Country Solution Czech Republic

IFSCLOUD24R2

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Note:

The capabilities listed below have in the earlier releases of IFS Cloud (versions 21R1 and 21R2) been moved to generic functionality. These capabilities are no longer parameterized from the Localization Control Center, they are general for any country.

The capabilities moved to generic functionality are:

- Netting Proposal/Confirmation Printout
- Posting Prepayments Based on Prepayment Type
- Follow-up Cost on Material Issued and Finished Goods
- Credit Instant Invoice

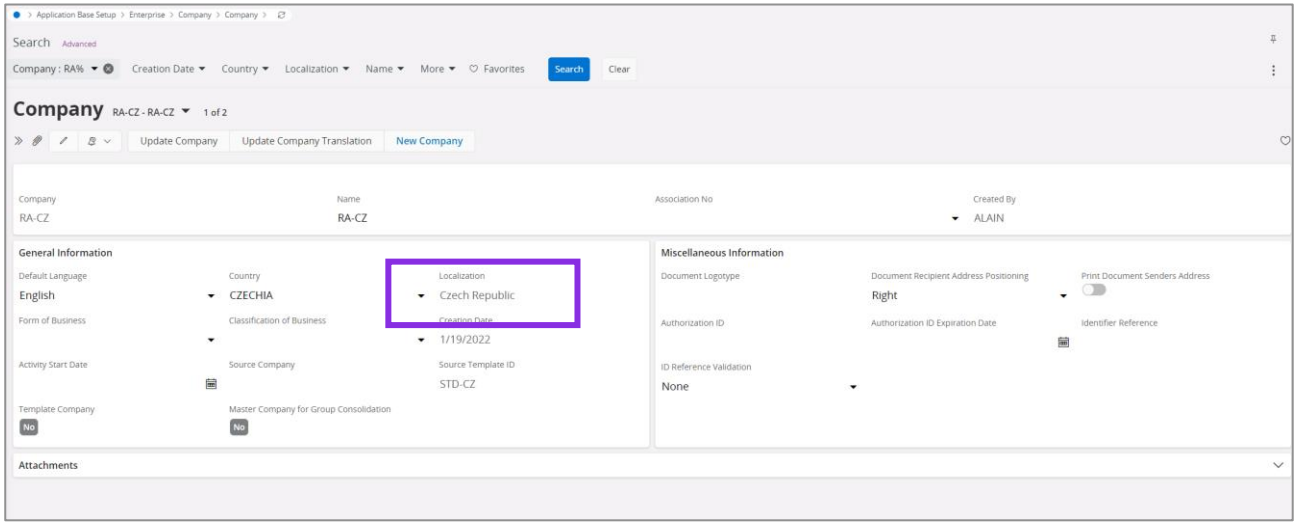
1 Company Set-up

1.1 Overview

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

1.2 Define localization

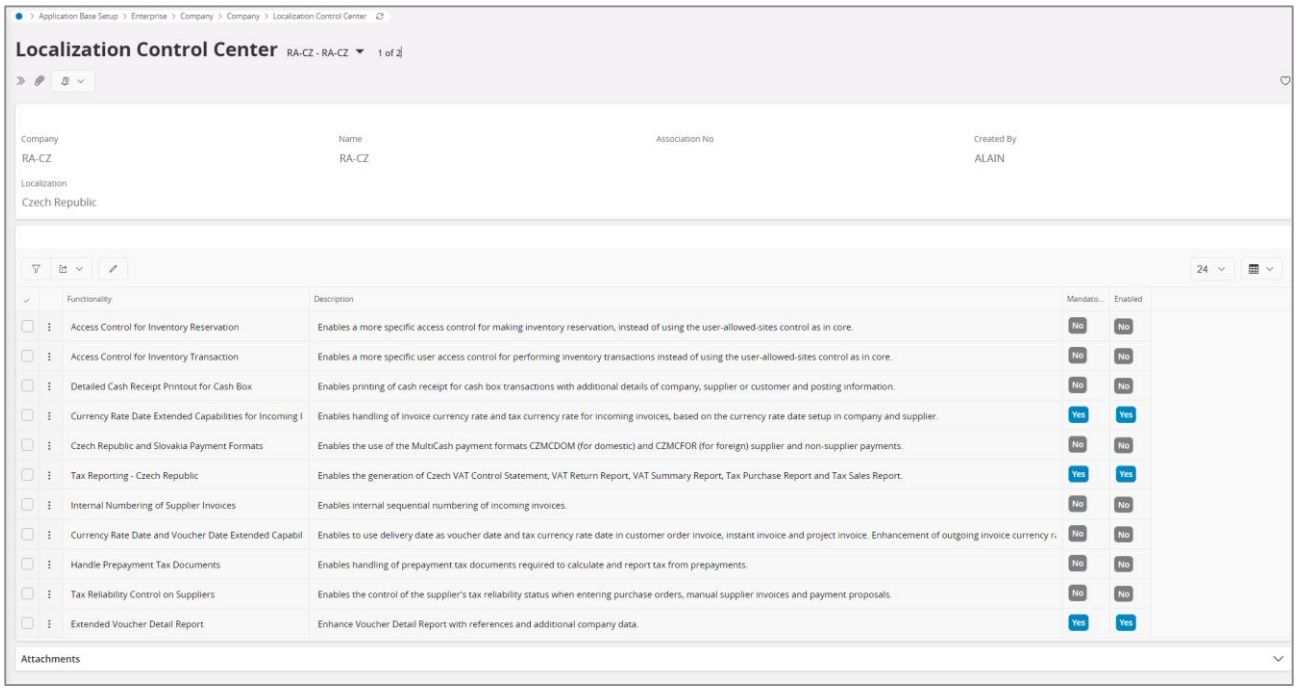
- Open the page, ***Company***.
- Search for the company.
- Select **Czech Republic** from the drop-down list in the Localization field and **Save**. Note that this cannot be changed once transactions are created for the company.



