message
1/10/2022		110	Denegado o uso da NF-e

NF-e Status Code “110” and “303” are examples of response codes meaning the Nota Fiscal is declined.

Subsequently, the connected Credit Supplier Invoice get automatically “Cancelled”.

Outgoing NF Status	Credit Supplier Invoice Status
Declined	Cancelled

In this scenario, it's always the “Preliminary” Credit Supplier Invoice, which is cancelled, and no reversal voucher will be created.



### 14.6.8 Cancellation Request sent to the Approved Outgoing NF in Credit Supplier Invoice Process

The general rule stated by Brazilian government says that companies are allowed to cancel Authorized Nota Fiscals up until 24 hours from the issue date and time. There are some scenarios that still allow cancellation even after 24 hours (can be connected to penalty fee or audit).

Outgoing NF Status	Credit Supplier Invoice Status
Cancellation Request Sent	Authorized

The “Send Cancel Request” command will generate an outgoing xml file representing the request to cancel the referenced Nota Fiscal number.

```

1 <infEvento>
2   <xServ>CANCELAMENTO</xServ>
3   <chNFe>35220177214253000192650090000010311002063978</chNFe>
4   <tpAmb>2</tpAmb>
5   <xJust>Pedido de Cancelamento de Nota Fiscal Eletronica</xJust>
6 </infEvento>

```

In the above scenario, Outgoing Nota Fiscal status is set to the “Cancellation Request Sent” while connected Credit Supplier Invoice is still Authorized.

### 14.6.9 Cancel the Approved Outgoing NF in Credit Supplier Invoice Process

Once the Outgoing Nota Fiscal cancellation request is accepted by the Brazilian Tax Authority, Cancelled response message will be received to IFS Cloud via a 3<sup>rd</sup> party integrator and the Outgoing Nota Fiscal is set to the status of “Cancelled”. The connected Credit Supplier Invoice is also automatically cancelled.

Outgoing NF Status	Credit Supplier Invoice Status
Cancelled	Cancelled (Cancelled PostedAuth Invoice)

In the above scenario, it’s always the PostedAuth Credit Supplier Invoice, which is cancelled, hence a reversal “K” Voucher is created reversing the original Credit Supplier Invoice postings.

### Outgoing Nota Fiscal - 00910000032 3 of 7 Cancelled

Supplier Invoice Analysis | View Vouchers

Sender		Receiver	
Company	DU-BR	Supplier	DU-BRSUP1
Company Name	DU-BR Company	Supplier Name	DU-BRSUP1

Nota Fiscal Series	Nota Fiscal No	Invoice Date
009	100000032	7/21/2022
Object Type	Object Reference	Object Reference Status
Manual Supplier Inv Return	9	Cancelled
Business Transaction Id	Payment Terms	Currency Code
	0	BRL

LINES	ADDRESS	GENERAL	NF-E INFORMATION
Issue Date		NF-e Key	NF-e Protocol No
7/21/2022		35220712345678901234650091000003210020900...	135180015173174LOL
NF-e Processing Date		NF-e Status Code	Return Message
6/20/2022		135	Autorizado o uso da NF-e

After receiving a cancellation request approval xml file from the tax authority, the NF-e status code will be updated to “135 - Cancelamento Homologado” and the Credit Supplier Invoice status will be changed to “Cancelled”.

### Supplier Invoice Analysis SCR - 9 1 of 1 Cancelled

More Information | Installation Plan and Discounts | Pre Posting | Vouchers | Payment Status

Supplier	DU-BRSUP1 - DU-BRSUP1	Invoice Type	SUPPINV_CR	Series ID	SCR	Invoice No	9
PO Reference	S133006	Receipt Reference		Sub Contract Reference		Project ID	
Advance Invoice	No	Notes	No	Correction Invoice	No	Correction Exist	No
Currency Rate		Gross Amount		Net Amount		On Hold Installment Exists	No
						Currency	BRL

#### 14.6.10 Received Error response from the Brazilian Tax Authority

If the Brazilian tax authority finds errors in the request file, they will send an Error response via the 3<sup>rd</sup> party integrators. There could be 2 types of Errors as described below.

Receive an Error Response which could be fixed.

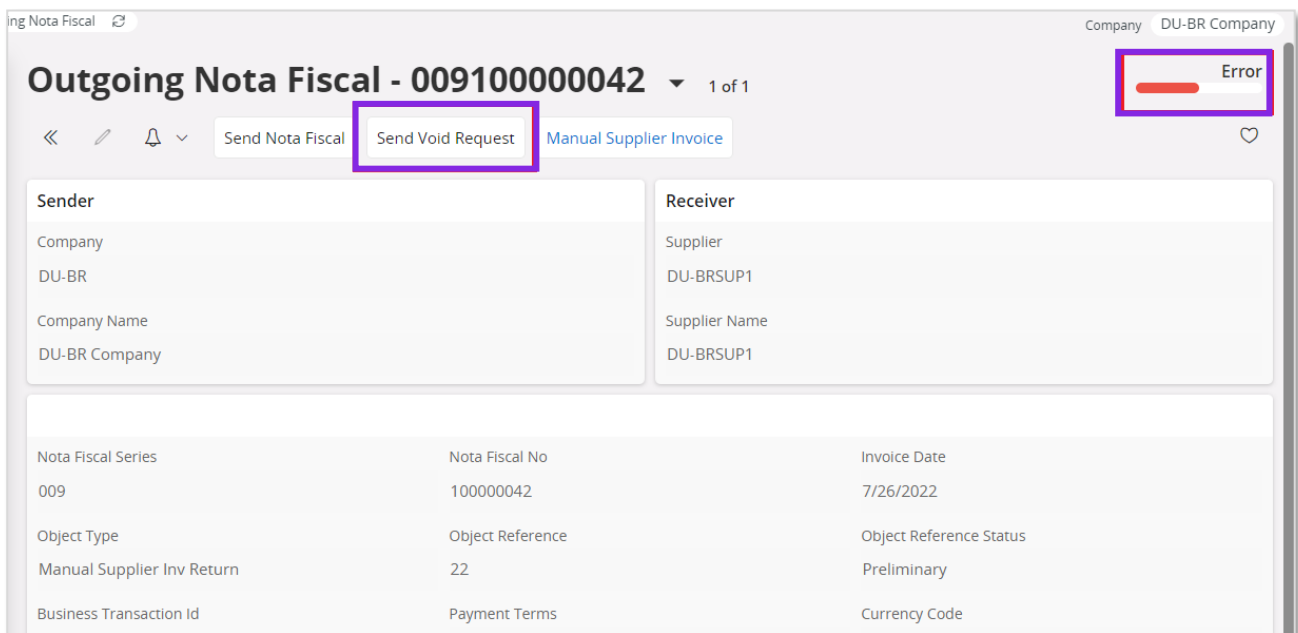
Out Going NF Status	Credit Supplier Invoice Status
Error	Preliminary -Rectify the error and re-send the NFE (Use Same Nfe No)

Receive an Error Response which couldn't be fixed.

Outgoing NF Status	Credit Supplier Invoice Status
Error	Cancelled (Preliminary Invoice)  a) Send Void Request from a Nota Fiscal. b) Approved Void Request- Cancelled the Preliminary state Invoice

When a Nota Fiscal is rejected due to some error in the schema of xml file or some inconsistent information, the Nota Fiscal number can be used again. The companies can fix the issue found in such a Nota Fiscal and process to request authorization again. If the problem cannot be fixed, the Nota Fiscal must be **Voided**. A void request must be sent and approved by the Tax Authority. After the tax authority approved the void request, the Nota Fiscal number cannot be used again.

When the return message from the Tax Authority is "Error", the command "Send Void Request" will be available in the Outgoing Nota Fiscal page.



The screenshot shows the 'Outgoing Nota Fiscal' page for document 00910000042. The 'Send Void Request' button is highlighted with a red box. An 'Error' status indicator is also highlighted with a red box. The page displays the following information:

Sender		Receiver	
Company	DU-BR	Supplier	DU-BRSUP1
Company Name	DU-BR Company	Supplier Name	DU-BRSUP1

Nota Fiscal Series	Nota Fiscal No	Invoice Date
009	10000042	7/26/2022
Object Type	Object Reference	Object Reference Status
Manual Supplier Inv Return	22	Preliminary
Business Transaction Id	Payment Terms	Currency Code

The “Send Void Request” command will generate an outgoing xml file representing the request to void the referenced Nota Fiscal number and the Outgoing Nota Fiscal is set to the status “Sent Void Request”.

After receiving a void request approval xml file from the tax authority, the NF-e status code will be updated to “102 - Inutilização de número homologado” and the Outgoing NF status is set to “Voided”.

### Outgoing Nota Fiscal - 009100000031 2 of 7

Voided

Supplier Invoice Analysis
View Vouchers

Sender		Receiver	
Company	DU-BR	Supplier	DU-BRSUP1
Company Name	DU-BR Company	Supplier Name	DU-BRSUP1

Nota Fiscal Series	Nota Fiscal No	Invoice Date
009	100000031	7/21/2022
Object Type	Object Reference	Object Reference Status
Manual Supplier Inv Return	8	Cancelled
Business Transaction Id	Payment Terms	Currency Code
	0	BRL

Nota Fiscal Text

LINES	ADDRESS	GENERAL	NF-E INFORMATION
Issue Date		NF-e Key	NF-e Protocol No
7/21/2022		352207123456789012346500910000003110020900...	135180015173174LOL
NF-e Processing Date		NF-e Status Code	Return Message
6/20/2022		102	Autorizado o uso da NF-e

The connected Credit Supplier Invoice is “Cancelled”.

### Supplier Invoice Analysis SCR - 8 ▾ 1 of 1

Cancelled

<< ▾
More Information
Installation Plan and Discounts
Pre Posting
Vouchers
Payment Status
⋮

Supplier		Invoice Type	Series ID	Invoice No	
DU-BRSUP1 - DU-BRSUP1		SUPPINV_CR	SCR	8	
PO Reference	Receipt Reference	Sub Contract Reference	Project ID	Invoice Date	Arrival Date
S133006				7/21/2022	7/21/2022
Advance Invoice	Notes	Correction Invoice	Correction Exist	On Hold Installment Exists	Currency
No	No	No	No	No	BRL
Currency Rate	Gross Amount		Net Amount		
1.00	-125.00		-100.00		
Tax Amount					
-25.00					

# 15 Integration to Brazilian External Tax System – NF-e Communication

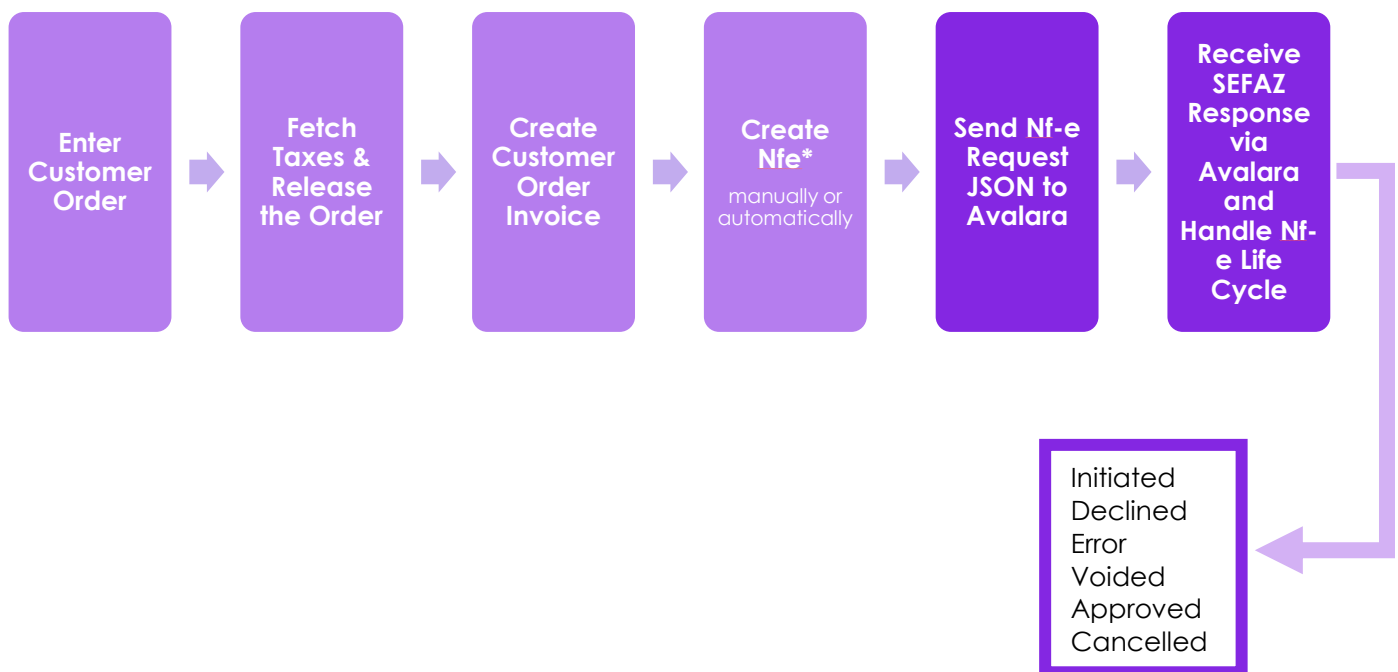
## 15.1 Overview Business Requirement

In Brazil, the Nota Fiscal 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 Nota Fiscal issued online, which allows real time reporting of transactions to the 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.

To facilitate the process of Nfe communication with SEFAZ, IFS developed an integration with Avalara.

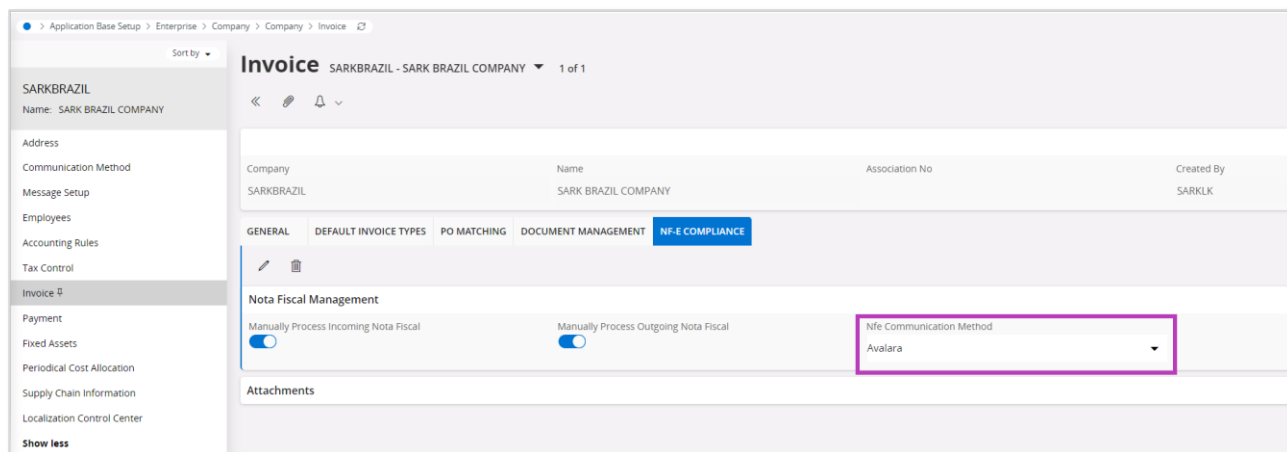
## 15.2 Process Overview



## 15.3 Prerequisites

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

Select “Avalara” as the NFe Communication Method in page *Application Base Setup/Enterprise/Company/Company/Invoice* and tab *NF-E COMPLIANCE*.



The screenshot shows the 'Invoice' setup page for 'SARKBRAZIL - SARK BRAZIL COMPANY'. The 'NF-E COMPLIANCE' tab is active. Under 'Nota Fiscal Management', there are two toggle switches for 'Manually Process Incoming Nota Fiscal' and 'Manually Process Outgoing Nota Fiscal', both of which are turned on. The 'Nfe Communication Method' dropdown menu is highlighted with a red box and shows 'Avalara' selected. The left sidebar contains various navigation options like 'Address', 'Communication Method', 'Message Setup', etc.

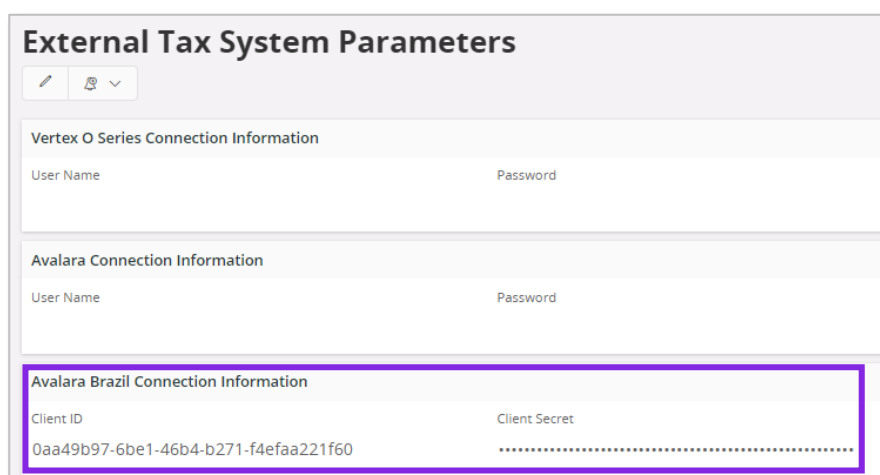
Note that also parameters “Acquisition Origin”, “Business Operation”, “Brazilian Specific Fiscal Attributes”, “Address Specific Tax ID Numbers”, “Goods/Services Statistical Codes”, “Extended Tax Codes Tax Calculation Structures set-up”, “Outgoing Nota Fiscals” and “Use Automatic Generation of Official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

## 15.4 Define Basic Data

In order to utilize the IFS integration for Avalara, some basic data set up is required.

### 15.4.1 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*.



The screenshot shows the 'External Tax System Parameters' page. It has three sections: 'Vertex O Series Connection Information', 'Avalara Connection Information', and 'Avalara Brazil Connection Information'. The 'Avalara Brazil Connection Information' section is highlighted with a red box. It contains two fields: 'Client ID' with the value '0aa49b97-6be1-46b4-b271-f4efaa221f60' and 'Client Secret' with a masked value represented by dots.

## 15.5 Create Customer Order & Process Customer Order Invoice and Outgoing Nota Fiscal

This works in similar way as Outgoing Nota Fiscal XML solution works.  
See,

[12.5 Create Customer Order](#)

[12.6 Deliver Customer Order](#)

[12.7 Create Customer Invoice](#)

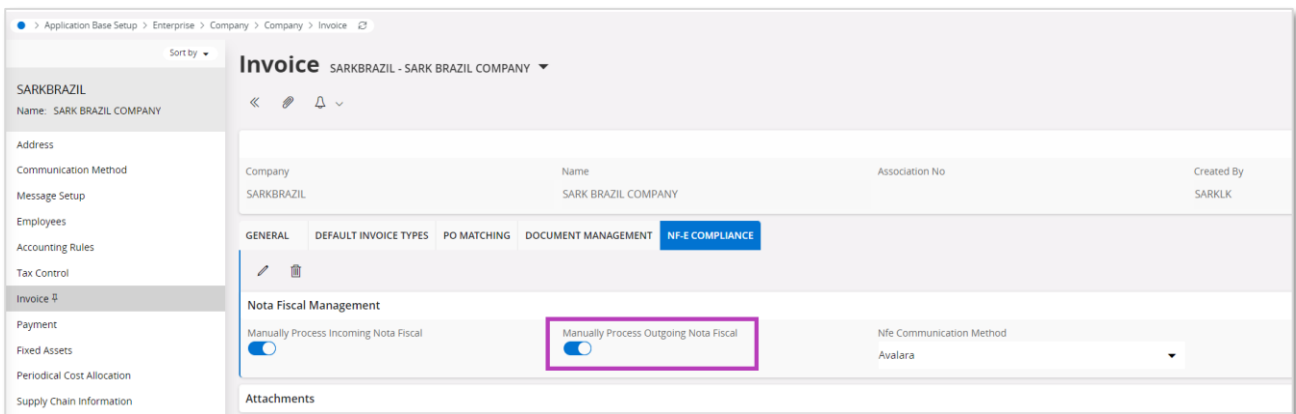
[12.8 Create Outgoing Nota Fiscal](#)

[12.1 Outgoing Nota Fiscal Life Cycle Management](#)

Here JSON request sent to Avalara & JSON response received instead of XML files describe in above chapters.

## 15.6 Generation of NF-e JSON

JSON request will be sent to Avalara when selecting the command **Send Nota Fiscal** in Outgoing Nota Fiscal Page or it will be sent automatically depending on the Company level parameter, “Manually Process Outgoing Nota Fiscal”.