1.3 Select localization functionality

Specify which functionality to use.

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


Application Base Setup > Enterprise > Company > Company > Localization Control Center
Localization Control Center RA-CZ - RA-CZ 1 of 2
Company
RA-CZ
Name
RA-CZ
Association No
Created By
ALAIN
Localization
Czech Republic
24
Functionality
Description
Mandato...
Enabled
Access Control for Inventory Reservation
Enables a more specific access control for making inventory reservation, instead of using the user-allowed-sites control as in core.
No
No
Access Control for Inventory Transaction
Enables a more specific user access control for performing inventory transactions instead of using the user-allowed-sites control as in core.
No
No
Detailed Cash Receipt Printout for Cash Box
Enables printing of cash receipt for cash box transactions with additional details of company, supplier or customer and posting information.
No
No
Currency Rate Date Extended Capabilities for Incoming I
Enables handling of invoice currency rate and tax currency rate for incoming invoices, based on the currency rate date setup in company and supplier.
Yes
Yes
Czech Republic and Slovakia Payment Formats
Enables the use of the MultiCash payment formats CZMCDOM (for domestic) and CZMCFOR (for foreign) supplier and non-supplier payments.
No
No
Tax Reporting - Czech Republic
Enables the generation of Czech VAT Control Statement, VAT Return Report, VAT Summary Report, Tax Purchase Report and Tax Sales Report.
Yes
Yes
Internal Numbering of Supplier Invoices
Enables internal sequential numbering of incoming invoices.
No
No
Currency Rate Date and Voucher Date Extended Capabil
Enables to use delivery date as voucher date and tax currency rate date in customer order invoice, instant invoice and project invoice. Enhancement of outgoing invoice currency r
No
No
Handle Prepayment Tax Documents
Enables handling of prepayment tax documents required to calculate and report tax from prepayments.
No
No
Tax Reliability Control on Suppliers
Enables the control of the supplier's tax reliability status when entering purchase orders, manual supplier invoices and payment proposals.
No
No
Extended Voucher Detail Report
Enhance Voucher Detail Report with references and additional company data.
Yes
Yes
Attachments

2 Tax Reliability Control on Suppliers

2.1 Overview Legal Requirement

As a measure to prevent tax evasion, companies are obliged to control the reliability of suppliers. As of January 1, 2013, there is a Czech regulation in force that obliges Czech taxpayers to check whether their suppliers are reliable or not. This check is done via a website (http://adisreg.mfcr.cz/cgi-bin/adis/idph/int_dp_prij.cgi?ZPRAC=FDPHI1&poc_dic=1).

VAT payers who do not comply with their obligations are considered "unreliable". Recipients of supplies will be liable for any VAT not paid by suppliers who are identified as "unreliable".

As of April 1, 2013, the Czech taxpayers should also check the validity of the bank account number of the supplier on the above website. According to Czech law, the taxpayer is only allowed to transfer the payment of the invoice of a certain supplier to the bank account as mentioned on the above website.

There is no legal requirement to have such controls in the companies' ERP solution but best business practice to avoid situations where companies become liable for the VAT that the supplier shall pay to the tax authorities.

2.2 Solution Overview

Functionality is added to define if suppliers are considered unreliable and if bank accounts are valid for payments. There are also added controls and warning messages raised in the following scenarios:

- Control of supplier reliability is performed in the following scenarios:
  - Purchase order entry
  - Manual supplier invoice entry
  - Creating supplier payment proposal
  - Acknowledging tax proposal
- Control of bank account validity is performed in the following scenarios:
  - Authorizing invoice for payment
  - Creating supplier payment proposals

Process Overview

2.3 Prerequisites

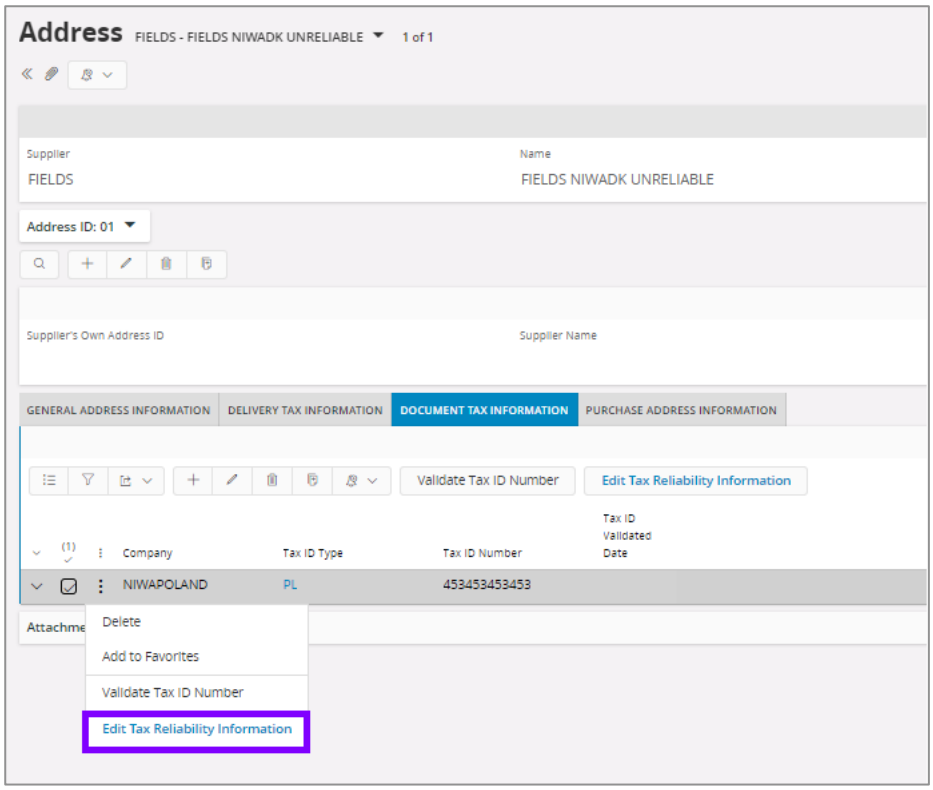
- The company must be set up to use Czech Republic localization, see the Company Setup chapter, and the **Tax Reliability Control on Suppliers** parameter must be enabled.

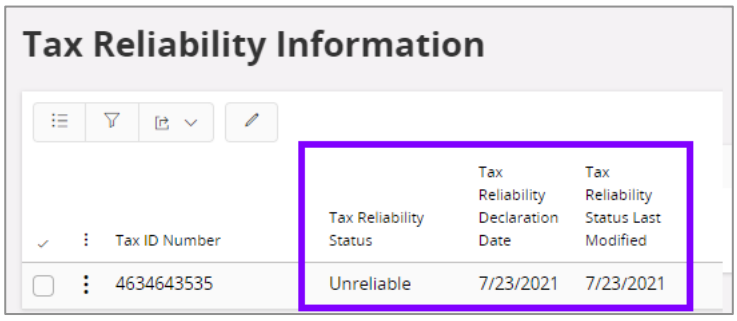
2.4 Define the reliability status on the Supplier

After checking the tax authority's database, the user can manually update the supplier's basic data via the ***Application Base Setup/Enterprise/Supplier/Supplier/Address*** tab and the ***Document Tax Information*** sub-tab.

The following columns are added:

- **Supplier Tax Reliability Status.** Enter the status of the supplier. Values are **Not Set**, **Reliable** and **Unreliable**.
- **Supplier´s Tax Reliability Declaration Date.** This is the date the tax authorities have classified the supplier reliability. The information is provided via the tax authority's website and entered manually.
- **Supplier´s Tax Reliability Status Last Modified.** This is the date when the reliability data was last updated, it's entered manually.