**Refer the Appendix 3 to see mapping details of a JSON request.**

Header Details of Json file



```

{
  "header": {
    "transactionDate": "2022-12-14T00:00:00Z",
    "invoiceAccessKey": "22120410623000019065009000011000100207067",
    "shippingDate": "2022-12-14T00:00:00Z",
    "companyLocation": "04106230000190",
    "documentCode": "92",
    "invoiceNumber": "11000",
    "invoiceSerial": "9",
    "messageType": "goods",
    "locations": {
      "entity": {
        "name": "SARK BRAZIL CUSTOMER",
        "federalTaxId": "60881299000405",
        "stateTaxId": "535377851110",
        "taxRegime": "realProfit",
        "taxesSettings": {
          "icmsTaxPayer": "true"
        },
        "address": {
          "street": "Avenida Santo Antônio",
          "neighborhood": "Bela Vista",
          "zipcode": "06083215",
          "cityName": "Osasco",
          "state": "São Paulo",
          "countryCode": "1058",
          "country": "BRA",
          "number": "2112",
          "complement": "2112"
        },
        "activitySector": {
          "type": "cnae"
        }
      },
      "establishment": {
        "name": "SARK BRAZIL COMPANY",
        "federalTaxId": "04106230000190",
        "stateTaxId": "956224310481",
        "taxRegime": "realProfit",
        "taxesSettings": {
          "icmsTaxPayer": "false"
        },
        "address": {
          "street": "Avenida Tamboré",
          "neighborhood": "Tamboré",
          "zipcode": "06453000",
          "cityName": "Barueri",
          "state": "São Paulo",
          "countryCode": "1058",
          "country": "BRA",
          "number": "267"
        },
        "activitySector": {
          "type": "cnae",
          "code": "4691500"
        }
      }
    }
  },
  "delivery": {
    "name": "SARK BRAZIL CUSTOMER",
    "federalTaxId": "60881299000405",
    "stateTaxId": "535377851110",
    "taxRegime": "realProfit",
    "address": {
      "street": "Avenida Santo Antônio",
      "neighborhood": "Bela Vista",
      "zipcode": "06083215",
      "cityName": "Osasco",
      "state": "São Paulo",
      "countryCode": "1058",
      "country": "BRA",
      "number": "2112",
      "complement": "2112"
    }
  },
  "additionalInfo": {
    "complementaryInfo": "IPI Decreto nº 11.158/22, Artigo 1º, Anexos I, II, III"
  },
  "payment": {
    "bill": {
      "nFat": "207067",
      "vOrig": 208.05,
      "vDiscount": 0,
      "vNet": 208.05
    }
  },
  "goods": {
    "class": "Venda de Mercadoria",
    "tpImp": "1",
    "indFinal": 0,
    "indPres": "1",
    "goal": "Normal",
    "indIntermed": "0",
    "transport": {
      "modFreight": "CIF",
      "volumes": [
        {
          "qVol": "0",
          "specie": "m3",
          "netWeight": 0,
          "grossWeight": 0
        }
      ]
    }
  },
  "invoicesRefs": []
}

```

### Line Details of Json file

```

},
"lines": [
  {
    "lineCode": 1,
    "itemCode": "SARKBRPART1",
    "numberOfItems": 1,
    "lineUnitPrice": 162.54,
    "lineAmount": 162.54,
    "cfop": 5101,
    "itemDescriptor": {
      "description": "SARK-BR-Part1",
      "hsCode": "24012020",
      "cest": "2131332",
      "unit": "pcs",
      "source": "1",
      "productType": "FOR PRODUCT"
    },
    "goods": {
      "indTotType": "true",
      "trace": []
    },
    "taxDetails": [
      {
        "taxType": "cofins",
        "subtotalTaxable": 113.78,
        "rate": 7.6,
        "tax": 8.65,
        "cst": "01",
        "calcMode": "rate",
        "isCustomCitation": "false"
      },
      {
        "taxType": "icms",
        "subtotalTaxable": 162.54,
        "rate": 30,
        "tax": 48.76,
        "cst": "00",
        "calcMode": "rate",
        "isCustomCitation": "false"
      },
      {
        "taxType": "ipi",
        "subtotalTaxable": 162.54,
        "rate": 30,
        "tax": 48.76,
        "cst": "50",
        "calcMode": "rate",
        "isCustomCitation": "false"
      },
      {
        "taxType": "pis",
        "subtotalTaxable": 113.78,
        "rate": 1.65,
        "tax": 1.88,
        "cst": "01",
        "calcMode": "rate",
        "isCustomCitation": "false"
      }
    ]
  }
],

```

### Summary Details of Json file

```

"summary":{
  "numberOfLines": 1,
  "totalLineAmounts": 162.54,
  "totalTaxedDiscounts": 0,
  "totalUntaxedDiscounts": 0,
  "totalInsurances": 0,
  "totalFreights": 0,
  "totalOtherCosts": 0,
  "totalUnTaxedOtherCosts": 0,
  "totalInvoice": 211.3,
  "taxByType": {
    "cofins": {
      "tax": 8.65,
      "subtotalTaxable": 113.78,
      "jurisdictions": [
        {
          "jurisdictionName": "Brazil",
          "jurisdictionType": "Country",
          "tax": 8.65
        }
      ]
    },
    "icms": {
      "tax": 48.76,
      "subtotalTaxable": 162.54,
      "jurisdictions": [
        {
          "jurisdictionName": "São Paulo",
          "jurisdictionType": "State",
          "tax": 48.76
        }
      ]
    },
    "ipi": {
      "tax": 48.76,
      "subtotalTaxable": 162.54,
      "jurisdictions": [
        {
          "jurisdictionName": "Brazil",
          "jurisdictionType": "Country",
          "tax": 48.76
        }
      ]
    },
    "pis": {
      "tax": 1.88,
      "subtotalTaxable": 113.78,
      "jurisdictions": [
        {
          "jurisdictionName": "Brazil",
          "jurisdictionType": "Country",
          "tax": 1.88
        }
      ]
    }
  }
}
}
}
}

```

## 15.7 Outgoing NF Approved

Once the Outgoing Nota Fiscal is Approved, connected CO Invoice will be automatically Approved. See [12.1.5 Outgoing NF Approved](#) for more details.

Approved response received as below including the links to NF-e XML & DANFE pdf.

```
{
  "key": "35221204106230000190550090000110001989264158",
  "state": "SP",
  "protocol": "135220010995997",
  "status": {
    "code": "100",
    "desc": "Autorizado o uso da NF-e",
    "protocol": "135220010995997",
    "authorizationDateTime": "2022-12-14T00:41:04-03:00",
    "accessKey": "35221204106230000190550090000110001989264158",
    "serial": "9",
    "number": "11000"
  },
  "pdf": {
    "base64": "JVBERi0xLjQKJeLjz9MKMyAwIG9iago8PC9UeXBLL1hPYmplY3QvU3VidH
    "link": "https://homolog.invoicey.com.br///DownloadPDF.aspx?awyUd1fVcX
  },
  "xml": {
    "base64": "PG5mZVByb2MgdmVyc2FvPSI0LjAwIiB4bWxucz0iaHR0cDovL3d3dy5wb3
    "link": "https://homolog.invoicey.com.br///HNUC002.aspx?ParmCript=awyU
  }
}
```

**Outgoing Nota Fiscal - 009000011053** Approved

Send Cancel Request | Customer Invoice | Customer Invoice Postings Analysis

Sender		Receiver	
Company	Company Name	Customer	Customer Name
SARKBRAZIL	SARK BRAZIL COMPANY	SARKBRAZILCUST	SARK BRAZIL CUSTOMER

Nota Fiscal Series	Nota Fiscal No	Invoice Date	Object Type
009	000011053	1/2/2023	Customer Order Invoice
Object Reference	Object Reference Status	Payment Terms	Currency Code
009000011053	Posted Auth	10	BRL

Nota Fiscal Text  
 IPI com aliquota zero conforme: "Decreto nº 11.158/22, Artigo 1º, Anexos I, II, III, IV" PIS/COFINS Lei nº 10.637/2002, Artigo 2º PIS/COFINS Lei nº 10.833/2003, Artigo 2º

Business Transaction ID  
 100

Amounts		
Gross Amount	Net Amount	Tax Amount
134.38	100.00	34.38

LINES	ADDRESS	GENERAL	NF-E INFORMATION
Issue Date	NF-e Key	NF-e Protocol No	NF-e Processing Date
1/2/2023	35230104106230000190650090000110531002199362	135230000001521	1/2/2023
NF-e Status Code	Return Message		
100	Autorizado o uso da NF-e		

## 15.8 Receive Error Response from SEFAZ

See [13.6.10 Received Error response from the Brazilian Tax Authority](#) for more details.

Example of Error response.

```
{
  "error": {
    "code": "206",
    "message": "Rejeição: NF-e já está inutilizada na Base de Dados da SEFAZ"
  }
}
```

*Note: There are many error codes defined in SEFAZ & above 206 code is just an example to present.*

**Outgoing Nota Fiscal - 009000011054** Error

Send Nota Fiscal | **Send Void Request** | Customer Invoice | Customer Invoice Postings Analysis

Sender		Receiver	
Company	Company Name	Customer	Customer Name
SARKBRAZIL	SARK BRAZIL COMPANY	SARKBRAZILCUST	SARK BRAZIL CUSTOMER

Nota Fiscal Series	Nota Fiscal No	Invoice Date	Object Type
009	000011054	1/4/2023	Customer Order Invoice
Object Reference	Object Reference Status	Payment Terms	Currency Code
220075	Preliminary	10	BRL

Nota Fiscal Text  
IPI com aliquota zero conforme: "Decreto nº 11.158/22, Artigo 1º, Anexos I, II, III, IV/PIS/COFINS Lei nº 10.637/2002, Artigo 2º/PIS/COFINS Lei nº 10.833/2003, Artigo 2º"

Business Transaction ID  
100

Amounts		
Gross Amount	Net Amount	Tax Amount
134.38	100.00	34.38

**LINE INFORMATION**

Issue Date	NF-e Key	NF-e Protocol No	NF-e Processing Date
1/4/2023	35230104106230000190650090000110541002200759		
NF-e Status Code	Return Message		
206	Rejeição: NF-e já está inutilizada na Base de Dados da SEFAZ		

As explained in [13.6.10 Received Error response from the Brazilian Tax Authority](#) user can send void request to SEFAZ.

**Outgoing Nota Fiscal - 009000011054** Error

Send Nota Fiscal | **Send Void Request** | Customer Invoice | Customer Invoice Postings Analysis

Sender		Receiver	
Company	Company Name	Customer	Customer Name
SARKBRAZIL	SARK BRAZIL COMPANY	SARKBRAZILCUST	SARK BRAZIL CUSTOMER

## Void Request

```
{
  "model": "NFe",
  "serie": 9,
  "companyLocation": "04106230000190",
  "message": "Queda do sistema",
  "init": 11021,
  "end": 11021
}
```

## Void Response

```
{
  "code": "102",
  "desc": "Inutilização de número homologado",
  "protocol": "135220011104579",
  "status": {
    "code": "102",
    "desc": "Inutilização de número homologado",
    "protocol": "135220011104579",
    "number": "11021",
    "serial": "9",
    "accessKey": "ID35220410623000019055009000011021000011021",
    "authorizationDateTime": "2022-12-16T05:58:23-03:00"
  },
  "pdf": {
    "base64": {},
    "link": {}
  },
  "xml": {
    "base64": "PFByb2NJbnV0TkZlIHZ1cnNhbz0iNC4wMCIgeG1sbnM9Imh0dHA6L...",
    "link": "https://homolog.invoicy.com.br//HNUC002.aspx?ParmCript..."
  }
}
```

### Outgoing Nota Fiscal - 009000011055

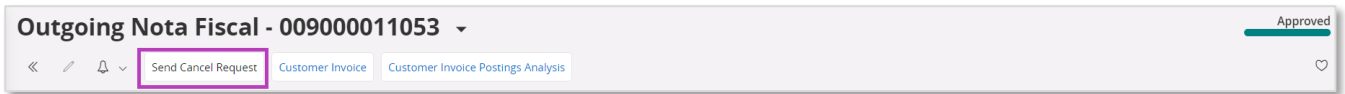
Voided

Customer Invoice Customer Invoice Postings Analysis

LINES	ADDRESS	GENERAL	NF-E INFORMATION
Issue Date		NF-e Key	NF-e Protocol No
1/4/2023		35230104106230000190650090000110551002201051	
NF-e Status Code		Return Message	NF-e Processing Date
102		Inutilização de número homologado	

## 15.9 Cancellation of Approved Outgoing Nota Fiscal

The “Send Cancel Request” command will generate Json file representing the request to cancel the referenced Nota Fiscal number.



Cancel Request Json file

```
{
  "message": "Cancelada por informação incorreta de quantidade",
  "timeZone": "-03:00"
}
```

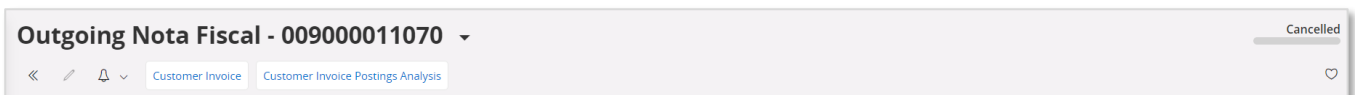
See [12.1.7 Cancellation Request sent to the Approved Outgoing NF](#) for more details.

Once the Outgoing Nota Fiscal cancellation request is accepted by the Brazilian Tax Authority, Cancelled response message will be received to IFS Cloud via Avalara.

See [12.1.8 Cancel Approved Outgoing NF](#) for more details.

Approved Cancellation Response

```
{
  "status": {
    "code": "101",
    "desc": "Cancelamento de NF-e homologado",
    "protocol": "135220011104407"
  },
  "xml": {
    "base64": "PHByb2NFdmVudG90RmUgdMvYc2FvPSIxLjAwIiB4bWxucz
    "link": "https://homolog.invoicy.com.br//HNUC002.aspx?Pa
  }
}
```



LINES	ADDRESS	GENERAL	NF-E INFORMATION
Issue Date		NF-e Key	NF-e Protocol No
1/4/2023		35230104106230000190650090000110701002201066	135230000043128
NF-e Status Code		Return Message	
101		Cancelamento de NF-e homologado	

## 15.10 Delimitations

- Outgoing Nota Fiscal NFe communication via Avalara is supported only in the CO flow.

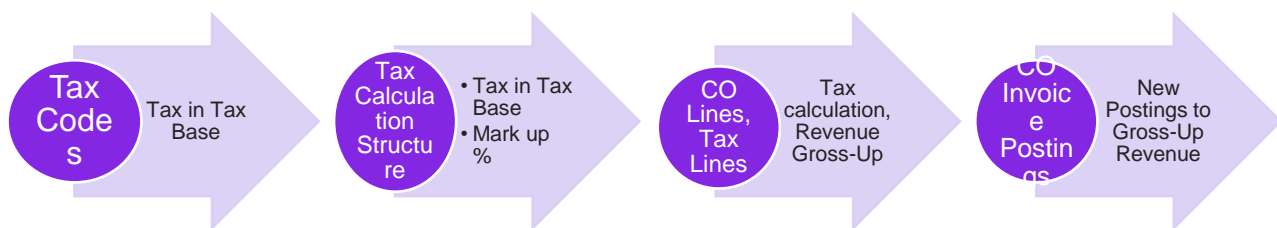
## 16 Gross Revenue Accounting

### 16.1 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.

### 16.2 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.

### 16.3 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.

### 16.4 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.

### 16.5 Revenue Gross-up in Customer Order Line level

#### 16.5.1 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				


### 16.5.2 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	 DU:BR-1 - DU:BR-1	DUBR1	NO	2/17/20, 12:00 AM

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

## 16.6 Customer Order Invoice Postings

### 16.6.1 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 <span style="border: 1px solid black; padding: 2px;">Tax Amount</span>

**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

### 16.6.2 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 for Brazilian country specifics, 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

### 16.6.3 New Control Types Specific to Brazil

Business Transaction Code is introduced as a new Control Type for IP4, M28, M295, M296, M30 and M31 Posting Types. Make sure to check whether the mandatory LCC parameter “Brazilian specific fiscal attributes” is enabled and basic data for Business Transaction ID is available to use this Control Type.

Accounting Rules > Posting Rules > Posting Control

## Posting Control

Posting Type | Code Part Name | Control Type: C128 | More | Favorites | Clear | Settings

✓	:	Posting Type	Code Part Name	Control Type
<input type="checkbox"/>	:	IP4 - Tax Disbursed, Invoice	Account	C128 - Business Transaction Code
<input type="checkbox"/>	:	M28 - Taxable Sales	Account	C128 - Business Transaction Code
<input type="checkbox"/>	:	M295 - Tax in Sales Revenue	Account	C128 - Business Transaction Code
<input type="checkbox"/>	:	M296 - Tax Deduct from Gross Revenue	Account	C128 - Business Transaction Code

Accounting Rules > Posting Rules > Posting Control > Posting Control Details

## Posting Control Details

IP4 - Account - C128 | 1 of 1

IP4  
Code Part Name: Account  
Control Type: C128

Posting Type: IP4  
Code Part Name: Account  
Control Type: C128

Default Value No CT Value  
Valid From: 10/2/2021

✓	:	Business Transaction Code	Description	Account
<input type="checkbox"/>	:	100	Standard Sales	2610 - Output VAT, not reduced
<input type="checkbox"/>	:	120	Exportation	2611 - Output VAT on sales in Sweden, not reduced

## 17 Nota Fiscal issue date as applied date on inventory transactions for goods issue

### 17.1 Overview Legal Requirement

According to the Brazilian tax legislation, taxes must be paid on the Nota Fiscal 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 Nota Fiscal issue date is set as the applied date on related inventory transactions for goods issue.

### 17.2 Process Overview

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



### 17.3 Prerequisites

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

### 17.4 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).

### 17.5 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 Nota Fiscal issue date is defined and is set on the F Voucher created.

See further information in the *Outgoing Nota Fiscals* chapter.

### 17.6 Set Nota Fiscal 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 Nota Fiscal issue date (after acceptance from the tax authority). If the Nota Fiscal 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 Nota Fiscal 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

Share Credit/Correction Invoice Posting Installation Plan and Discounts Notes 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	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	1220096088129900040565009000000031100...	135180015173174LOL	2020-09-02

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

### Inventory Transactions History

Apply Filter

✓	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

## 17.7 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.

## 17.8 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.

## 18 Cancel PostedAuth Customer Order Invoices

### 18.1 Overview Legal Requirement

The general rule stated by Brazilian government says that companies are allowed to cancel authorized Nota Fiscals up until 24 hours from the issue date and time. There are some scenarios that still allow cancellation even after 24 hours (can be connected to penalty fee or audit).

### 18.2 Process Overview



This functionality enables to cancel Posted/Printed or PostedAuth Customer Invoice. Once the Invoice is cancelled:

- Invoice is set to the status, “Cancelled”.
- K voucher created and reverts the original F voucher postings.
- Customer Order moves back to the status “Picked”.

### 18.3 Prerequisites

The company must be set-up to use Brazilian localization, see the Company Set-Up chapter, and the “Cancel PostedAuth Customer Order Invoices” parameter must be enabled.

### 18.4 Cancel PostedAuth Customer Order Invoices

In Brazil, this functionality is enhanced by “Outgoing Nota Fiscal” functionality. Therefore, please refer the “Cancel Approved Nota Fiscal” chapter for more details.

### 18.5 Delimitations

- This functionality is only supported for Customer Order Debit Invoice and Customer Order Collective Debit Invoice.

## 19 Taxes in intracompany goods movement

### 19.1 Overview Legal Requirement

According to the Brazilian tax regulations, when goods are moved from one site of the company to another site of the same company (e.g., movements between municipals within the country):

- Taxes should be calculated and paid by the sending site.
- The receiving site can take the input tax credit if goods are not used for own purpose.
- If goods are used for own purpose in the receiving site, inventory cost at arrival should be increased by the tax amount.

It's a legal requirement to issue a Fiscal Note for business transactions related to transfer of goods.

The **Tax Document** functionality has been introduced to support tax calculations and postings for intracompany goods movement scenarios, such as:

- Site to Site
- Site to Remote Warehouse
- Remote Warehouse to Site
- Remote Warehouse to Remote Warehouse

The Tax Document is developed as generic core functionality and not controlled by LCC parameter. For Brazil the Tax Document is integrated with Outgoing/Incoming Nota Fiscal functionality.

### 19.2 Process Overview



### 19.3 Prerequisites

Go to *Company/Tax Control/Supply Chain* page and enable “Create Tax Document” parameter.

GENERAL INVOICE **SUPPLY CHAIN** EXTERNAL TAX SYSTEM

General

Tax Code: 1 - Tax with no reduction 25% Tax Free Tax Code: 0 - Tax 0% Modify Tax % on Tra... **Create Tax Document**

### 19.4 Define Basic Data

Basic data for Brazil country specifics can be found under: *Brazil Country Solution Document IFS Cloud 22R2 – chapter 1-10.*

The attributes Acquisition Origin, Acquisition Reason and Goods/Services Statistical Code has been added to Inventory Part. Values entered here are fetched as default values when an Outgoing Tax Document line is created for the particular Inventory Part.

**Inventory Part** BR-INVPART44 - BR 3 of 3

Part Pages Inventory Details Cost Warranty Copy Part Document Text **MRB Cases** Manufacturing MRO Part Revisions

MAIN ALTERNATE PARTS CHARACTERISTICS MANUFACTURING

General	Cost Control
Classification	Identification
Counting	Weight, Volume and Quantities
Supply and Demand Controls	Warranty
Lead Times and Supply Dates	Putaway
Shelf Life	Origin and Customs
Goods/Services Statistical Code	Supersession
Goods/Services Statistical Code 89000222 - Statistical code	Acquisition
	Acquisition Reason Id RES - Resale of goods
	Acquisition Origin 0 - National

### 19.5 Create and process Shipment Order

Create a Shipment Order for any of below goods movement scenarios within the same company, using IFS Cloud standard functionality.

- Site to Site
- Site to Remote Warehouse
- Remote Warehouse to Site
- Remote Warehouse to Remote Warehouse

Use a Shipment Type that creates a shipment when releasing the Shipment Order.

Release the Shipment Order and process the connected Shipment until Completed state using IFS Cloud standard functionality. Create the Outgoing Tax Document via the command in Shipment



header - "Create Outgoing Tax Document". An Outgoing Tax Document will be created in Preliminary state.

## Outgoing Tax Document

221 ▾ 1 of 1
Posted

←
✎
🔔 ▾
Posting Analysis
Shipment
View Electronic Nota Fiscal
❤

Tax Document No	Source Ref Type	Source Reference	Created Date
221	Shipment	1438	2022-08-12

**Total Amounts**

Total Net Amount	Total Tax Amount	Total Gross Amount	Currency
15,00000	6,45000	21,45000	BRL

GENERAL

LINES

◀ ▶

Sender		Receiver	
Sender Type	Sender ID	Receiver Type	Receiver ID
Site	HPBR1	Site	HPBR2
Sender Description	Sender Document Address	Receiver Description	Receiver Document Address
HP Brazil Site 1	1	Hp Brazil Site 2	2 ▾
Sender Delivery Address	Branch	Receiver Delivery Address	Receiver Delivery Address Name
1	12 ▾	2	
		Single Occurrence	

## 19.6 Process Tax Document with Nota Fiscal

### 19.6.1 Outgoing Nota Fiscal

Once the Outgoing Tax Document is created the Brazil specific attributes (Business Transaction ID on the header and Acquisition Origin, Acquisition Reason, Goods/Services Statistical Code and Business Operation on Tax Document line) and tax information, such as Tax Calculation Structure or Tax Codes, has to be entered. When the shipment is delivered the average cost from the inventory transaction SHIPODSIT- or SHIPODWH- are transferred to the Outgoing Tax Document and the taxes are then calculated. At this point the Outgoing Nota Fiscal can be created. The creation of the Outgoing Nota Fiscal is either a manual or automatic process.