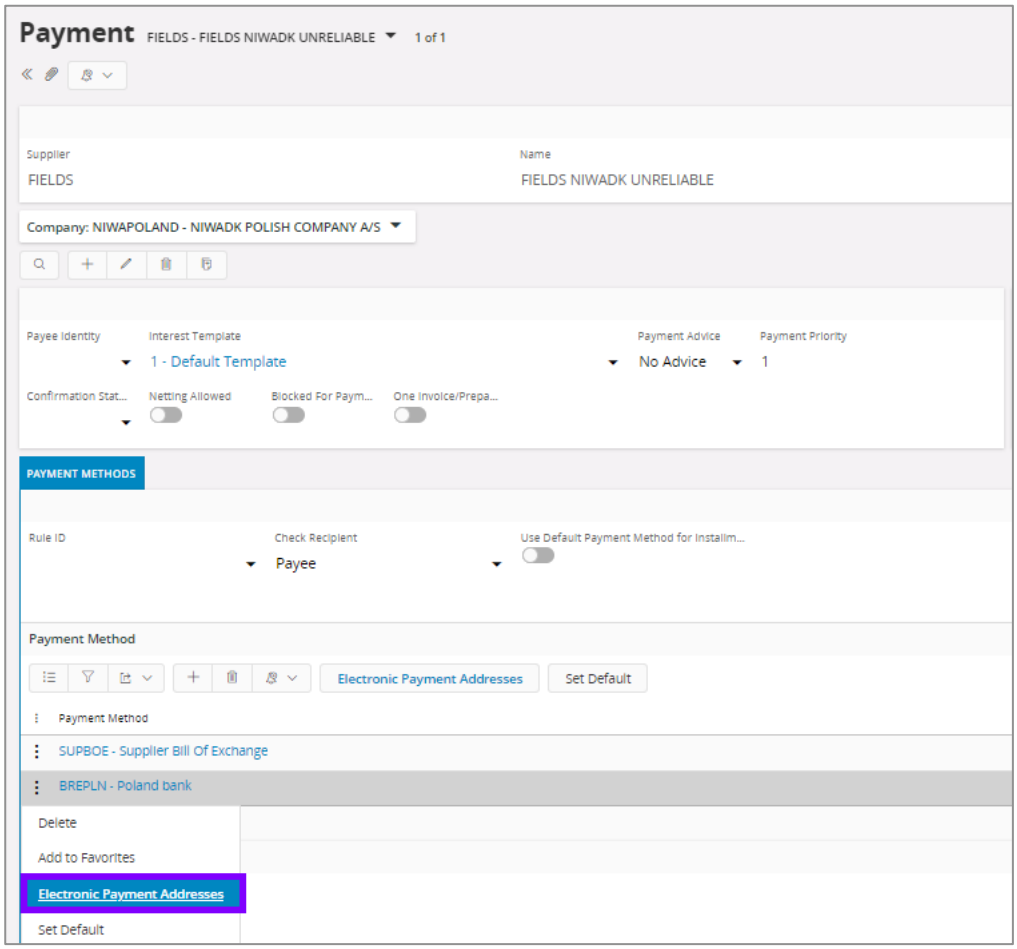


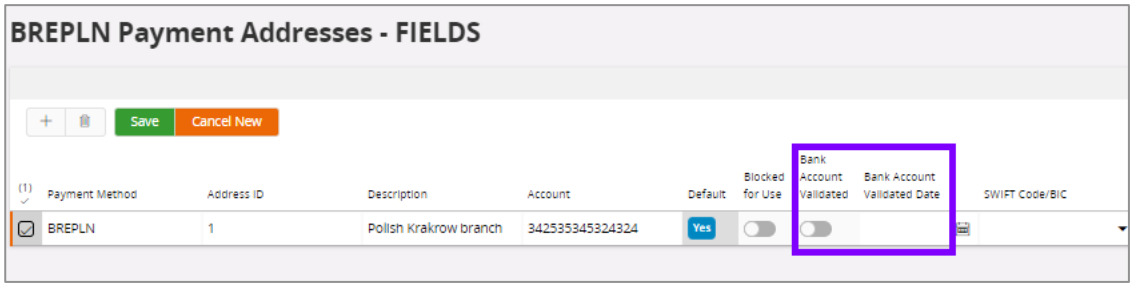


2.5 Define the bank account validity on the Supplier

Supplier reliability status and bank account validation are recognized as independent functionalities. Therefore, irrespective of the **Supplier Reliability Status,** the electronic payment address`s **Account Validation** checkbox can be updated to define the bank account validity on the supplier.