#### **Manual creation of Outgoing Nota Fiscal**

*Company flag "Manually process Outgoing Nota Fiscal" has to be enabled in Company/Invoice/NF-E compliance tab.*

The Outgoing Nota Fiscal is created via a command from the Outgoing Tax Document header. Once using the creation command the application is validating if all mandatory data is there to create an Outgoing Nota Fiscal. If all mandatory data is not registered the Outgoing Nota Fiscal can't be created. Once the Outgoing Nota Fiscal is created, the document has to be sent to the Tax authorities. This can be sent by the command in header "Send Nota Fiscal".

#### **Automatically creation of Outgoing Nota Fiscal**

*Company flag "Manually process Outgoing Nota Fiscal" has to be disabled in Company/Invoice/NF-E compliance tab.*

When the connected shipment is delivered and the cost and taxes are calculated on the Outgoing Tax Document, the Outgoing Nota Fiscal is created automatically.

Once the Outgoing Nota Fiscal is created, it is automatically sent to the Tax authorities for approval.

### 19.6.2 Response from Tax Authorities

Below table shows how Outgoing Tax Document and Shipment statuses gets affected by different responses from Tax Authorities for the Nota Fiscal.

### 19.6.3 Incoming Nota Fiscal

After receiving approval from the Tax Authorities for the Outgoing Nota Fiscal, the Outgoing Tax Document is posted, and the creation of Incoming Nota Fiscal and Incoming Tax Document is either a manual or Automatic process.

NF Transaction	Nota Fiscal Status	Outgoing Tax Document Status	Shipment Status
NF Created	Initiated	Preliminary	Completed
Response received, status Code 110	Declined	Cancelled (Preliminary Tax Document)	Completed (next step: Deliver)
Response received, status Code 100	Approved	Posted	Completed
<b>Limited in this release</b> Request to cancel the approved Nfe (Means Tax Document is Posted when sending the Request) - Response Status code 135	Cancelled	Cancelled (Posted Tax Document)	Completed (next step: Deliver)
<b>Limited in this release</b> Response Received Status code 999, 155 etc	Error	Preliminary 1. Rectify the error and re-send the Nfe from Nota Fiscal (use same Nfe no) 2. a) Send a Void Request from a Nota Fiscal b) Approved void Request, cancel the preliminary tax document	1. Completed 2. a) send a void request = Completed or closed (step: Delivered) b) Approved void request = Completed (next step: Deliver)
Preliminary Outgoing Tax Document cancelled (connected to a NF)	This functionality is restricted validating whether a Nfe is connected		

### Manual creation of Incoming Nota Fiscal

Company flag "Manually process Incoming Nota Fiscal" has to be enabled in Company/Invoice/NF-E compliance tab

When the Outgoing Nota Fiscal is approved by tax authorities, the Incoming Nota Fiscal can be created via the header command "Create Incoming Nota Fiscal". As soon as the incoming Nota Fiscal is manually approved, the Incoming Tax Document can be created via the command in Incoming Nota Fiscal header "Create Incoming Tax Document". The Incoming Tax Document will be a mirror image of the Outgoing Tax Document. Now the postings can be done manually from the command in header "Post Tax Document".

### Automatic creation of Incoming Nota Fiscal

Company flag "Manually process Incoming Nota Fiscal" has to be disabled in Company/Invoice/NF-E compliance tab

When the Outgoing Tax Document is approved by tax authorities, the Incoming Nota Fiscal is created automatically. Once the Incoming Nota Fiscal is manually approved the Incoming Tax Document is created and posted automatically. The Incoming Tax Document will be a mirror image of the Outgoing Tax Document.

**Incoming Tax Document** 222 Preliminary

Post Tax Document Cancel Posting Analysis

Tax Document No	Source Ref Type	Source Reference	Created Date
222	Shipment	1438	2022-08-12

Originating Outgoing Tax Document No  
221

---

**Total Amounts**

Total Net Amount	Total Tax Amount	Total Gross Amount	Currency
15,00000	6,45000	21,45000	BRL

---

**GENERAL** | LINES

Sender		Receiver	
Sender Type	Sender ID	Receiver Type	Receiver ID
Site	HPBR1	Site	HPBR2
Sender Description	Sender Document Address	Receiver Description	Receiver Document Address
HP Brazil Site 1	1	Hp Brazil Site 2	2
Sender Delivery Address	Branch	Receiver Delivery Address	Receiver Delivery Address Name
1		2	
		Single Occurance	

## 19.7 Tax Document with 3rd party external tax system

Brazil country specifics basic data has to be entered to be able to use the Brazil Avalara in the Intracompany goods movement scenario. The specific basic data is defined under: *Brazil Country Solution Document IFS Cloud 22R2 - chapter for Tax Determination via Integration to Brazilian External Tax System*

To use the Brazil external tax system (Avalara) in the intracompany goods movement scenario, first an Outgoing Tax Document has to be created. When an Outgoing Tax Document is available the Brazil specific attributes have to be entered, such as Business Transaction ID on the header and Acquisition Origin, Acquisition Reason, Goods/Services Statistical Code and Business Operation on Tax Document line. Tax calculation structure or Tax codes should not have any value. Once delivering the connected shipment the call to receive taxes from Avalara is done. The Brazil Avalara is then sending calculated taxes back to IFS Cloud and the taxes are calculated on the Outgoing Tax Document. From here the Nota Fiscal process continues as described above.

## 19.8 Postings

### 19.8.1 Outgoing Tax Document

Following basic data are used when posting the Outgoing Tax Document:

- Voucher Type: MPT
- Function Group: LT
- Business Events: ICBS-TAX - Intracompany Tax – Sender

Posting Type	Posting Type Description	Debit/Credit	Control type
M297	Tax Disbursed, Intracompany Part Movements	Credit	AC7 – Tax Code
M298	Counter Posting, Tax Disbursed, Intracompany Part Movements	Debit	AC1 – Fixed Value

### 19.8.2 Incoming Tax Document

Following basic data are used when posting the Incoming Tax Document:

- Voucher Type: MPT
- Function Group: LT
- Business Events: ICBS-TAX - Intracompany Tax – Receiver

Posting Type	Posting Type Description	Debit/Credit	Control type
M300	Counter Posting, Tax Received, Intracompany Part Movements	Credit	AC1 – Fixed Value
M299	Tax Received, Intracompany Part Movements	Debit	AC1 – Fixed Value

In *Tax Document Posting Analysis* page both successful and erroneous postings can be viewed. In case of erroneous postings, when rectified the error the posting can be rerun through command “Post Tax Document” in both Outgoing and Incoming Tax Document.

**Tax Document Posting Analysis** 22 ▾ 1 of 1

« 🗨️ ▾

---

Tax Document No: 22      Sender: HPBR1      Receiver: HPBR2 Outgoing

Currency: BRL      Error: No

---

**Amounts**

Net Amount: 20,00      Tax Amount: 8,60      Gross Amount: 28,60

---

**Posting Information**

☰ ▾ 🗨️ ▾

✓		Voucher No	Voucher Type	Voucher Date	Posting Type	Posting Event	Account	Cost Center	Co
<input type="checkbox"/>	:	2022000002	MPT	2022-01-18	M297	ICBS-TAX	2610		
<input type="checkbox"/>	:	2022000002	MPT	2022-01-18	M298	ICBS-TAX	2699		
<input type="checkbox"/>	:	2022000002	MPT	2022-01-18	M297	ICBS-TAX	2610		
<input type="checkbox"/>	:	2022000002	MPT	2022-01-18	M298	ICBS-TAX	2699		

### 19.9 Handling of Non-deductible Taxes

When moving goods between sites of the same company, if the goods received in the demand site are used for own purpose (meaning demand site cannot take the input tax credit), then inventory cost applicable for the demand site should be increased by the nondeductible tax amount. In Brazil the most common scenario is either the taxes will be 100% deductible or 0% deductible.

## Handling non-deductible taxes for standard cost parts

When handling the standard cost parts in purchasing flow, the non-deductible tax amount is treated as a price difference in invoice matching. New posting types are introduced to handle this difference in supplier invoice matching. Therefore, when handling non-deductible taxes for standard cost parts in intra company goods movements, we need to follow a similar approach. The non-deductible tax amount should be posted separately when generating tax postings for incoming tax document, using a new posting type.

A new posting type needs to be introduced to handle it along with tax document postings. Following new posting type should be created. This will not be connected to a default account and user needs to manually define the required account in posting control page.

Posting Type	Description	Component
M303	Non-Deductible Tax, Intracompany Part Movements	INVENT

Following control types will be enabled.

- AC1 – Fixed Value
- AC7 – Tax Code

## Calculation of non-deductible taxes

In Brazil, when moving goods between sites/RWHs of the same company, the same tax code will be applicable for both sites. Therefore, when creating the tax postings in the demand site, system should check if the applicable tax code has any non-deductible tax percentage. If so, the non-deductible tax should be posted using the above new posting type.

The inventory postings created for the logistics movements will not have any impact. They will be created as it is, and non-deductible tax amount will be posted through the tax postings of incoming tax document. Please see below example for more information.

- Assume parts are moved between two sites of the same company.
- Standard cost of the part in both sites is 100.
- Quantity moved between sites 10.

## 100% Deductible Scenario

- Applicable tax code in both sites 10% and 100% deductible
- Calculated total tax %:  $100 \times 10 \times 10\% = 100$
- Deductible%:  $100 \times 100\% = 100$
- Nondeductible%:  $100 \times 0\% = 0$

## Tax document postings

Supply Site	Outgoing TD		Dr	Cr
		M297		100
		M298	100	

Demand Site	Incoming TD		Dr	Cr
		M299	100	
		M300		100

2610	2699
M297                      100	M298            100    M300                      100
2641	
M299            100	

Since there are no nondeductible taxes involved, nothing to be posted under non-deductible posting type (M303).

0% Deductible Scenario

- Applicable tax code in both sites 10% and 0% deductible
- Calculated total tax %:  $100 \times 10 \times 10\% = 100$
- Deductible%:  $100 \times 0\% = 0$
- Nondeductible%:  $100 \times 100\% = 100$

Tax Document Postings

Supply Site	Outgoing TD		Dr	Cr
		M297		100
		M298	100	

Demand Site	Incoming TD		Dr	Cr
		M303	100	
		M300		100

2610	2699
M297                      100	M298            100    M300                      100
Acc XXXX	
M303            100	

Since the taxes are 100% nondeductible, the full nondeductible tax amount is posted against M303 under incoming tax document in demand site.

## Handling of Multiple Taxes

The above examples are mainly for the basic scenario where you have a single tax code. But the most practical scenario would be to have multiple tax codes (tax structures) with different deductible tax percentages in each of them. Below example explains how the postings should be created for multiple tax scenarios.

- Assume parts are moved between two sites of the same company.
- Standard cost of the part in both sites is 100.
- Quantity moved between sites 10.

Tax Structure used in the goods movement has the following tax codes:

- Tax code1 - 10% and 40% deductible
- Tax code2 – 20% and 100% deductible
- Tax code3 – 15% and 0% deductible

Taxes will be calculated as follows for the above tax codes.

Tax Code	Tax Base Amount	Total Tax Amount	Deductible Amount	Nondeductible Amount
Tax code1 - 10% & 40% deductible	100 x 10 = 1000	1000 x 10% = 100	100 x 40% = 40	100 x 60% = 60
Tax code2 – 20% & 100% deductible	100 x 10 = 1000	1000 x 20% = 200	200 x 100% = 200	200 x 0% = 0
Tax code3 – 15% & 0% deductible	100 x 10 = 1000	1000 x 15% = 150	150 x 0% = 0	150 x 100% = 150

### Tax Document Postings

Supply Site	Outgoing TD		Dr	Cr
		M297		100
		M298	100	
		M297		200
		M298	200	
		M297		150
		M298	150	

Demand Site	Incoming TD		Dr	Cr
		M299	40	
		M303	60	
		M300		100
		M299	200	
		M300		200
		M303	150	
		M300		150

2610			2699			
M297	100		M298	100	M300	100
M297	200		M298	200	M300	200
M297	150		M298	150	M300	150

Acc XXXX			2641			
M303	60		M299	40		
M303	150		M299	200		

\*\*\*Even though two sites have different standard costs, still the taxes and nondeductible taxes should be calculated based on the cost in supply site. This is because when goods are sent from the supply site, it's the supply site cost that should be considered as the applicable price/cost for the demand site.

### **Handling of non-deductible taxes for weighted average/FIFO/LIFO parts**

For the weighted average/FIFO/LIFO parts, the non-deductible tax amount should be absorbed as a part of inventory cost for the demand site. Therefore, it was decided to add the nondeductible tax amount to the INTORDTR transaction created against the demand site at the point of delivering the goods from the supply site. When calculating the new WA cost applicable for the demand site it will automatically consider the non-deductible tax portion which is already absorbed into INTORDTR transaction.

A new posting type needs to be introduced to handle it along with tax document postings. Following new posting type should be created. This will not be connected to a default account and user needs to manually define the required account in posting control page.

Posting Type	Description	Component
M304	Non-Deductible Tax, Order Transit	INVENT

Following control types will be enabled.

- AC1 – Fixed Value
- AC7 – Tax Code

This is how the posting should be created in WA scenario.

Example:

- Assume parts are moved between two sites of the same company.
- WA cost of the part in Supply sites is 100.
- Quantity moved between sites 10.
- WA cost of the part in demand site is 200 and existing qty in demand site is 10.
- Applicable tax code in both sites 10% and 40% deductible
  - Calculated total tax %:  $100 \times 10 \times 10\% = 100$
  - Deductible%:  $100 \times 40\% = 40$
  - Nondeductible%:  $100 \times 60\% = 60$



**Created inventory transactions:**

**T Accounting**

Supply Site	SHIPODSIT- - Deliver Shipment Order to a site in the same company		Dr	Cr
		M4	1000	
		M1		1000

Demand Site	INTORDTR - Move to Internal Order Transit due to Issue *** This is how it will work after handling the ND tax		Dr	Cr
		M3	1060	
		M4		1060
		M4	60	
		M156		60

New weighted average applicable to the demand site =  $(1060 + (200 \times 10))/20 =$

153

Total amount to be posted =  $153 \times 10 = 1530$

Demand Site	SHIPODSIT+ - Receive Shipment Order from a site in the same company		Dr	Cr
		M1	1530	
		M3		1530

		1400	
		M1	1000
M3	1060		
M1	1530	M3	1530
	2590		2530

		1405	
M4	1000		
		M4	1060
M4	60		
	1060		1060

\*\*\* Inventory value increased by 60 (2590 – 2530)

	M156	60
--	------	----

**Tax Document Postings**

Supply Site	Outgoing TD		Dr	Cr
		M297		100
		M298	100	

Demand Site	Incoming TD		Dr	Cr
		M299	40	
		M300		40
		M304	60	
		M300		60

2610		2699	
M297	100	M298	100
		M300	40
		M300	60
		2641	
M299	40		
		XXXX	
M304	60		

### Handling of Different Scenarios

The goods movement using shipment order can be done for lot of different scenarios like Site to Site, Site to RWH, RWH to RWH etc. But the non-deductible tax handling should be done only for the goods movements done between two sites. This means only for the scenarios where the following set of transactions are created.

- Supply Site: SHIPODSIT- - Deliver Shipment Order to a site in the same company.
- Demand Site: INTORDTR - Move to Internal Order Transit due to Issue.
- Demand Site: SHIPODSIT+ - Receive Shipment Order from a site in the same company.

Few example scenarios where the above transactions are created:

- Movement between two sites of the same company
- Movement from a site to a RWH of another site of the same company
- Movement between two RWHs of two sites of the same company

Apart from above scenarios, all the other scenarios are similar to goods movement between two locations of the same site, and non-deductible taxes need not to be calculated for such scenarios.

## 19.10 Delimitations

- Manual entering of multiple tax codes in Outgoing Tax Document tax dialog are not supported in this release, only single tax code, tax calculation structure or Brazil Avalara tax integration.
- The following responses from tax authorities are not supported in this release:

NF Transaction	Nota Fiscal Status	Outgoing Tax Document Status	Shipment Status
Request to cancel the approved Nfe (Means Tax Document is Posted when sending the Request) - Response Status code 135	Cancelled	Cancelled (Posted Tax Document)	Completed (next step: Deliver)
Response Recieved Status code 999, 155 etc	Error	Preliminary 1. Rectify the error and re-send the Nfe from Nota Fiscal (use same Nfe no)  2. a) Send a Void Request from a Nota Fiscal b) Approved void Request, cancel the preliminary tax document	1. Completed  2. a) send a void request = Completed or closed (step: Delivered) b) Approved void request = Completed (next step: Deliver)

## 20 Incoming Nota Fiscal

### 20.1 Overview Legal Requirement

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

The Nota Fiscal 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 Nota Fiscal number and Nota Fiscal 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.

### 20.2 Process Overview

Incoming Nota Fiscal could be received to IFS Cloud in two ways,

- a. Receive Incoming Nota Fiscal Automatically (NF-e) – Using External Supplier Invoice Flow

IFS Cloud core *External Supplier Invoice* flow is used to upload the received Incoming Nota Fiscal XML file (NF-e). Once uploaded by using the IFS Cloud core functionalities, Incoming Nota Fiscal could be created automatically.

- b. Enter Incoming Nota Fiscal Manually – Using Incoming Nota Fiscal Page

User can enter an Incoming Nota Fiscal based on the DANFe document received from the supplier together with the goods using Incoming Nota Fiscal page.

Once the Incoming Nota Fiscal is created, user can create Manual Supplier Invoice & Approve the Incoming Nota Fiscal.

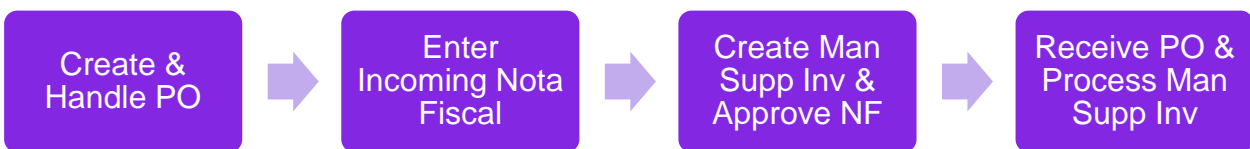
Finally, user can create the inventory transactions related to the goods receipt and process Manual Supplier Invoice.

**Note:** User can also create the inventory transactions related to the goods receipt before creating the Manual Supplier Invoice or Incoming Nota Fiscal depending on the requirement.

### 20.2.1 Receive Incoming Nota Fiscal Automatically (NF-e) – Using External Supplier Invoice Flow

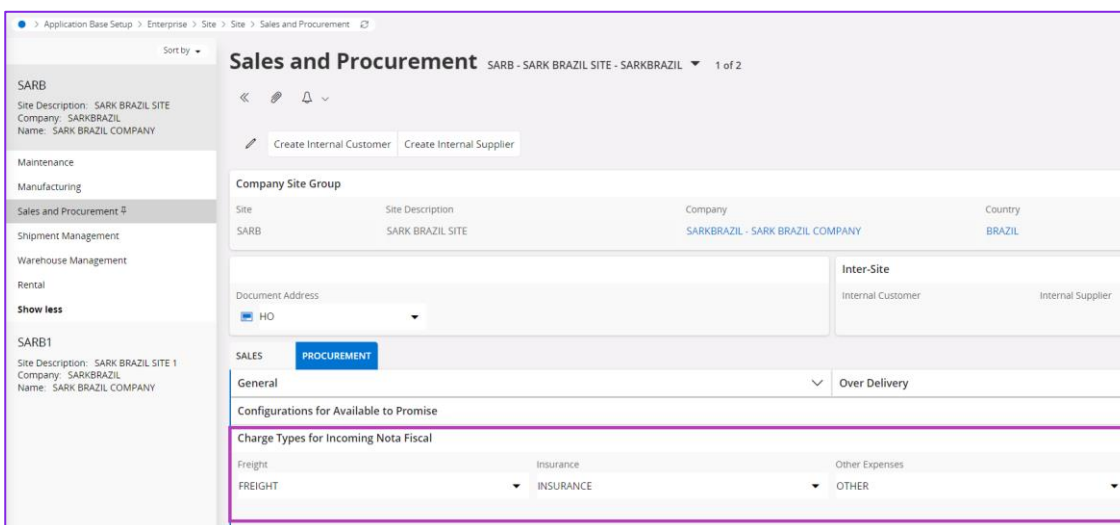


### 20.2.2 Enter Incoming Nota Fiscal Manually (DANFE) – Using Incoming Nota Fiscal Page



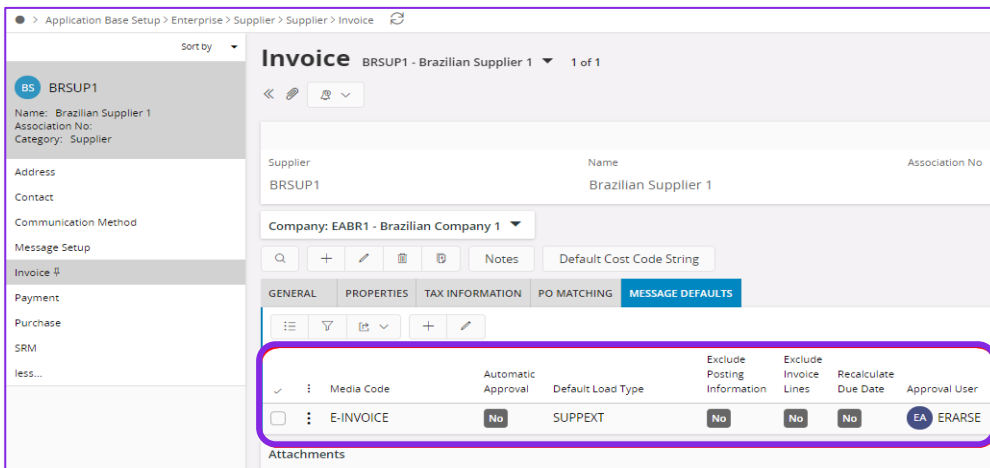
## 20.3 Prerequisites

- The company must be set-up to use Brazilian localization, see the Company Set-Up chapter and the “Incoming Nota Fiscal” 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.
- Create Purchase Charge types related for Freight, Insurance & Other Expenses using standard functionality and select them in Application Base Setup/Enterprise/Site/Site/Sales and Procurement/Procurement tab.

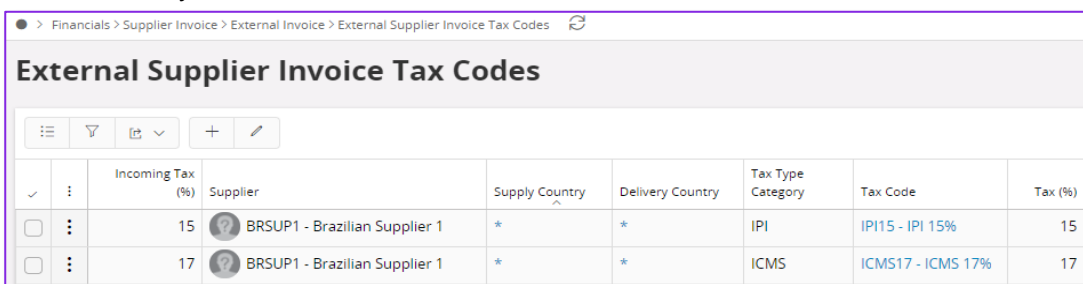


The screenshot shows the 'Sales and Procurement' configuration page for SARB - SARK BRAZIL SITE - SARKBRAZIL. The 'Charge Types for Incoming Nota Fiscal' section is highlighted with a red box. It contains three dropdown menus: 'Freight' (FREIGHT), 'Insurance' (INSURANCE), and 'Other Expenses' (OTHER).

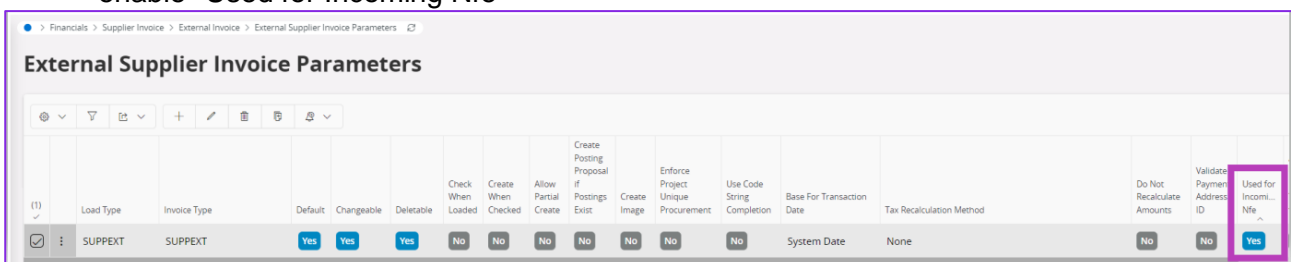
- Media Code “E-INVOICE” and Default Load Type “SUPPEXT” must be set up on the Supplier in page Application Base Setup/Enterprise/Supplier/Supplier/Invoice, tab “Message Defaults”. This set-up is defined per Company ID.



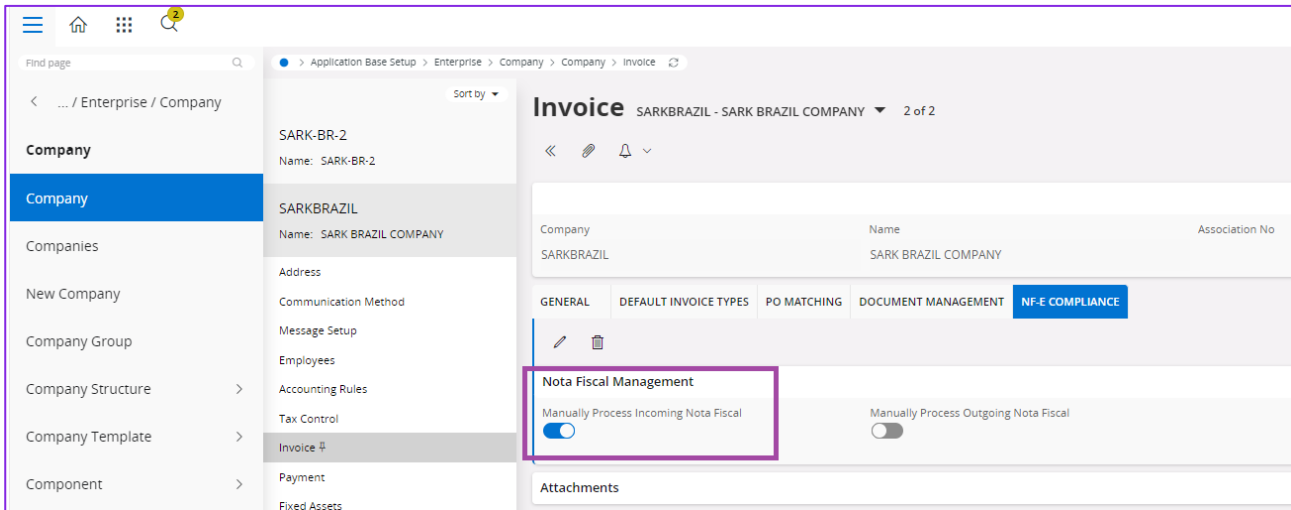
- The core functionality *External Supplier Invoice Tax Codes* must be defined and make sure that the correct Tax Type Category is connected with each tax code. In this page the Brazilian tax types categories have been added. Enter "\*" for both Supply and Delivery Country.



- Go to Financials/Supplier Invoice/External Invoice/External Supplier Invoice Parameters & enable "Used for Incoming Nfe"



- Enable/Disable the "Manually Process Incoming Nota Fiscal" toggle in Application Base Setup/Enterprise/Company/Company/Invoice/NF-E COMPLIANCE tab.



## 20.4 Receive Incoming Nota Fiscal Automatically (NF-e) – Using External Supplier Invoice Flow

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

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

### 20.4.1 Create and Handle Purchase Order

Follow the normal process to enter a purchase order but with the addition to include the Brazil attributes needed as described in this document. Inventory purchase parts are added in the *Procurement/Order/Purchase Order* page. Release and confirm purchase order with the Brazilian specific taxes either manually entered or fetched from Avalara in the PO lines.

### 20.4.2 Receive Incoming NF-e XML file and create the Incoming Nota Fiscal

Use IFS Core External Supplier Invoice flow to load the incoming NF-e XML and create the NFe using “Create Nota Fiscal” command.

#### 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>21816476000175</CNPJ>
```

b) Company CNPJ No

```
<dest>
  <CNPJ>45504618000127</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.

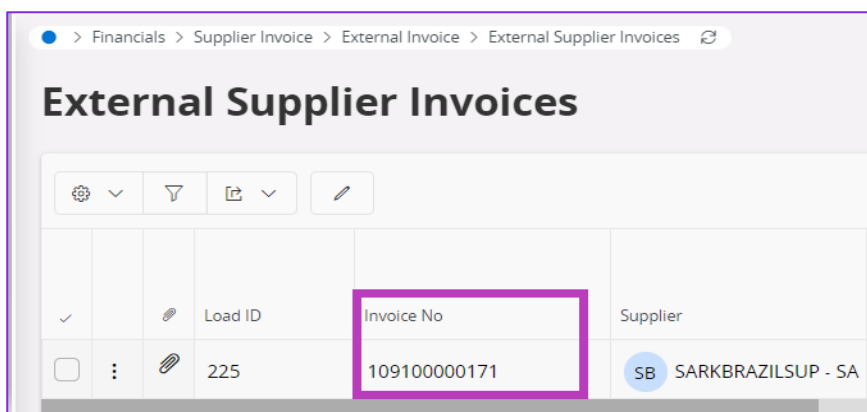
### Nota Fiscal No as Supplier Invoice No

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

Below is the tag containing the Nota Fiscal No,

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

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



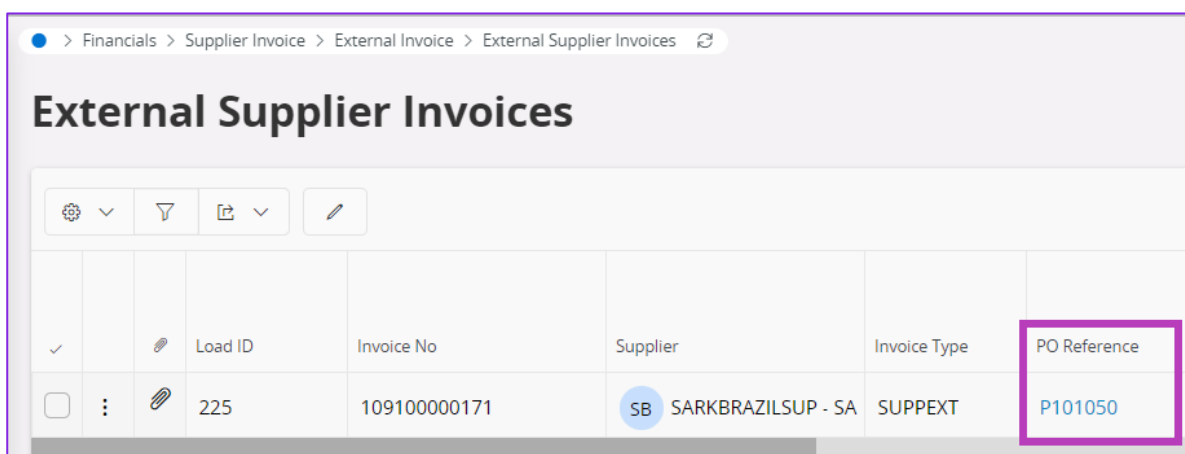
The screenshot shows the 'External Supplier Invoices' table in IFS. The 'Invoice No' column for the first row is highlighted with a red box, showing the value '109100000171'. The 'Supplier' column shows 'SB SARKBRAZILSUP - SA'.

	Load ID	Invoice No	Supplier
225	109100000171	SB SARKBRAZILSUP - SA	

### 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 Nota Fiscal is visible.



The screenshot shows the 'External Supplier Invoices' table in IFS. The 'PO Reference' column for the first row is highlighted with a red box, showing the value 'P101050'. The 'Supplier' column shows 'SB SARKBRAZILSUP - SA' and the 'Invoice Type' is 'SUPPEXT'.

Load ID	Invoice No	Supplier	Invoice Type	PO Reference
225	109100000171	SB SARKBRAZILSUP - SA	SUPPEXT	P101050



## Nota Fiscal Line information as Supplier Invoice Lines

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

```

<det nItem="1">
  <prod>
    <cProd>SARKBRPART1</cProd>
    <cEAN>SEM GTIN</cEAN>
    <xProd>BR-Inventory Part</xProd>
    <NCM>24012020</NCM>
    <CEST>0105700</CEST>
    <EXTIPI/>
    <CFOP>6101</CFOP>
    <uCom>pcs</uCom>
    <qCom>1.0000</qCom>
    <vUnCom>118.32</vUnCom>
    <vProd>118.32</vProd>
    <cEANtrib>SEM GTIN</cEANtrib>
    <uTrib>pcs</uTrib>
    <qTrib>1.0000</qTrib>
    <vUnTrib>118.32</vUnTrib>
    <vFrete>10.00</vFrete>
    <vSeg>5.00</vSeg>
    <vOutro>5.00</vOutro>
    <indTot>1</indTot>
    <xPed>P100753</xPed>
  </prod>
  <imposto>

```

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

### External Supplier Invoice Line Information 33 - S09S00000003 - SUPPEXT

Load ID: 33 | Invoice No: S09S00000003 | Invoice Type: SUPPEXT | Supplier: DU:BR:SUP:1 - DU:BR:SUP:1 | Invoice Load Status: 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
1					100.00	21.11		21.11
2					100.00	21.11		21.11

Charge lines can be sepetated using the Charge Line toggle in line level.

#### External Supplier Invoice Lines

Line ID	Income Type Identity	Delivery Type	Tax Code	Tax (%)	Net Amount	Tax Amount	Charge Line
1					100.00	59.82	No
10001					10.00	0.00	Yes
10002					5.00	0.00	Yes
10003					5.00	0.00	Yes

## Nota Fiscal Tax information as Supplier Invoice Tax Lines

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

```

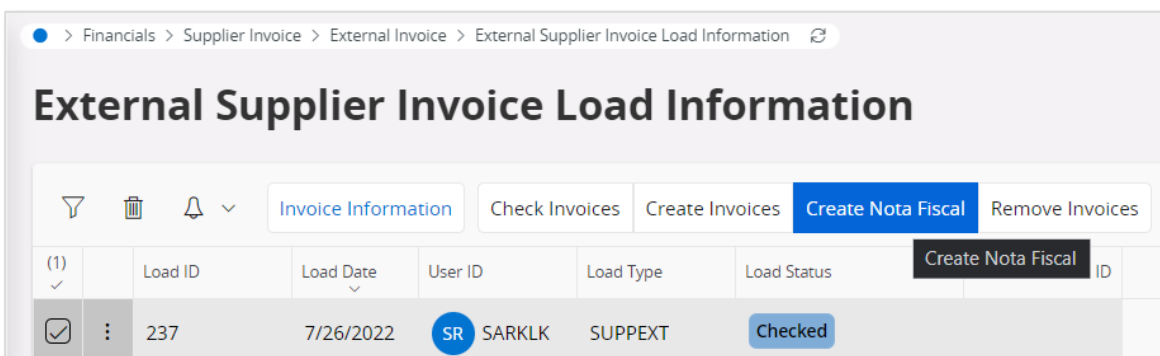
26 |         </prod>
27 |         <imposto>
28 |             <vTotTrib>21.11</vTotTrib>
29 |             <ICMS>
30 |                 <ICMS00>
31 |                     <pICMS>10</pICMS>
32 |                     <vICMS>11.11</vICMS>
33 |                 </ICMS00>
34 |             </ICMS>
35 |             <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 Nota Fiscal is inserted into the *External Supplier invoice Tax Information* page as separate tax lines.

## Create Incoming Nota Fiscal using External Supplier Invoice

- Go to *Financials/Supplier Invoice/External Invoice/External Supplier Invoice Load Information* and select the command “Create Nota Fiscal”.



- View Incoming Nota Fiscal

Financials > Supplier Invoice > External Invoice > External Supplier Invoice Load Information

## External Supplier Invoice Load Information

Invoice Information **View Incoming Nota Fiscal** Remove Invoices

(1) ✓	Load ID	Load Date	User ID	Load Type	Load Status	Load File ID
☑	237	7/26/2022	SR SARKLK	SUPPEXT	Created	

**Document Type**  
Document Type  
Nota Fiscal

Sender		Receiver	
Supplier SARKBRAZILSUP - SARK BRAZIL SUPPLIER		Company SARKBRAZIL - SARK BRAZIL COMPANY	

Nota Fiscal Series 009	Nota Fiscal No 000010304	Invoice Date 8/30/2022	Object Type Manual Supplier Invoice
Object Reference	Object Reference Status	Payment Terms 10	Currency Code BRL
Nota Fiscal Text IPI Decreto nº 11.158/22, Artigo 1º, Anexos I, II, III, IV/IS/COFINS Lei nº 10.637/2002, Artigo 2º/IS/COFINS Lei nº 10.833/2003, Artigo 2º			
Business Transaction ID	PO Reference P100627	Site SARB	

**Amounts**

Gross Amount	Net Amount	Tax Amount
179.82	120.00	59.82

**Charge Amounts**

Freight	Insurance	Other Expenses
10.00	5.00	5.00

**LINES** ADDRESS GENERAL

Line ID	Tax Code	Tax Calculation Structure	Part No/Charge Type	Description	Multiple Tax	Gross Curr Amount	Net Amount	Charge Line	Tax Amount	Tax Amount in Accounting Currency	Tax Amount in Parallel Currency	Alt Object Ref2
1		BR-TCS-1 - BR-TCS-1	SARKBRPART1	BR-Inventory Part	Yes	159.82	100.00	No	59.82	59.82	29.91	1
2		BR-TCS-1 - BR-TCS-1	FREIGHT	Freight Charges	No	10.00	10.00	Yes	0.00	0.00	0.00	
3		BR-TCS-1 - BR-TCS-1	INSURANCE	Insurance Charges	No	5.00	5.00	Yes	0.00	0.00	0.00	
4		BR-TCS-1 - BR-TCS-1	OTHER	Other Costs	No	5.00	5.00	Yes	0.00	0.00	0.00	

- Create Manual Supplier Invoice

Financials > Financial e-Reporting > Incoming Nota Fiscal

Sort by

63  
Nota Fiscal Series: 109  
Nota Fiscal No: 100000177  
Initiated

## Incoming Nota Fiscal - 109100000177

1 of 1

Cancel **Create Manual Supplier Invoice**

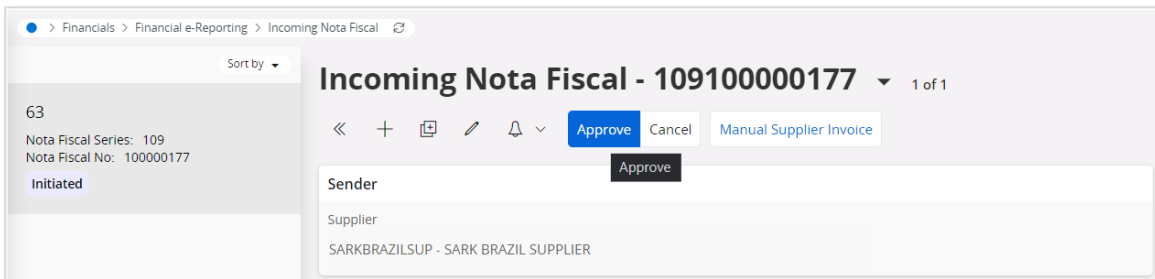
**Sender**  
Supplier  
SARKBRAZILSUP - SARK BRAZIL SUPPLIER

**Receiver Group**  
Company  
SARKBRAZIL - SARK BRAZIL CO

Nota Fiscal Series 109	Nota Fiscal No 100000177	Invoice Date 12/8/2020
---------------------------	-----------------------------	---------------------------

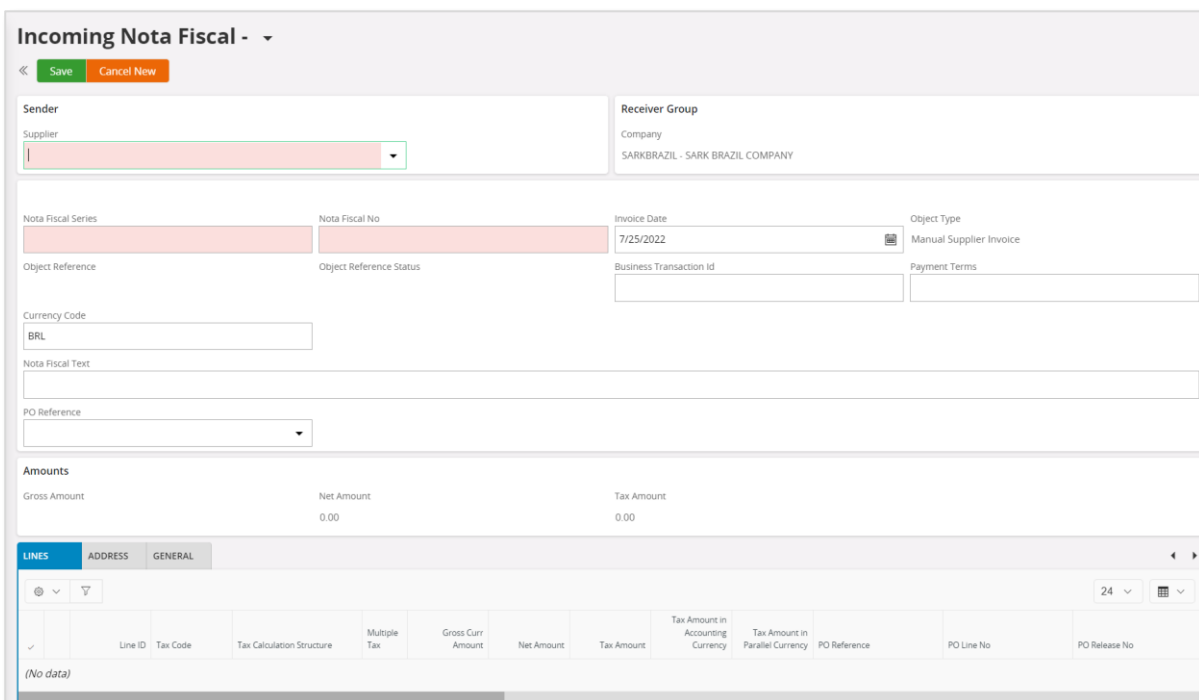
Note: Manual Supplier Invoice will create automatically when creating the Incoming Nota Fiscal, if user disables the "Manually Process Incoming Nota Fiscal" toggle in Application Base Setup/Enterprise/Company/Company/Invoice/NF-E COMPLIANCE tab

- Approve Nota Fiscal



## 20.5 Enter Incoming Nota Fiscal Manually (DANFe) – Using Incoming Nota Fiscal Page

Create Incoming Nota Fiscal manually using *Financials/Financial e-Reporting/Incoming Nota Fiscal* page. For this purpose, you can use DANFE document received with goods.



- Ensure the Purchase Order number (or numbers) is referenced in field **PO Reference**.
- Columns **Goods/Services Statistical Codes**, **Business Operation** and **Acquisition Origin** are available also on the line level.

Create Manual Supplier Invoice using the command "Create Manual Supplier Invoice".

Financials > Financial e-Reporting > Incoming Nota Fiscal

Sort by

**Incoming Nota Fiscal - 109100000177** 1 of 1

63  
Nota Fiscal Series: 109  
Nota Fiscal No: 100000177  
Initiated

Cancel Create Manual Supplier Invoice

Sender

Supplier  
SARKBRAZILSUP - SARK BRAZIL SUPPLIER

Receiver Group

Company  
SARKBRAZIL - SARK BRAZIL CC

Nota Fiscal Series	Nota Fiscal No	Invoice Date
109	100000177	12/8/2020

Approve the Nota Fiscal.

Financials > Financial e-Reporting > Incoming Nota Fiscal

Sort by

**Incoming Nota Fiscal - 109100000177** 1 of 1

63  
Nota Fiscal Series: 109  
Nota Fiscal No: 100000177  
Initiated

Approve Cancel Manual Supplier Invoice

Sender

Supplier  
SARKBRAZILSUP - SARK BRAZIL SUPPLIER

## 20.6 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 Nota Fiscal number is entered as Receipt Reference.

Receive

Received By  
EA ERARSE

Receipt Reference  
1/300777

Actual Delivery Date  
2020-06-08 00:00

Packing Details

Handling Unit Type ID

Print

Print Barcodes  Print Arrival Report  Print Serviceability Tag

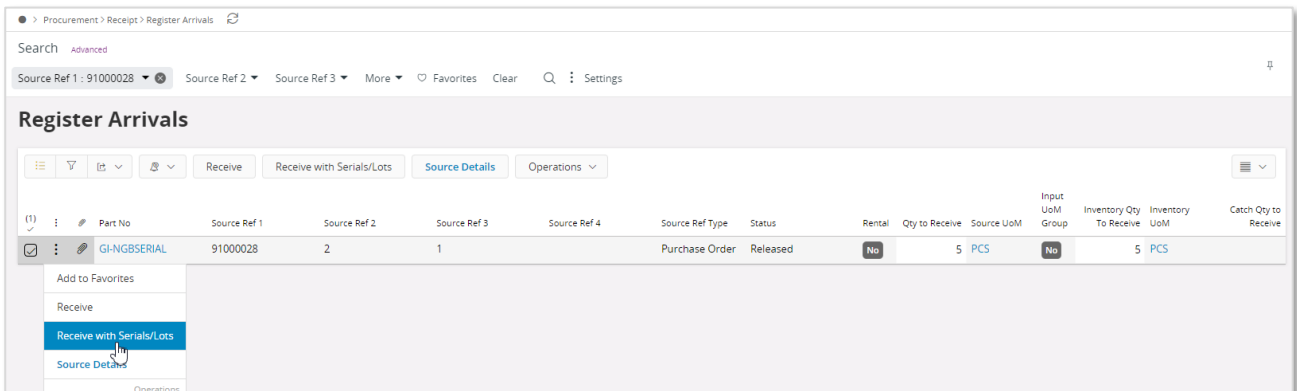
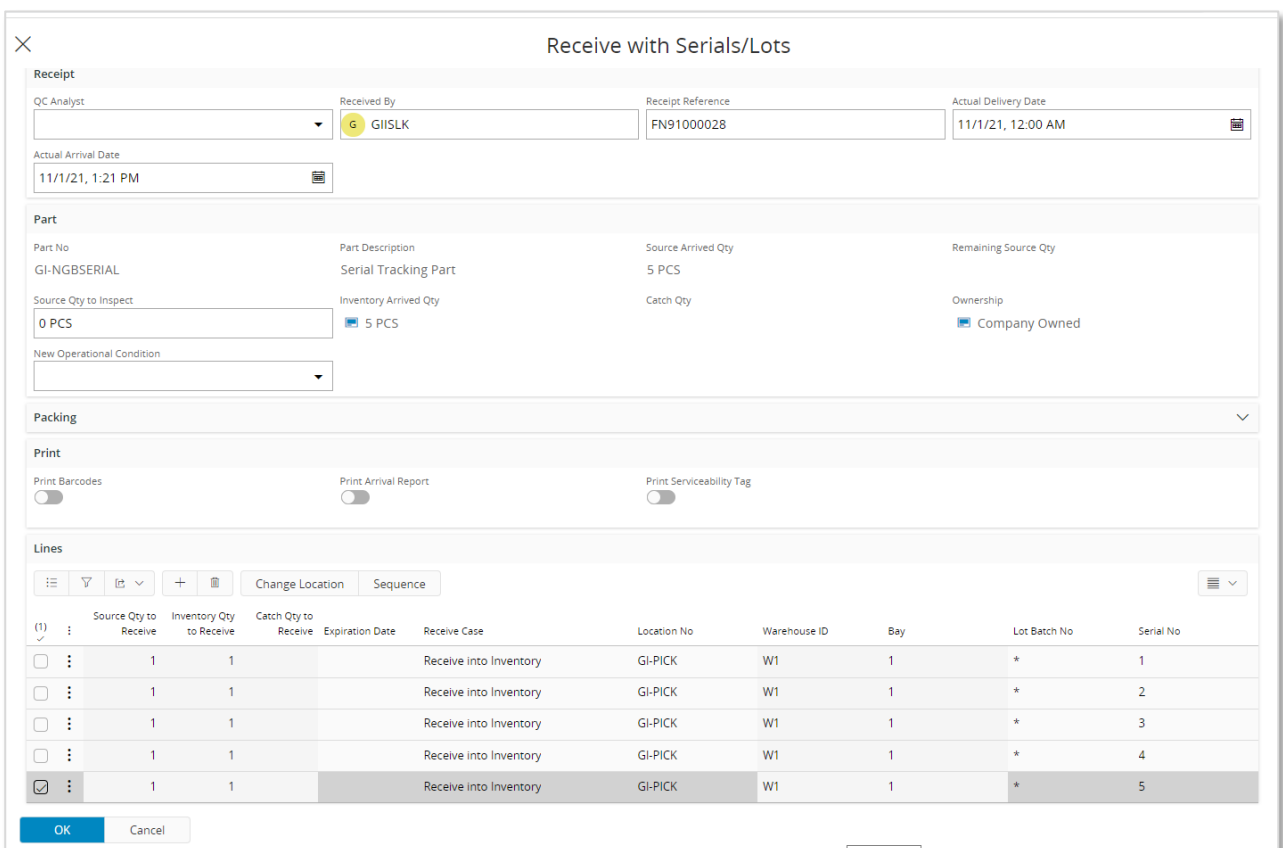
Source Ref 1	Source Ref 2	Source Ref 3	Site	Part No	Part Description	Qty to Receive	Source UoM	Qty to Inspect	Receive Case
D555051	1	1	BR1	165	Remote con	1	pcs	0	Receive into Arrival

OK Cancel

The goods arrival can also be registered before the Manual Supplier Invoice is created using IFS standard functions “Register Arrival” and via “Incoming Dispatch Advice”. Enter the Nota Fiscal number as Receipt Reference. Then create the Manual Supplier Invoice and match to the PO receipt.

Receive with Serials/Lots can be handled with the existing core functionality.

### Receipt Serials/Lots via Generic receipt

## Receipt Serials/Lots via Incoming Dispatch Advice

**Incoming Dispatch Advice** FN91000030 - 501 - GI-BRSUP Partially Arrived

Delivery Note No: FN91000030 | Alt Delivery Note No: | Message ID: 501 | Reference No: |  
 Message Type: Per Dispatch | Actual Ship Date: 11/1/21, 12:00 AM | Sender ID: BS - GI-BRSUP | **Manually Created**  
 Delivery Note Created: | Received Date: | Created Date: 11/1/21, 2:24 PM

**Delivery Information**

Forwarder: | External Transport Lead Time: | Shipping Document ID: |  
 Ship Via: | Delivery Terms: | Del Terms Location: |  
 Receiver Address: | [Open Map](#)

**Notes**

Shipment Note: |  
 Label Note: |

**PART LINES** | AVAILABLE SOURCE LINES

Receive | Receive with Serials/Lots | Cancel | [Source Details](#)

(1)	Source Ref 1	Source Ref 2	Source Ref 3	Source Ref 4	Source Ref Type	Part No	Description	Sender Handling Unit ID	Handling Unit ID	Alt Handling Unit Label	SSCC	Dispatch Source Qty	Status	Order Line Match
<input type="checkbox"/>			1		Purchase Order	GI-NGBSERIAL	Serial Tracking Part					4	Arrived	Yes
<input checked="" type="checkbox"/>			1		Purchase Order	GI-LOT	Lot Tracking Part					5	Created	Yes

[Add to Favorites](#)  
[Receive](#)  
[Receive with Serials/Lots](#)

## Receipt Serials/Lots via Supplier Invoice

**Manual Supplier Invoice** SX - S095000000024 1 of 1 Preliminary

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

PO Reference: D555077 | Receipt Reference: | Sub Contract Reference: | Invoice Advice Reference: | Project ID: | Supplier: BS - GI-BRSUP - Brazilian Supplier

Invoice Type: SUPPEXT | Reference Series: SX | Invoice No: S095000000024 | Currency: BRL | Currency Rate: 1 | Invoice Date: 11/1/2021 | Arrival Date: 11/1/2021

Pay Term Base Date: 11/1/2021 | Payment Terms: 0 - Due Immediately | Due Date: 11/1/2021 | Plan Pay Date: 11/1/2021 | Payment Reference: | Voucher Type Reference: | Voucher No Reference: |

Authorizer ID: \* | Notes: No | Advance Invoice: No | Period Allocation: No | Pre-posting: No | Received Attachments: No | On Hold Installment: No | Posting Proposal: No

Gross Amount: 188.24 | Net Amount: 128.00 | Tax Amount: 60.24

**Line Information**

Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Amount	Cost Amount
188.24	128.00	60.24	0.00	128.00

**Lines**

Match PO Receipts Per Line | Price Adjustment Purchase Per Line | Receive | [Receive With Serials/Lots](#) | Tax Lines

(1)	PO Reference	Receipt Reference	PO Line No	PO Release No	Quantity	Supplier Part No	Line ID	Delivery Type	Income Type Identity	Tax Code
<input checked="" type="checkbox"/>	D555077		1	1	4		1			

[Receive With Serials/Lots](#)

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

**Inventory Transactions History**

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

## 20.7 Post Invoice

Follow the IFS standard process to post the invoice.

## 20.8 Delimitations

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



## 21 Incoming Nota Fiscal – Customer Returns for credit

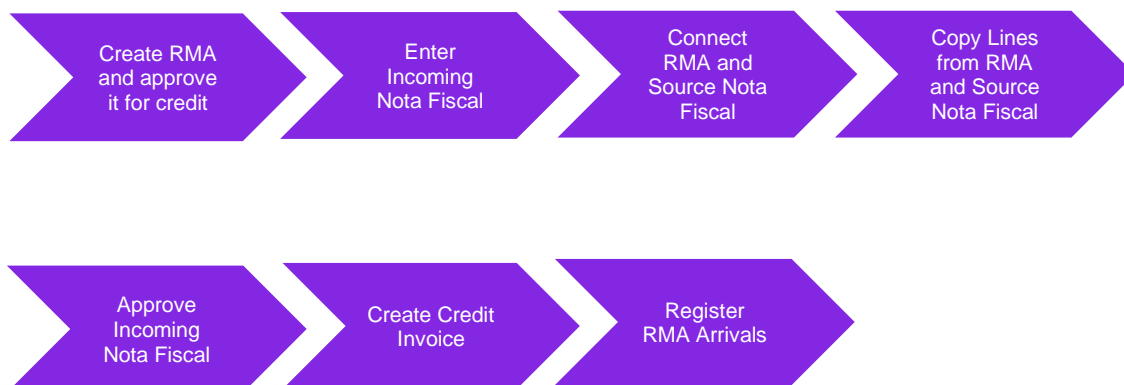
### 21.1 Overview Legal Requirement

Brazilian government requires that companies issue an accompanying Nota Fiscal whenever the goods are moved between different taxpayer units. When the customer return purchased goods to the company, an outgoing Nota Fiscal must be issued by the customer to accompany the returned goods and this Nota Fiscal must be received as incoming Nota Fiscal by the company.

When receiving an Incoming Nota Fiscal from Customer Returns transaction, following rules must be adhered:

- In Brazil, you can only process a return once the preceding outgoing nota fiscal has been authorized in Tax Authority system.
- The customer return *nota fiscal* must be based on the company's original *nota fiscal*. If merchandise is fully returned, the Incoming *nota fiscal* amounts must be identical to the company's original *nota fiscal*.
- If merchandise is partially returned, the incoming *nota fiscal* amounts must be proportional to the company's original *nota fiscal*.
- The tax rates and costs must be returned in the same amounts as those amounts that were used in the company's original *nota fiscal*.
- The customer return *nota fiscal* issued by the customer is always related to one outgoing Nota Fiscal previously issued by the Company, according to Brazilian guideline for NF-e.

### 21.2 Process Overview



### 21.3 Prerequisites

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

### 21.4 Prepare RMA for items to return from Customer

Use IFS Cloud generic functionality to create Return Material Authorization for the Customer Orders on which goods to be returned were delivered with Outgoing Nota Fiscal issued.

Make sure the items and quantities in Return Material Authorization lines match the lines and quantities informed by customer in the incoming customer return Nota Fiscal to be received.

The Tax Lines in Return Material Authorization are copied from Customer Order Tax Lines. In case of partial returns, the taxes amounts will be prorated according to the quantity selected for return.

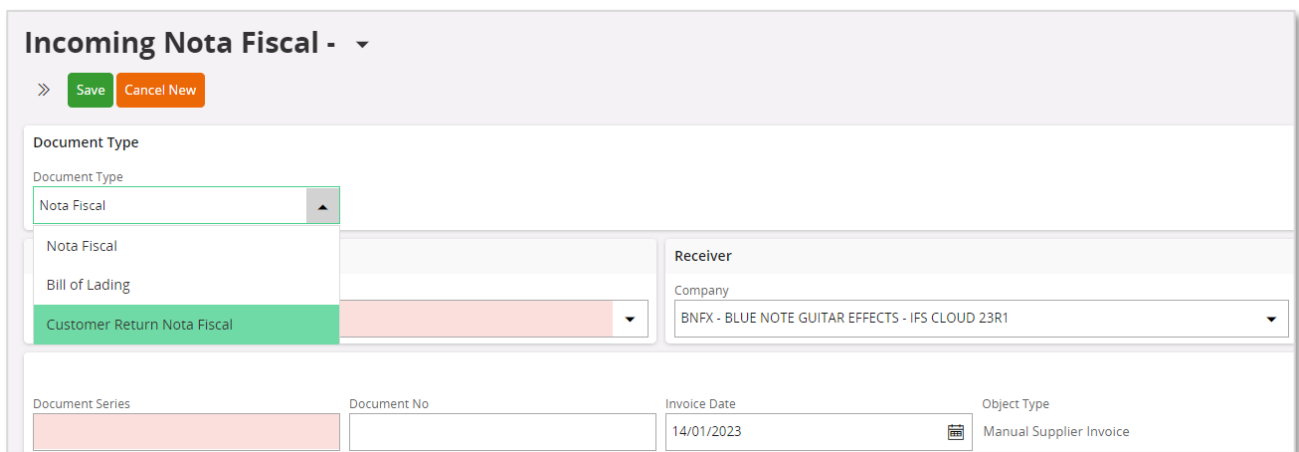
Once the Return Material Authorization is created, release it and approve it for credit.

## 21.5 Receive Incoming Nota Fiscal

### 21.5.1 Create Incoming Customer Return Nota Fiscal Manually

Create the incoming Nota Fiscal manually using *Financials/Financial e-Reporting/Incoming Nota Fiscal* page. For this purpose, you can use DANFe document received.

Select the “Document Type” as Customer Return Nota Fiscal.



**Incoming Nota Fiscal -**

>> **Save** **Cancel New**

**Document Type**

Document Type

Nota Fiscal

Nota Fiscal

Bill of Lading

Customer Return Nota Fiscal

**Receiver**

Company

BNFX - BLUE NOTE GUITAR EFFECTS - IFS CLOUD 23R1

Document Series

Document No

Invoice Date

14/01/2023

Object Type

Manual Supplier Invoice

Enter the Nota Fiscal number in the field **Document No**, Nota Fiscal Series in the field **Document Series** and then fill all the relevant data from DANFe.

<b>Document Type</b>			
Document Type Customer Return Nota Fiscal			
<b>Sender</b>		<b>Receiver</b>	
Customer RCA CUST - NF-E EMITIDA EM AMBIENTE DE HOMOLOGACAO - SEM VALOR FISCAL		Company BNFX - BLUE NOTE GUITAR EFFECTS - IFS CLOUD 23R1	
Document Series	Document No	Invoice Date	Object Type
1	123435	12/01/2023	Customer Credit Invoice
Object Reference	Object Reference Status	Payment Terms	Currency Code
204288	Preliminary	10	BRL
Document Text			
Business Transaction ID	Source Reference1	Site	
		SP01	
<b>Amounts</b>			
Gross Amount	Net Amount	Tax Amount	
412,37	300,00	112,37	
<b>Charge Amounts</b>			
Freight	Insurance	Other Expenses	
0,00	0,00	0,00	

### 21.5.2 Copy RMA and Outgoing Nota Fiscal Source Items

Once the Nota Fiscal header is saved, enter the Return Material Authorization previously created and approved for credit in the field **Source Reference1**:

Document Text		
Business Transaction ID	Source Reference1	Site
501		SP01
<b>Amounts</b>	Q Find	Clear
Gross Amount	200797 (RMA No)	Tax Amount
412,37	Released (Status)	112,37
<b>Charge Amounts</b>	200145	Other Expenses
Freight	Released	0,00
0,00	200146	
	Released	

In the Nota Fiscal Source List, enter the Nota Fiscal ID issued from Customer Order, on which goods returned were originally delivered and save the record:

**Nota Fiscal Source List**

Filter icon | Settings | Print | 24 | Menu

✓	Nota Fiscal ID	Status
<input type="checkbox"/>	98	Approved

Select command button “Copy Lines from RMA and Outgoing Nota Fiscal” in the page header. The items of Source Nota Fiscal informed, for which RMA lines are created and approved for credit, are fetched into Incoming Nota Fiscal:

**Incoming Nota Fiscal - 11615** Initiated

Document Type

Sender  Receiver

...

Amounts

Charge Amounts

Nota Fiscal Source List

**LINES** ADDRESS GENERAL

Filter icon | + | Edit | Settings | Print | 24 | Grid

✓	Line ID	Part No/Charge Type	Description	Quantity	BR Unit Price	Sales Unit Measure	Net Amount	Tax Code	Tax Calculation Structure
<input type="checkbox"/>	1	F060200	Smoking Blues Reverb	1		pcs	300,00		
<input type="checkbox"/>	2	F060200	Smoking Blues Reverb	1		pcs	300,00		

The Tax lines in the Incoming Nota Fiscal are copied from Return Material Authorization Tax Lines.

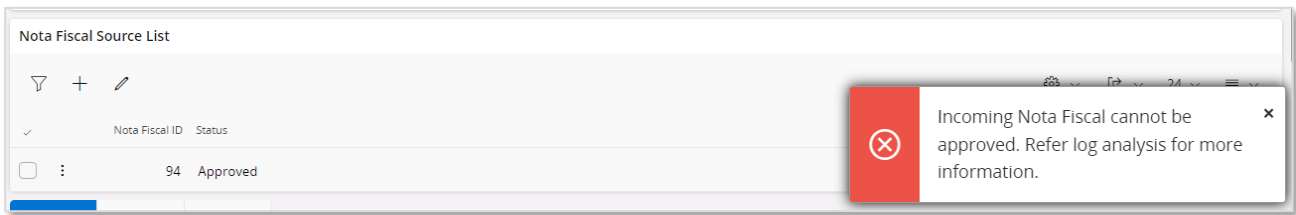
### 21.5.3 Approve Incoming Nota Fiscal

Select command button “Approve” in the page header:

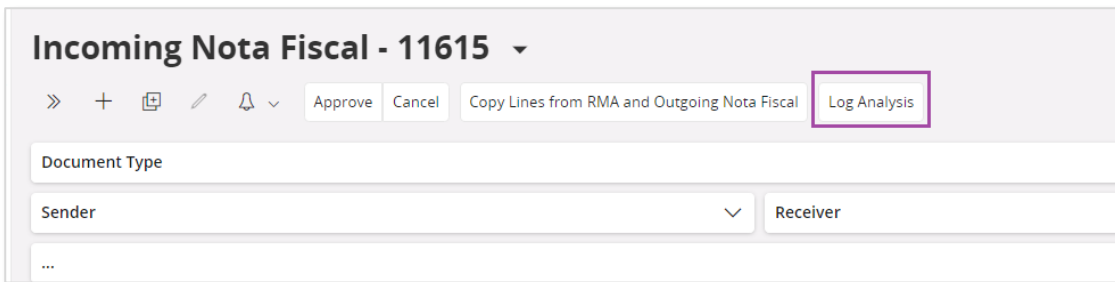
**Incoming Nota Fiscal - 11615** v

Document Type

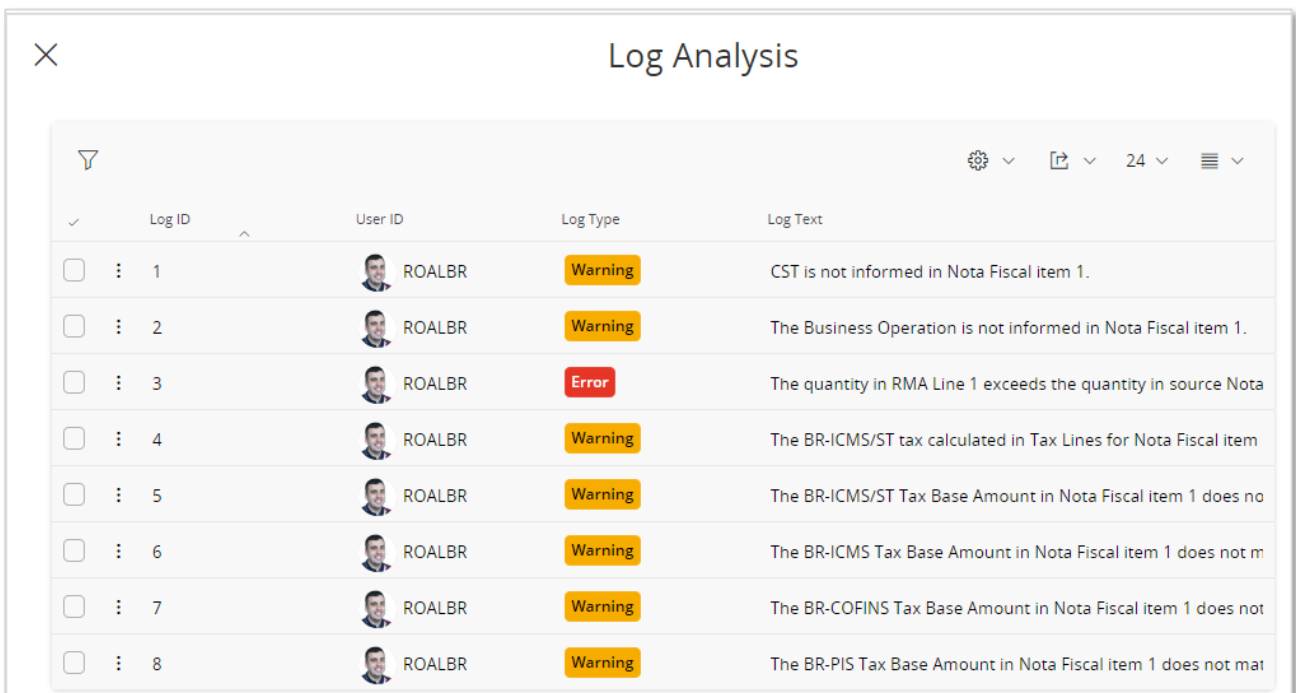
The application performs the reconciliation checks. If some error is found during approval process, the error message popup, informing that Log Analysis can be verified for further details:



Select command button “Log Analysis” in the page header:



The application opens the right-side panel, listing the errors and warnings recorded:



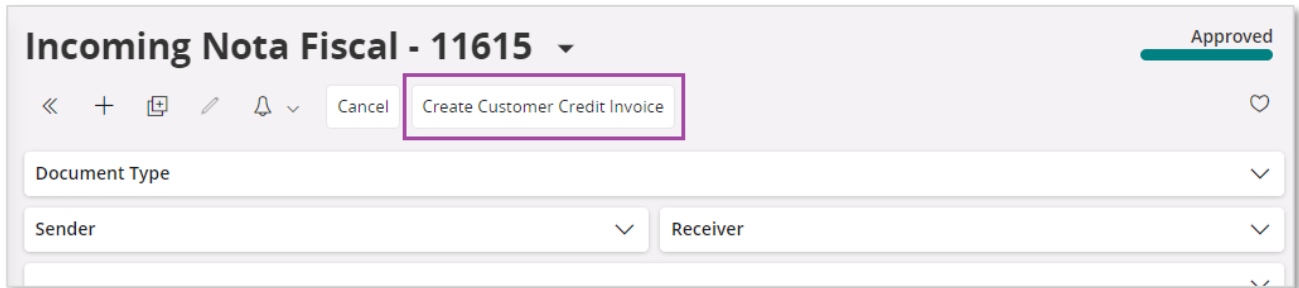
There two Log Types can be listed in this panel:

- Warning: Only informative, do not prevent Incoming Nota Fiscal of being approved.
- Error: Prevents Incoming Nota Fiscal of being approved.

Once the Log Analysis is verified, the errors listed can be adjusted and command button “Approve” can be selected over again. When reconciliation checks find no more errors, the status in the Incoming Nota Fiscal changes from Initiated to Approved.

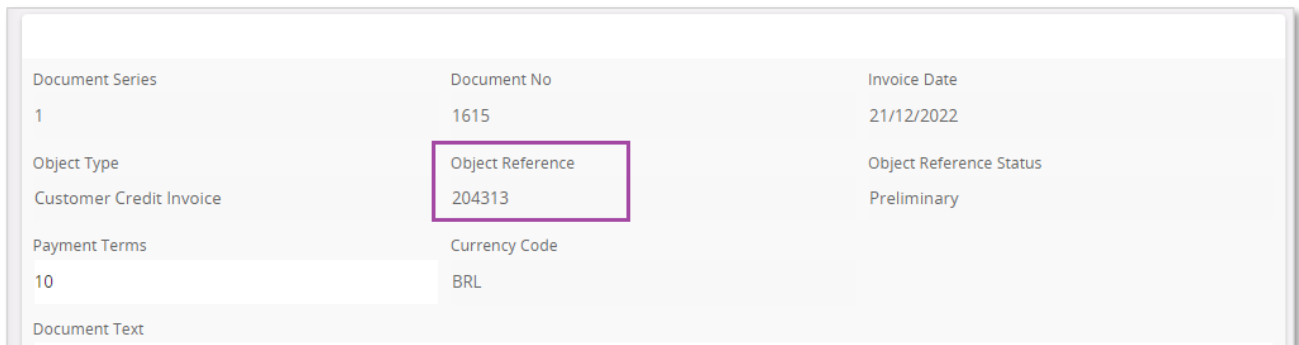
## 21.6 Create Customer Credit Invoice from Incoming Nota Fiscal

Once the incoming customer return Nota Fiscal is in Approved status, select the command button Create Customer Credit Invoice in the page header:



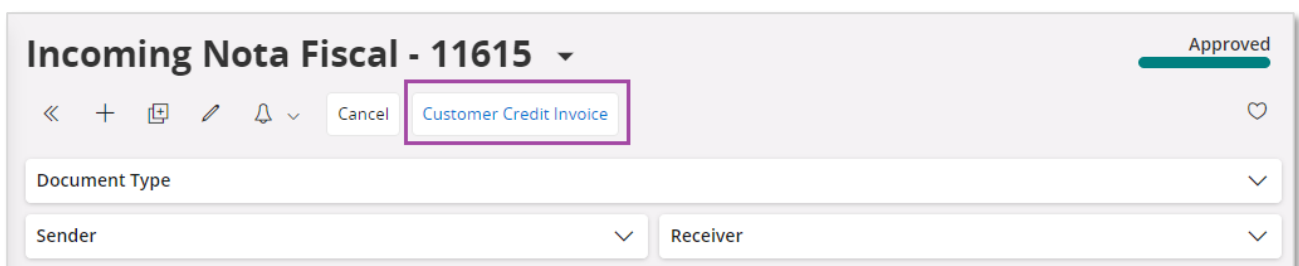
The screenshot shows the header of an 'Incoming Nota Fiscal' document with ID 11615, which is in an 'Approved' status. The header includes a toolbar with navigation icons, a 'Cancel' button, and a 'Create Customer Credit Invoice' button highlighted with a red box. Below the toolbar are dropdown menus for 'Document Type', 'Sender', and 'Receiver'.

After Customer Credit Invoice is created, the Object Reference is recorded for Incoming Nota Fiscal:



Document Series	Document No	Invoice Date
1	1615	21/12/2022
Object Type	Object Reference	Object Reference Status
Customer Credit Invoice	204313	Preliminary
Payment Terms	Currency Code	
10	BRL	
Document Text		

The credit invoice can be reached from command button "Customer Credit Invoice" in the page header:



The screenshot shows the same header as above, but the 'Customer Credit Invoice' button in the toolbar is now highlighted with a red box, indicating it is the active command.

### Customer Invoice

RCA CUST - NF-E EMITIDA EM AMBIENTE DE HOMOLOGACAO - SEM VALOR FISCAL - 204313 - CUSTORDCRE - P11363 1 of 1 Preliminary

Share Credit/Correction Invoice Posting Installation Plan and Discounts Notes Create Outgoing Nota Fiscal

Customer No	Customer Address Na...	Series ID	Invoice No	Company	Site	Invoice Created	Order Created
NE RCA CUST	NF-E EMITIDA EM AM...	PR	204313	BNFX	SP01	13/01/2023	21/12/2022

#### Amounts

Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
BRL	-841,26	-600,00	-241,26	1	1

**LINES** GENERAL NF-E INFORMATION HISTORY

Invoice Type	Invoice Address	Invoice Date	Printed Date	Our Reference	Customer Reference	Indicators
CUSTORDCRE - Customer Order Invoice, Credit	SP01	13/01/2023		IFS Applications		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:

## 21.7 Return Material Authorization Arrivals

The RMA arrivals are registered using IFS Cloud generic functionality.

Go to *Procurement/Receipt/Register Arrivals*, find the RMA lines and select command button “Receive” in the page header:

### Register Arrivals

Receive Receive Parts against Order Deliveries Source Details

(2)	Source Ref 1	Source Ref 2	Source Ref 3	Source Ref 4	Source Ref Type	Status	Rental	Qty to Receive	Source UoM
<input checked="" type="checkbox"/>	200656	1			Return Material Authorization	Released	No	1	pcs
<input checked="" type="checkbox"/>	200656	2			Return Material Authorization	Released	No	1	pcs

In the Receive panel, enter the Nota Fiscal reference in the field **Receipt Reference** as [Nota Fiscal Series]/[Nota Fiscal No], inform the Location and click the Ok button:

Receive

**Received By**

ROALBR

**Receipt Reference**

1/1615

**Actual Delivery Date**

13/01/2023 00:00

**Actual Arrival Date**

13/01/2023 20:55

**Print** ▼

Split Receipt

24

(1) ✓	Site	Source Ref 1	Source Ref 2	Source Ref 3	Source Ref 4	Location No	Part No	Part Desc
<input type="checkbox"/>	SP01	200656	1			202058	F060200	Smokin
<input checked="" type="checkbox"/>	SP01	200656	2			202058	F060200	Smokin

OK

Cancel

The inventory transactions OERETURN created from RMA arrivals are identified with Nota Fiscal Number and Item Number:

Inventory Transactions History									
✓	Transaction ID	Transaction Code	Part	Site	Configuration ID	Fiscal Note Number	Fiscal Note Item	Direction	Quantity
<input type="checkbox"/>	520949	OERETURN - Receipt of Re	F060200 - Smoking Blu...	SP01 - CROSSROADS	*	1615	1	+	1 pcs
<input type="checkbox"/>	520948	OERETURN - Receipt of Re	F060200 - Smoking Blu...	SP01 - CROSSROADS	*	1615	2	+	1 pcs

The Return Material Authorization status changes to Return "Completed".



## 22 Incoming Nota Fiscal – Bill of Lading

### 22.1 Overview Legal Requirement

Bill of Lading is a legal document connected to product transportation in Brazil. It's emitted by a carrier to the customer, declaring the amount of the transportation service (freight value) and its taxes (ICMS, PIS, COFINS and IRPJ).

The customer might pay for a Bill of Lading for the transportation when receiving deliveries or at products receipts. For receipts, the Bill of Lading refers to one or more receipt fiscal notes. Bill of Lading Document can be in two forms.

CT-e (Conhecimento de Transporte Eletrônico) – CT-e is the electronic invoice for transport within Brazil. CT-e is an XML document that contains the cargo value including taxes.

DACTE (Documento Auxiliar do Conhecimento de Transporte Eletrônico) - DACTE (CT-e auxiliary document) is the printed form of the CT-e. The DACTE is not a CT-e substitute. It is only an auxiliary document to assist in the consultation of CT-e. The DACTE is carried with the vehicle during transport.

### 22.2 Process Overview

Bill of Lading could be received to IFS Cloud in two ways,

- a. Receive Bill of Lading Automatically (CT-e) – Using External Supplier Invoice Flow

IFS Cloud core *External Supplier Invoice* flow is used to upload the received Bill of Lading XML file (CT-e). Once uploaded by using the IFS Cloud core functionalities, Bill of Lading could be created automatically.

- b. Enter Bill of Lading Manually – Using Incoming Nota Fiscal Page

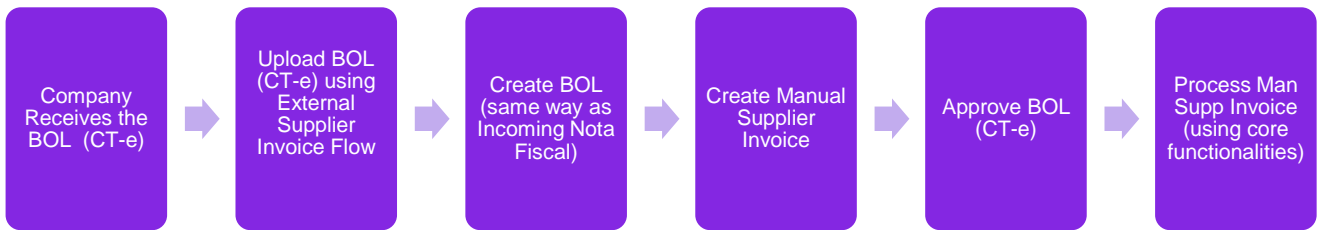
User can enter a Bill of Lading based on the DACTe document received from the carrier (transport supplier) using Incoming Nota Fiscal page.

Once the Bill of Lading is created, user can create Manual Supplier Invoice & Approve the Bill of Lading.

Finally, user can match the charge lines and process Manual Supplier Invoice.

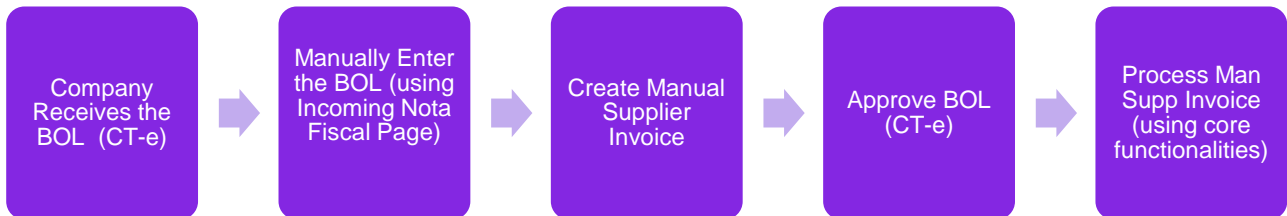
**Note:** User need to process the receipt transaction along with the distribution of the Bill of Lading charges at any point before doing the matching PO receipts transaction, using standard IFS functionalities.

### 22.2.1 Receive Bill of Lading Automatically (CT-e) – Using External Supplier Invoice Flow



**Note:** User need to process the receipt transaction along with the distribution of the Bill of Lading charges at any point before doing the matching PO receipts transaction, using standard IFS functionalities.

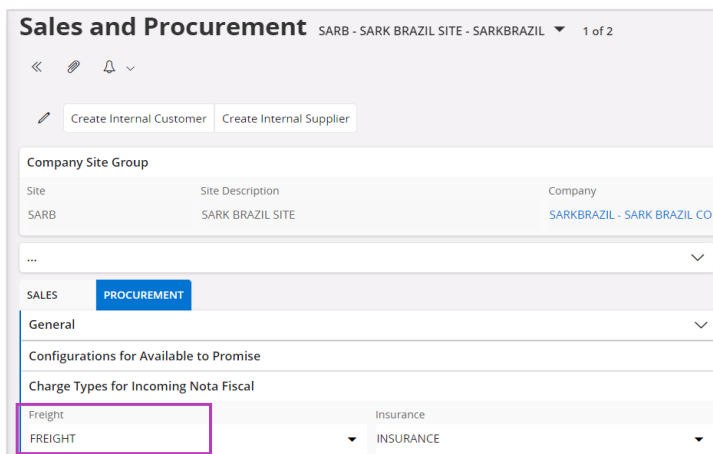
### 22.2.2 Enter Bill of Lading Manually (DACTE) – Using Incoming Nota Fiscal Page



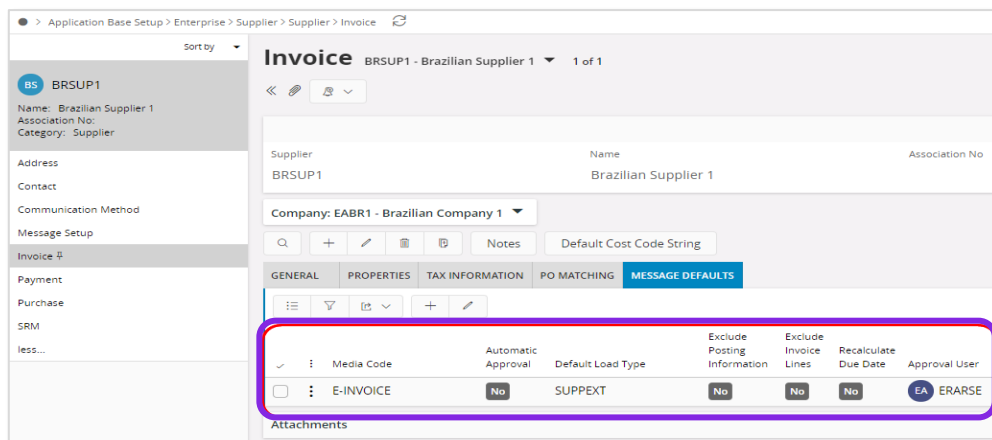
**Note:** User need to process the receipt transaction along with the distribution of the Bill of Lading charges at any point before doing the matching PO receipts transaction, using standard IFS functionalities.

## 22.1 Prerequisites

- The company must be set-up to use Brazilian localization, see the Company Set-Up chapter and the “Incoming Nota Fiscal” 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 (Carrier) and Company CNPJ accordingly.
- Purchase Charge type related for Freight should be in place in Application Base Setup/Enterprise/Site/Site/Sales and Procurement/Procurement tab.



- 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.



- 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.



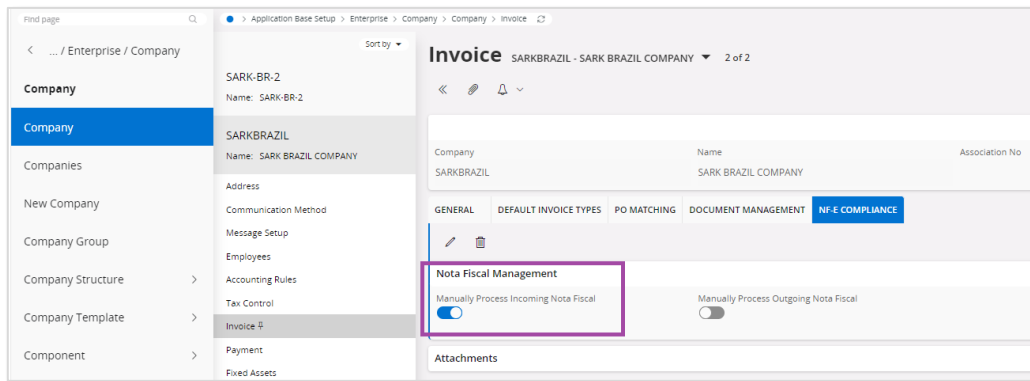
Incoming Tax (%)	Supplier	Supply Country	Delivery Country	Tax Type Category	Tax Code	Tax (%)
15	BRSUP1 - Brazilian Supplier 1	*	*	IPI	IPI15 - IPI 15%	15
17	BRSUP1 - Brazilian Supplier 1	*	*	ICMS	ICMS17 - ICMS 17%	17

- Go to Financials/Supplier Invoice/External Invoice/External Supplier Invoice Parameters & enable "Used for Incoming Nfe".



Load Type	Invoice Type	Default	Changeable	Deletable	Check When Loaded	Create When Checked	Allow Partial Create	Create Posting Proposal if Postings Exist	Create Image	Enforce Project Unique Procurement	Use Code String Completion	Base For Transaction Date	Tax Recalculation Method	Do Not Recalculate Amounts	Validate Payment Address ID	Used for Incoming Nfe
SUPPEXT	SUPPEXT	Yes	Yes	Yes	No	No	No	No	No	No	No	System Date	None	No	No	Yes

- Enable/Disable the "Manually Process Incoming Nota Fiscal" toggle in Application Base Setup/Enterprise/Company/Company/Invoice/NF-E COMPLIANCE tab.



## 22.2 Receive Bill of Lading Automatically (CT-e) – Using External Supplier Invoice Flow

IFS Cloud standard External Supplier Invoice flow is used in this scenario to upload the received Bill of Lading XML file (CT-e). Once uploading the CTe XML in External Supplier Invoice flow, Bill of Lading could be created automatically.

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

### 22.2.1 Receive CTe XML file and create the Bill of Lading

Use IFS Core External Supplier Invoice flow to load the CT-e XML and create the Bill of Lading using “Create Nota Fiscal” command.

#### 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.

#### **Bill of Lading Document Identification**

```
<mod>57</mod>
```

If the mod value is “57”, it is identified as a Bill of Lading document.

#### **Company Supplier Identification**

```
<emit>
<CNPJ>40730441000163</CNPJ>
<xNome>SARKBRAZILFREIGHT</xNome>
</emit>
```

Freight Carrier (Supplier) will be identified using the CNPJ value of <emit>.

```
<dest>
<CNPJ>45504618000127</CNPJ>
<xNome>SARKBRAZIL</xNome>
</dest>
```

Company will be identified using the CNPJ value of <dest>. Here the CNPJ linked to “Site” will be identified.

#### **Service Start & End Location Identification**

```
<cMunIni>1200401</cMunIni>
```

First two numbers in <cMunIni> represent the Numeric State code of the Service Start State and last 5 numbers represent the Numeric City code of the Service Start City.

```
<cMunFim>3550308</cMunFim>
```

First two numbers in <cMunFimi> represent the Numeric State code of the Service End State and last 5 numbers represent the Numeric City code of the Service End City.

### Gross Amount & Taxes Identification

```

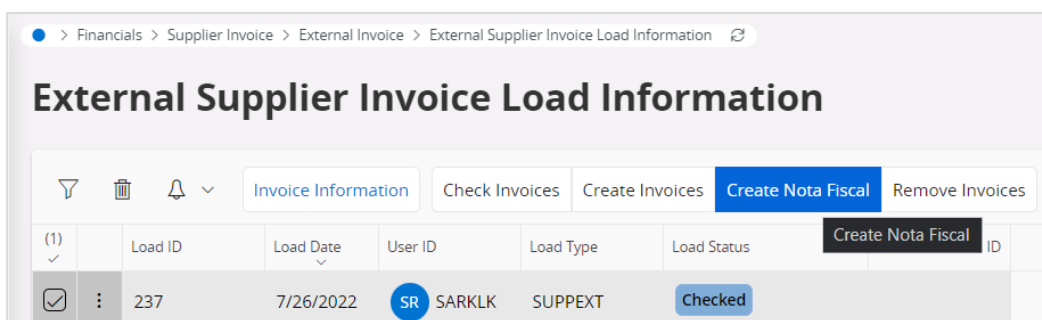
<vPrest>
  <vTPrest>12.05</vTPrest>
  <vRec>12.05</vRec>
  <Comp>
    <xNome>Frete Valor</xNome>
    <vComp>12.05</vComp>
  </Comp>
</vPrest>
<imp>
  <ICMS>
    <ICMS00>
      <CST>00</CST>
      <vBC>12.05</vBC>
      <pICMS>17.00</pICMS>
      <vICMS>2.05</vICMS>
    </ICMS00>
  </ICMS>
  <vTotTrib>2.05</vTotTrib>
</imp>

```

<vTPrest> represents the Gross Amount of the Bill of Lading and Tax details can be found inside <imp> tag.

### Create Bill of Lading using External Supplier Invoice

- Go to *Financials/Supplier Invoice/External Invoice/External Supplier Invoice Load Information* and select the command "Create Nota Fiscal".



## View Bill of Lading using command View Incoming Nota Fiscal

Financials > Supplier Invoice > External Invoice > External Supplier Invoice Load Information

### External Supplier Invoice Load Information

Invoice Information **View Incoming Nota Fiscal** Remove Invoices

(1)	Load ID	Load Date	User ID	Load Type	Load Status	Load File ID
<input checked="" type="checkbox"/>	237	7/26/2022	SR SARKLK	SUPPEXT	Created	

**Document Type**  
Document Type  
Bill of Lading

**Sender**  
Supplier  
SARKBRAZILFREIGHT - SARK BRAZIL FREIGHT SUPPLIER

**Receiver**  
Company  
SARKBRAZIL - SARK BRAZIL COMPANY

Bill of Lading Series: 001  
Bill of Lading No: 000060315  
Invoice Date: 10/21/2021  
Object Type: Manual Supplier Invoice

Object Reference: 001000060315  
Object Reference Status: Preliminary  
Payment Terms: 0  
Currency Code: BRL

Bill of Lading Text  
O valor aproximado dos tributos e de R\$ 24,84

Business Transaction ID: [Dropdown]  
Site: SARB

**Amounts**

Gross Amount	Net Amount	Tax Amount
12.05	10.00	2.05

**LINES** ADDRESS

Line ID	Tax Code	Tax Calculation Structure	Multiple Tax	Gross Curr Amount	Net Amount	Tax Amount	Tax Amount in Accounting Currency	Tax Amount in Parallel Currency	Part No/Charge Type	Description	Charge Line
1	ICMS-17		No	12.05	10.00	2.05	2.05	1.03	FREIGHT	Freight Charges	Yes

Address details can be found in Address tab.

**LINES** ADDRESS

**Sender**

Sender Document Address ID: HO  
Sender Delivery Address ID: HO  
Sender CNPJ: 40.730.441/0001-63  
Sender State Registration: [Blank]

Service Start State: Acre  
Service Start City: Rio Branco

**Receiver**

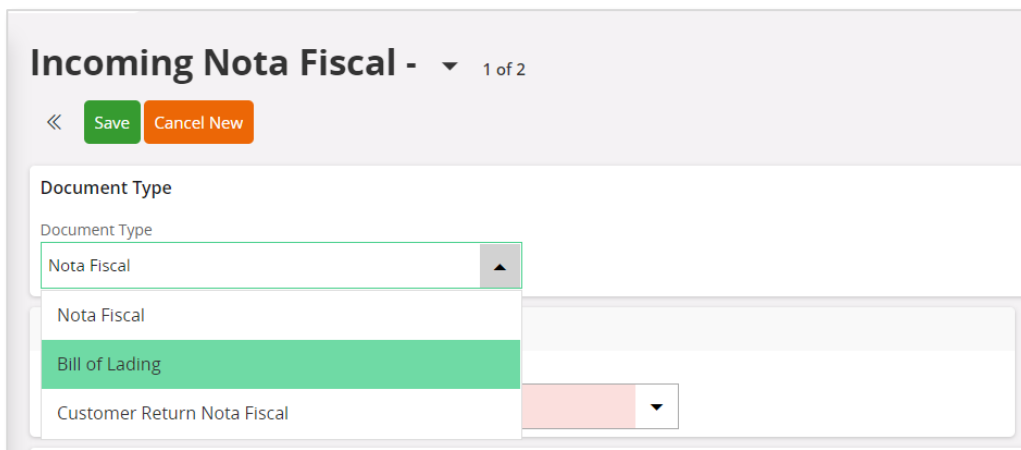
Receiver Document Address ID: HO  
Receiver Delivery Address ID: HO  
Receiver CNPJ: 45.504.618/0001-27  
Receiver State Registration: 12345678991234

Service End State: São Paulo  
Service End City: São Paulo

## 22.3 Enter Bill of Lading Manually (DACTe) – Using Incoming Nota Fiscal Page

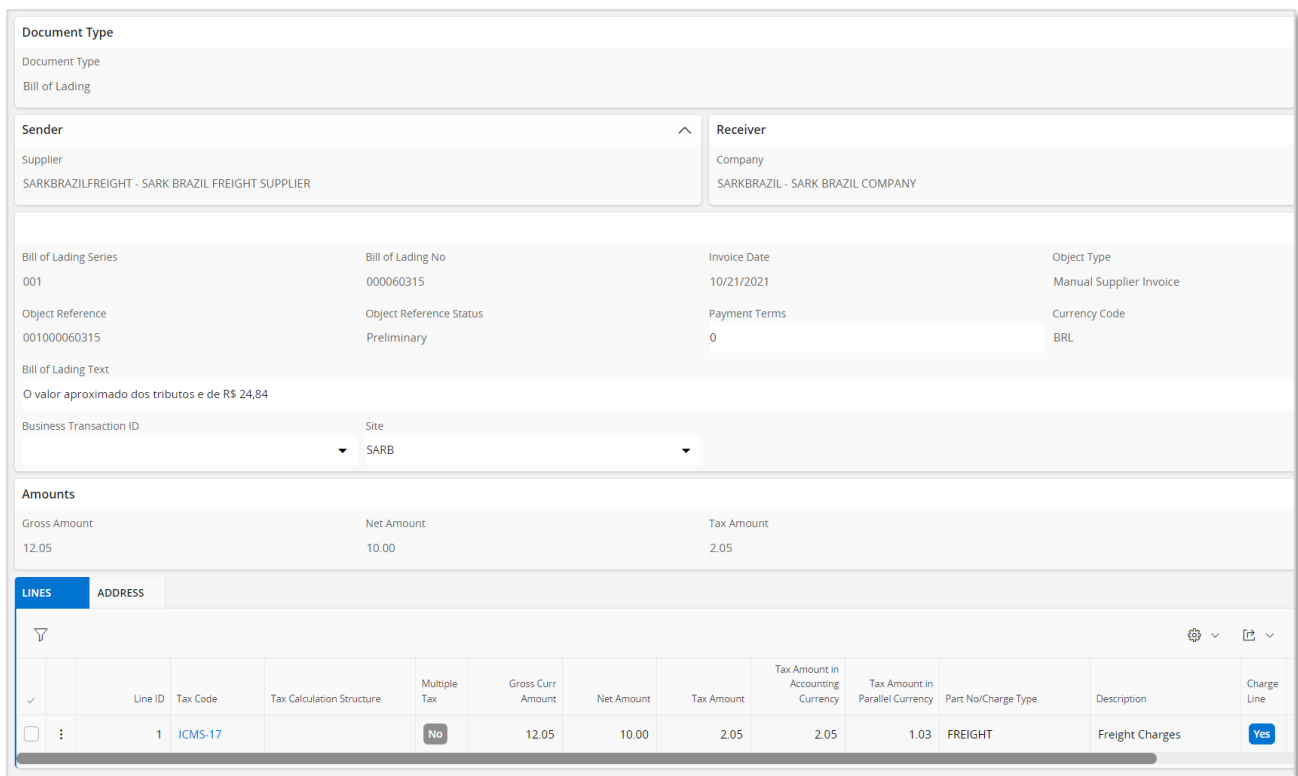
Create Bill of Lading manually using *Financials/Financial e-Reporting/Incoming Nota Fiscal* page. For this purpose, you can use DACTE document received.

Select the Document Type as Bill of Lading.



The screenshot shows the 'Incoming Nota Fiscal' page with a dropdown menu for 'Document Type'. The options are 'Nota Fiscal', 'Bill of Lading' (highlighted in green), and 'Customer Return Nota Fiscal'. There are 'Save' and 'Cancel New' buttons at the top.

Then fill all the relevant data in the DACTe.



The screenshot shows the DACTe form with the following data:

**Document Type**  
 Document Type: Bill of Lading

**Sender**  
 Supplier: SARKBRAZILFREIGHT - SARK BRAZIL FREIGHT SUPPLIER

**Receiver**  
 Company: SARKBRAZIL - SARK BRAZIL COMPANY

**Bill of Lading Series**: 001  
**Bill of Lading No**: 000060315  
**Invoice Date**: 10/21/2021  
**Object Type**: Manual Supplier Invoice

**Object Reference**: 001000060315  
**Object Reference Status**: Preliminary  
**Payment Terms**: 0  
**Currency Code**: BRL

**Bill of Lading Text**  
 O valor aproximado dos tributos e de R\$ 24,84

**Business Transaction ID**: SARB

**Amounts**

Gross Amount	Net Amount	Tax Amount
12.05	10.00	2.05

**LINES**

Line ID	Tax Code	Tax Calculation Structure	Multiple Tax	Gross Curr Amount	Net Amount	Tax Amount	Tax Amount in Accounting Currency	Tax Amount in Parallel Currency	Part No/Charge Type	Description	Charge Line
1	ICMS-17		No	12.05	10.00	2.05	2.05	1.03	FREIGHT	Freight Charges	Yes

## 22.4 Create Manual Supplier Invoice, Approve and Process Manual Supplier Invoice

Once creating the Bill of Lading automatically or manually, user can create Manual Supplier Invoice and approve the Bill of Lading Document. Finally, user can process the Manual Supplier Invoice using standard IFS functionality.

### Create Manual Supplier Invoice

### Incoming Nota Fiscal - 109231313131 ▼ 1 of 24+

⏪ + 📄 ✎ 🔔 ▼ Cancel **Create Manual Supplier Invoice**

**Document Type**

Document Type  
Bill of Lading

**Sender**

Supplier  
SARKBRAZILSUP - SARK BRAZIL SUPPLIER

### Approve Bill of Lading

### Incoming Nota Fiscal - 122213131231 ▼ 3 of 24+

⏪ + 📄 ✎ 🔔 ▼ **Approve** Cancel Manual Supplier Invoice

**Document Type**

Document Type  
Bill of Lading

**Sender**

Supplier  
SARKBRAZILFREIGHT - SARK BRAZIL FREIGHT SUPPLIER



## **Process Manual Supplier Invoice**

Bill of Lading Document contains only freight charges and taxes related to freight for a specific delivery attached to one or more Incoming Nota Fiscals. Therefore, distribution of Bill of lading freight charges must be done at the arrival of the delivery. This can be performed using standard IFS functionalities like Register Arrivals or Incoming Dispatch Advice etc.

To process the Manual Supplier Invoice related to Bill of Lading, the arrival transaction of the goods related to delivery and the distribution of the charges has to be performed. Once it is completed, user can match the Manual Supplier Invoice with correct charge lines and can be Authorized it for payment. (*Follow standard Manual Supplier Invoice process*)

## 23 Boleto – Bank Collection Bill

### 23.1 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.

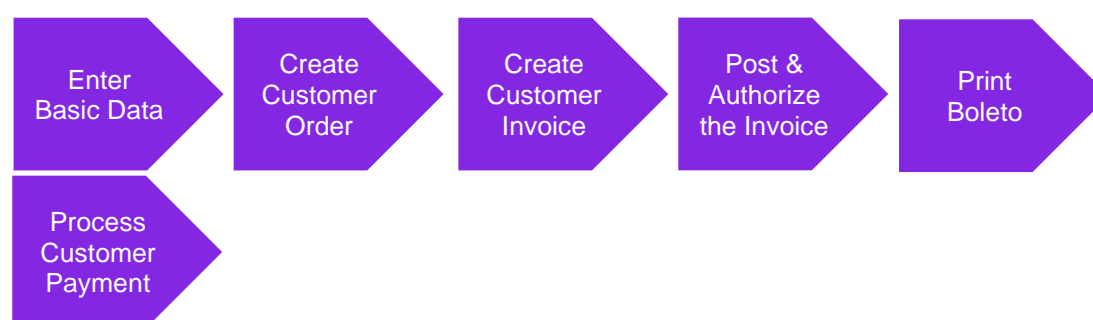
There are enough key elements in the Boleto so the payer can easily identify all data needed to make the right compensation of the amounts.

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

### 23.2 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.

### 23.3 Process Overview



### 23.4 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.

## 23.5 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 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 BRADESCO	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 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.

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	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 Boletos 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

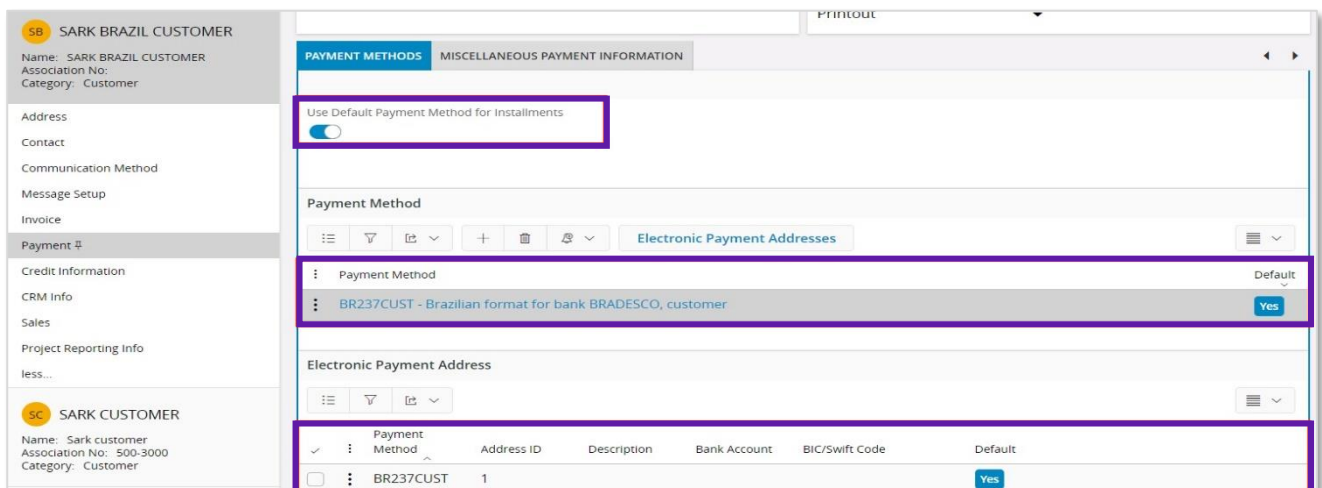
### Format Specific Info per Institute:

Make sure that all Boletos 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 Boletos. Start value mentioned here is the "Our Number" in Boletos 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.



The screenshot shows the 'SARK BRAZIL CUSTOMER' profile with the 'PAYMENT METHODS' tab selected. A red box highlights the 'Use Default Payment Method for Installments' toggle, which is turned on. Below this, the 'Payment Method' list shows 'BR237CUST - Brazilian format for bank BRADESCO, customer' with a 'Default' flag and a 'Yes' button. The 'Electronic Payment Address' section shows a table with one entry:

Payment Method	Address ID	Description	Bank Account	BIC/Swift Code	Default
BR237CUST	1				Yes

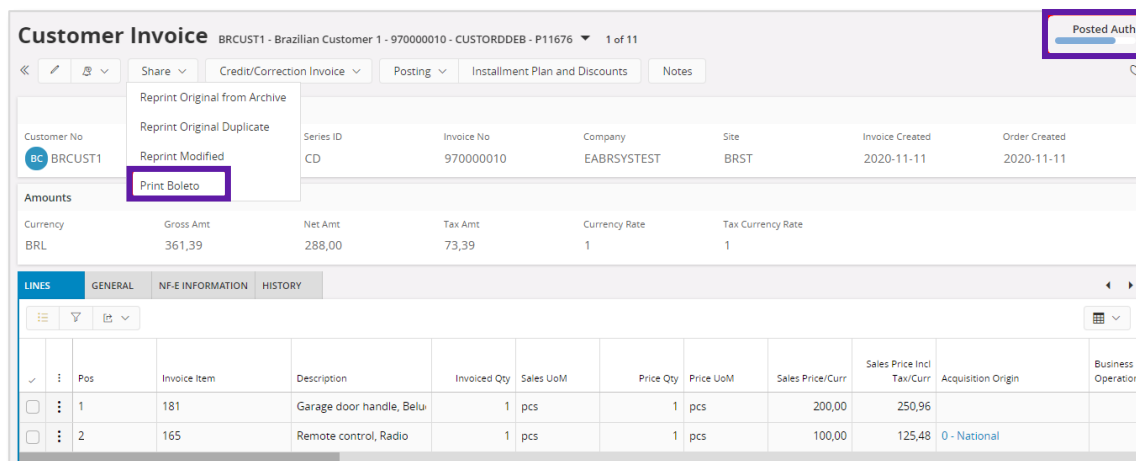
Cash Account per Customer:  
 Define Cash Account per customer in *Financials/Payment Basic Data/Cash Book/Cash Accounts/Cash Account per Customer* page. Make sure that the Cash Account that will be responsible for the Boleto's printout is enabled as **Default**.

Cash Accounts per Customer						
Customer ID	Currency	Cash Account	Account Number	Text	Default	
%	%	BANK - Bank	123456-7		Yes	

## 23.6 Boleto printout

### 23.6.1 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.




The screenshot shows the 'Customer Invoice' interface for customer BRCUST1. The invoice is in the 'Posted Auth' state, indicated by a blue box in the top right corner. A dropdown menu is open, showing options: 'Reprint Original from Archive', 'Reprint Original Duplicate', 'Reprint Modified', and 'Print Boleto'. The 'Print Boleto' option is highlighted with a purple box. Below the menu, the 'Amounts' section shows the following data:

Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
BRL	361,39	288,00	73,39	1	1

The 'LINES' section shows the following items:

Pos	Invoice Item	Description	Invoiced Qty	Sales UoM	Price Qty	Price UoM	Sales Price/Curr	Sales Price Incl Tax/Curr	Acquisition Origin	Business Operation
1	181	Garage door handle, Belu	1	pcs	1	pcs	200,00	250,96		
2	165	Remote control, Radio	1	pcs	1	pcs	100,00	125,48	0 - National	

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

### 23.6.2 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 Nota Fiscal series concatenated with Nota Fiscal 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

### 23.6.3 BOLETOS history

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

*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.

### 23.7 Delimitations

Only bank Bradesco is covered in this release.

## 24 Self-Billing Invoices in Brazil

### 24.1 Overview Legal Requirement

In Brazil, it's a legal requirement to receipt a Nota Fiscal for the business transactions related to procurement transactions and referred as Incoming Nota Fiscal. The Nota Fiscal must be authorized by the Brazilian Tax Authority prior to shipment of goods and the printed version of Nota Fiscal (DANFE – Auxiliary Document for e-Nota Fiscal) is used to support the transportation of goods to the recipient's locations.

The Nota Fiscal 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 Nota Fiscal number and Nota Fiscal 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.

*Note:* The Primary business objective here is to enable the Supplier side Self-Billing functionalities in Brazilian localization to further support the above described Incoming Nota Fiscal flow.

### 24.2 Other Business Objectives

1. Enabling the possibility of entering the Incoming Nota Fiscal prior to the goods arrival.
2. Enable direct cross reference between Incoming NF, Receipt Reference and Supplier Invoice by automatically filling the Receipt Ref as Incoming NF No.

### 24.3 Process Overview

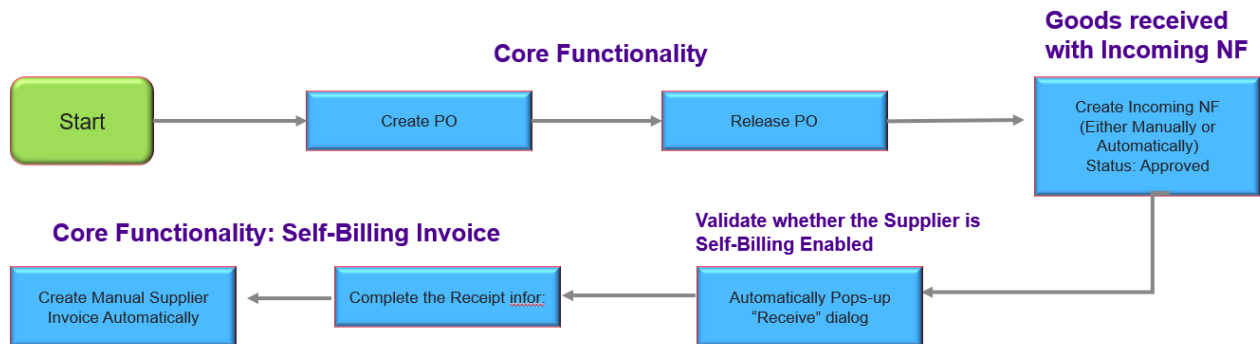
- a. Enable Supplier for Self-Billing invoicing (Core functionality)

Incoming Nota Fiscal could be received to IFS Cloud in two ways,

- b. Receive Incoming Nota Fiscal either,
  1. Automatically (NF-e) – Using External Supplier Invoice Flow or,
  2. Enter Incoming Nota Fiscal Manually – Using Incoming Nota Fiscal Page
- c. Once the Incoming Nota Fiscal is created, the application validates whether the Supplier is Self-Billing enabled and, from the Incoming Nota Fiscal page user can receive the Goods by using the newly introduced option “Receipt Goods”.
- d. Finally, user can create the inventory transactions related to the goods receipt and process Manual Supplier Invoice.



## 24.4 Process Overview

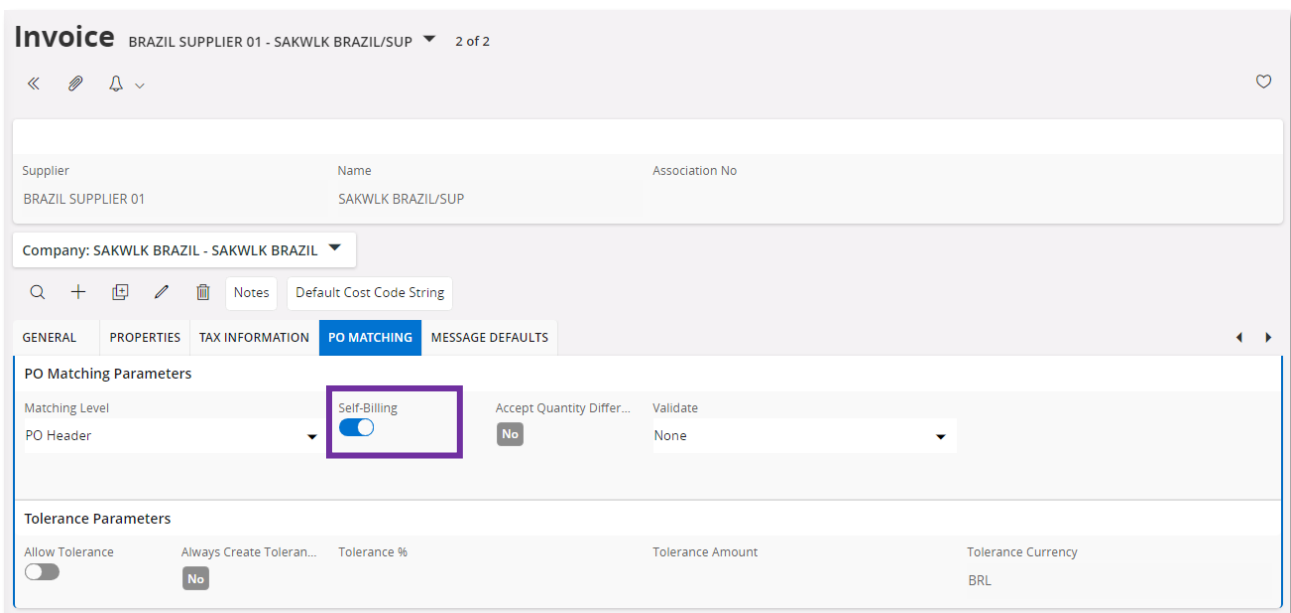


## 24.5 Prerequisites

The company must be set-up to use Brazilian localization, see the Company Set up chapter. And the "Incoming Nota Fiscal" parameter under the **Localization Control Center** tab must be enabled on the *Company/Localization Control Center* tab. The **Supplier should be enabled for Self-Billing Invoicing**.

## 24.6 Define basic data

The **Supplier should be enabled for Self-Billing Invoicing**.



The screenshot shows the 'Invoice' form for 'BRAZIL SUPPLIER 01 - SAKWLK BRAZIL/SUP'. The 'PO MATCHING' tab is selected, and the 'Self-Billing' toggle is turned on. The 'PO Matching Parameters' section includes fields for 'Matching Level', 'PO Header', 'Accept Quantity Differ...' (set to 'No'), and 'Validate' (set to 'None'). The 'Tolerance Parameters' section includes fields for 'Allow Tolerance' (turned off), 'Always Create Toleran...' (set to 'No'), 'Tolerance %', 'Tolerance Amount', and 'Tolerance Currency' (set to 'BRL').

## 24.7 Self-Billing : Receive Incoming Nota Fiscal and Supplier Invoice Flow

IFS Cloud standard External Supplier Invoice flow or the manually entering Incoming Nota Fiscal flow could be used in this scenario to facilitate Self billing supplier invoices.

Please refer the details in the process described step by step in related above chapters to how to create Incoming Nota Fiscal in Brazilian context.

### 24.7.1 Create and Handle Purchase Order

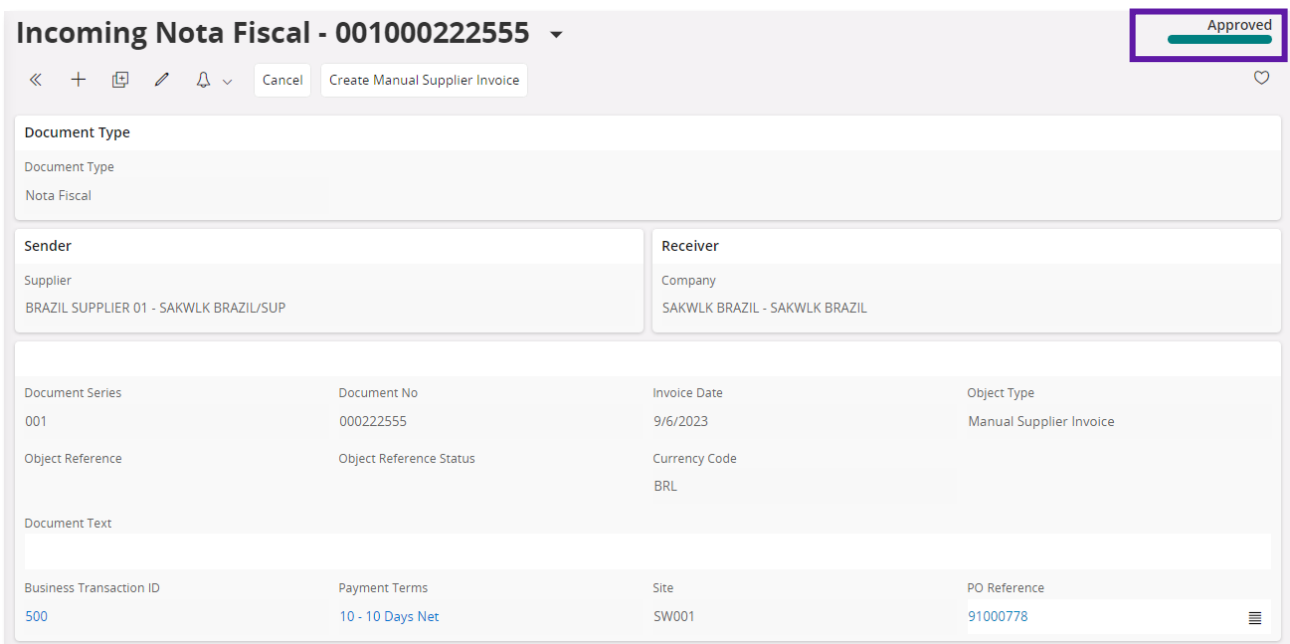
Follow the IFS standard Core process to enter a purchase order for inventory purchase parts in the *Procurement/Order/Purchase Order* page. Release and confirm purchase order.

### 24.7.2 Receive Incoming Goods and create the Incoming Nota Fiscal (Manually or Automatically)

Use IFS Core External Supplier Invoice flow to load the incoming NF-e XML and create the NFe using “Create Nota Fiscal” command or create an Incoming Nota Fiscal manually.

### 24.7.3 Approve Incoming Nota Fiscal

The step of Approve incoming nota fiscal will validate whether the supplier is enabled for self-Billing.



**Incoming Nota Fiscal - 001000222555** Approved

Cancel Create Manual Supplier Invoice

**Document Type**  
Document Type: Nota Fiscal

**Sender**  
Supplier: BRAZIL SUPPLIER 01 - SAKWLK BRAZIL/SUP

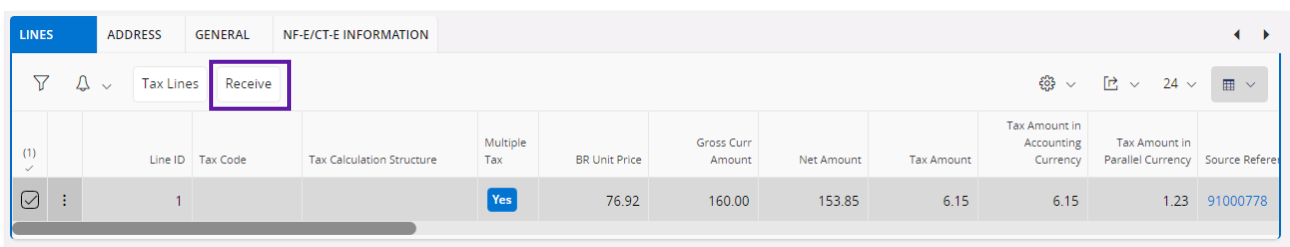
**Receiver**  
Company: SAKWLK BRAZIL - SAKWLK BRAZIL

Document Series	Document No	Invoice Date	Object Type
001	000222555	9/6/2023	Manual Supplier Invoice
Object Reference	Object Reference Status	Currency Code	
		BRL	

Document Text

Business Transaction ID: 500 | Payment Terms: 10 - 10 Days Net | Site: SW001 | PO Reference: 91000778

Further, upon approving the Nota Fiscal, “Receipt” button on the face of the incoming Nota Fiscal page will be enabled.



(1)	Line ID	Tax Code	Tax Calculation Structure	Multiple Tax	BR Unit Price	Gross Curr Amount	Net Amount	Tax Amount	Tax Amount in Accounting Currency	Tax Amount in Parallel Currency	Source Reference
<input checked="" type="checkbox"/>	1			Yes	76.92	160.00	153.85	6.15	6.15	1.23	91000778

### 24.7.4 Receipt Dialog

User could click the “Receive” button and application will pop up the core “Receive” Dialog facilitating user to enter receipts from this step.

In this step, Incoming Nota Fiscal No will be automatically fetched as the Receipt Reference which will enable direct cross reference between Incoming NF and the Receipt Reference by automatically filling the Receipt Ref as Incoming NF No.

×
Receive

---

**Receive**

Received By  
SAKWLK

Receipt Reference  
001000222555

Actual Delivery Date  
9/6/23, 12:00 AM

Actual Arrival Date  
9/6/23, 12:26 AM

---

**Packing Details**

Handling Unit Type ID

---

**Customs Information**

Customs Declaration Number

Customs Declaration Date

---

**Print**

Print Barcodes

Print Arrival Report

Print Serviceability Tag

---

Filter 24

✓	Source Ref 1	Source Ref 2	Source Ref 3	Source Ref 4	Site	Part No	Part Description	Input UoM Group	Condition Code	Packing Instruction ID	Alt Handling Unit Label ID
<input type="checkbox"/>	91000778	1	1		SW001	SP0001	Brazil Sales Par	No			

### 24.7.5 Create Manual Supplier Invoice Automatically

Once the “Receipt” dialog is completed with all required information and click the OK button, Manual Supplier Invoice will be automatically created. (Core Self-Billing functionality).

Sort by

SB BRAZIL SUPPLIER 01 - SAK...

AS  
001000222555

Posted

## Manual Supplier Invoice

AS - 001000222555 1 of 1 Posted

New Manual Supplier Invoice
More Information
Pre Posting
Installation Plan And Discounts
View Vouchers
Purchasing
Copy and Cancel
Use Invoice Template

---

PO Reference 91000778	Receipt Reference AS	Sub Contract Reference 001000222555	Invoice Advice Referen... BRL	Project ID 1	Supplier SB BRAZIL SUPPLIER 01 - SAKWLK BRAZIL/SUP
Invoice Type AUTSUPPINV	Series ID AS	Invoice No 001000222555	Currency Rate 1	Invoice Date 9/6/2023	Arrival Date 9/6/2023
Pay Term Base Date 9/6/2023	Payment Terms 10 - 10 Days Net	Due Date 9/16/2023	Plan Pay Date 9/16/2023	Payment Reference I	Voucher Type Reference 2023000018
Authorizer ID *	Notes No	Advance Invoice No	Period Allocation No	Pre-posting No	Received Attachments No
	On Hold Installment No				Posting Proposal No

---

Gross Amount 160.00	Net Amount 153.85	Tax Amount 6.15	Non-deductible Tax A... 0.00	Cost Amount 153.85
------------------------	----------------------	--------------------	---------------------------------	-----------------------

### 24.7.6 Same cross reference for three important documents

Once completed, the same reference number should exist for all the three documents: Incoming Nota Fiscal, Receipt Reference, and the Manual Supplier Invoice.

## 25 External Sped Reporting

### 25.1 Overview Legal Requirement

In Brazil the Legal Reporting are a mandatory official files that must be send Brazilian Federal Revenue Office. These files are related to taxes, accounting, inventory, services, etc. The official name for the legal reporting is “SPED Project”.

Public Digital Bookkeeping System (Sped). It is a technological solution that formalizes the digital files of taxes and accounting bookkeeping of business systems within a specific and standardized format.

Instituted by Decree No. 6,022, of January 22, 2007, the Public Digital Bookkeeping System (Sped) is part of the Federal Government's Growth Acceleration Program (PAC 2007-2010) and constitutes yet another advance in the computerization of relationship between the tax authorities and taxpayers.

Benefits:

- Reduction of costs with the waiver of issuance and storage of paper documents.
- Elimination of paper.
- Cost reduction with the rationalization and simplification of ancillary obligations.
- Standardization of the information that the taxpayer provides to the different federated units.
- Reduction of involuntary involvement in fraudulent practices.
- Reduction of time spent with the presence of tax auditors at the taxpayer's premises.
- Simplification and streamlining of procedures subject to control by the tax administration (foreign trade, special regimes, and transit between states).
- Strengthening control and inspection through the exchange of information between tax administrations.
- Quick access to information.
- Increased auditor productivity by eliminating steps to collect files.
- Possibility of exchanging information between the taxpayers themselves based on a standard layout.
- Reduction of administrative costs.
- Improved quality of information.
- Possibility of crossing between accounting and tax data.
- Availability of authentic and valid copies of the bookkeeping for different and concomitant uses.
- Reduction of the "Brazil Cost".
- Improving the fight against tax evasion.
- Preserving the environment by reducing paper consumption.

## Sped Project in Brazil:



On IFS Cloud we will provide some of these reports through integration with Avalara. The reports available are:

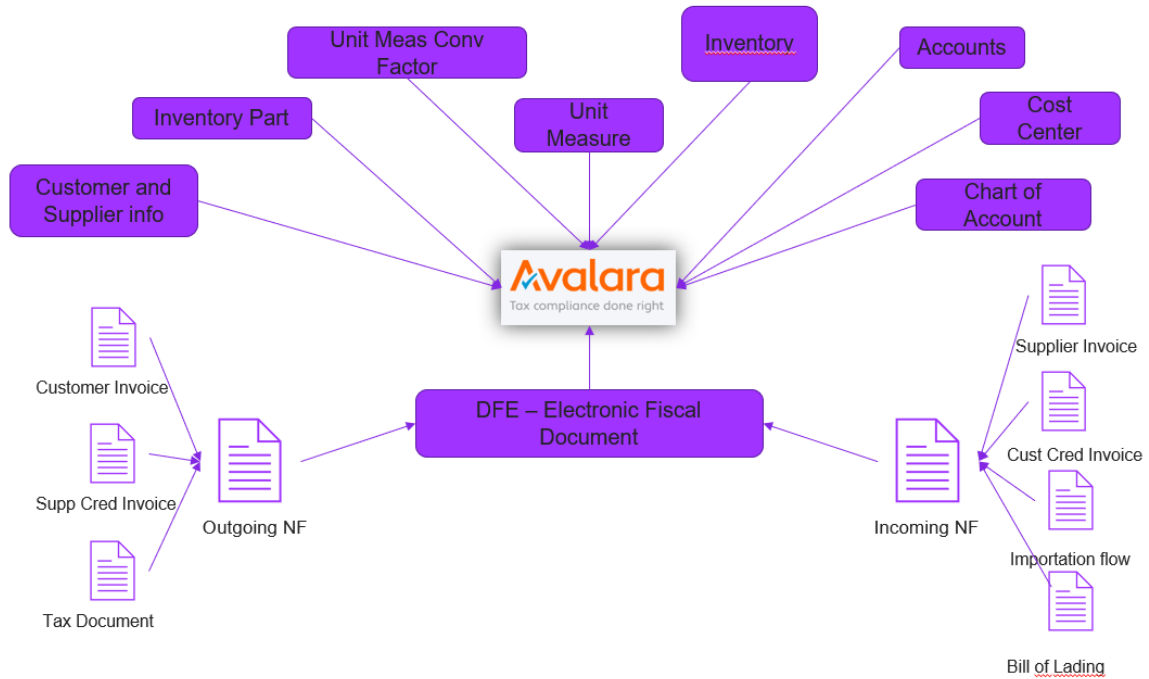
- NF-e – Electronic Nota Fiscal (chapters 19,20)
- CT-e – Bill Of Lading (chapter 21)
- EFD ICMS / IPI
- EFD Contribuições
- EFD Reinf
- ECD
- ECF

## 25.2 Solution Overview

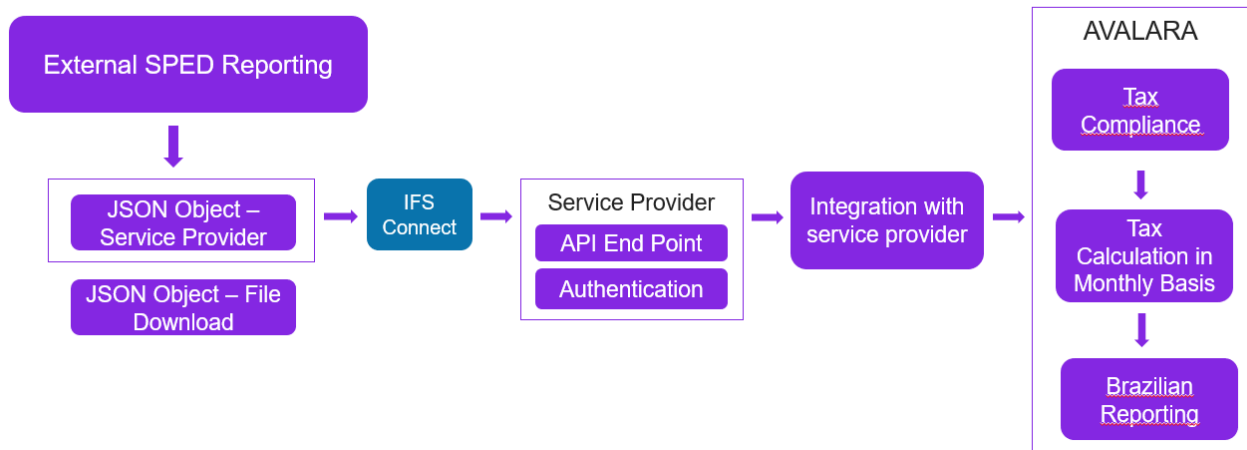
All tax/accounting reporting will be generated by the Avalara partner. Basic and transactional data will be sent from IFS to Avalara.

## 25.3 Process Overview

Flow chart IFS's source data to Avalara



Flow chart IFS Integration to Avalara



## 25.4 Prerequisites

The company must be set-up to use Brazilian localization, see the Company Set up chapter. The “Integration to Brazilian External Tax System” parameter under the **Localization Control Center tab** must be enabled on the *Company/Localization Control Center tab*.

## 25.5 Define basic data

In order to utilize the IFS integration for Avalara, some basic data set up is required with regards to the Company.

### 25.5.1 External Tax System Parameters

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



**External Tax Reporting Information** AVALARA\_BR\_TAX\_COMPL - Avalara Brazil - Tax Compliance

Service Provider ID: AVALARA\_BR\_TAX\_COMPL  
Name: Avalara Brazil - Tax Compliance

**Service Provider Connection Information**

Client ID: 0aa49b97-6be1-46b4-b271-f4efaa221f60  
Client Secret: .....

Header Information

## 25.6 External Sped Reporting

The External Sped report support master data and transaction data needed by Avalara

### Master Data

- Chart of Account
- Account
- Cost Center for EFD PIS and Cofins
- Customer/Supplier
- Inventory and non inventory part
- Unit meas/ Unit Meas Conv Factor
- **Transaction data needed by Avalara**
  - Fiscal Document (to be implemented)
    - Incoming Nota Fiscal
    - Outgoing Nota Fiscal
    - Bill of Lading
    - Importation Process
  - Inventory Transactions
- Go to *Financials/Financial e-Reporting/External Sped Reporting* / select the Command "New Reporting".

Selections
  Schedule
  Schedule Options

---

Site: 
 From Date: 
 To Date:

**Source Information**

Fiscal Document: 
 Customer | Supplier: 
 Item: 
 Inventory:

Unit Meas: 
 Chart of Account: 
 Accounts: 
 Cost Center:

**Start Option**

Start now
  Schedule

Can choose to send a single endpoint or all at once. The format of execution can be online or scheduled (background).

After sending the endpoints, they will be available on the external sped reporting page. On this page, we will be able to view the status of the interface and if any correction is necessary and send it again. Possible statuses are: Created, SentRequest, Error, Partly Completed, Completed.

If an error occurs in one or more endpoints, it will be possible to adjust and send it again through resend reporting.

**External SPED Reporting**

Reporting id	Site	From Date	To Date	Fiscal Document	Customer   Supplier	Item	Inventory	Unit Meas	Chart of Account	Accounts	Cost Center	Created Date	User ID	Schedule Id	Status
52	SP01	01/08/2023	31/08/2023	No	No	No	No	No	No	Yes	No	04/08/2023 13:38	MAPEBR		Completed
51	SP01	31/07/2023	31/07/2023	Yes	Yes	Yes	No	No	No	No	No	31/07/2023 21:54	SIOLBR		Completed
50	SP01	01/07/2023	31/07/2023	No	No	Yes	No	No	No	No	No	31/07/2023 19:32	MAPEBR		Completed
49	SP01	01/07/2023	31/07/2023	No	No	No	Yes	No	No	No	No	31/07/2023 19:32	MAPEBR		Completed
48	SP01	01/07/2023	31/07/2023	No	No	No	No	No	No	Yes	No	31/07/2023 15:24	MAPEBR		Error
47	SP01	25/07/2023	25/07/2023	Yes	No	No	No	No	No	No	No	25/07/2023 20:16	GUNABR		Sent Request
46	SP01	25/07/2023	25/07/2023	Yes	Yes	No	No	No	No	No	No	25/07/2023 19:37	GUNABR		Completed

All basic and transaction data must be verified in the avalara software and after the transaction data has been sent, check in the PVA available of the Brazilian Federal Revenue Office.



## 26 Appendix

### 26.1 Appendix:01

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

### 26.2 Appendix:02

#### 26.2.1 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

```

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

```

Complete AVALARA Response file for the reference



AEFD93BF.json

IFS Cloud Tax Code Mapping

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

Customer Invoice Postings

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

```
entityICMS3Substitute": "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 Cloud Tax Code Mapping

External Tax Codes Mapping					
✓	:	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

✓	:	✎	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

## 26.2.2 Avalara Request File Mapping

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



Avalara Request mapping V3.xlsx

### 26.3 Appendix:03

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



Avalara Request  
mapping V3.xlsx

### 26.4 Appendix:04

Refer the Excel file “Purchasing Final Avalara Request mapping” for details about the Avalara Request File Mapping.

[Purchasing Final Avalara Request mapping](#)



Purchasing Final  
Avalara Request ma