This is defined as supplier basic data via the ***Application Base Setup/ Enterprise/ Supplier/ Supplier/ Payment*** tab and sub-tab ***Payment Method***. Open the context menu and select **Electronic Payment Addresses** to open the ***Bank Address*** page. A new, **Account Validated** check box and **Account Validated Date** fields are added where the user may define if the account is valid or not with the account validated date.

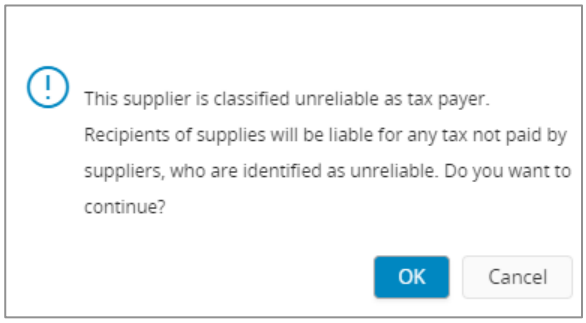




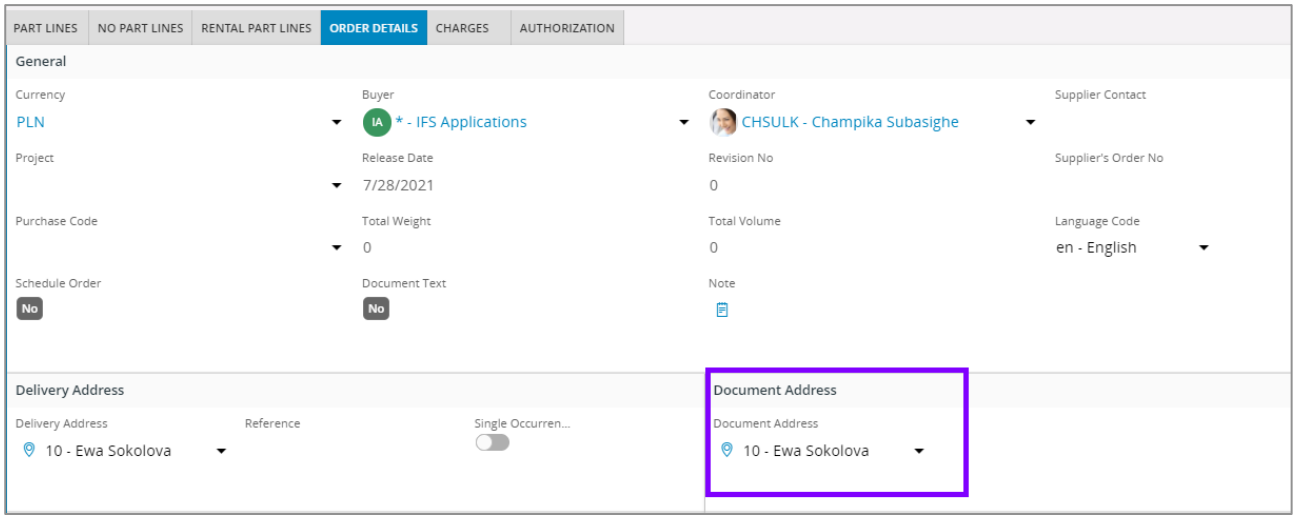
2.6 Validation and Warning when entering a purchase order

When creating a new purchase order, the reliability of the supplier is validated.

If the value on the supplier is **Unreliable** a warning message is displayed.

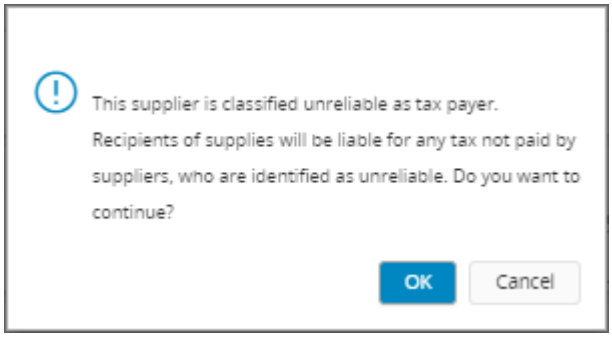


The supplier's document address as defined in the purchase order header will be used to perform the validation.



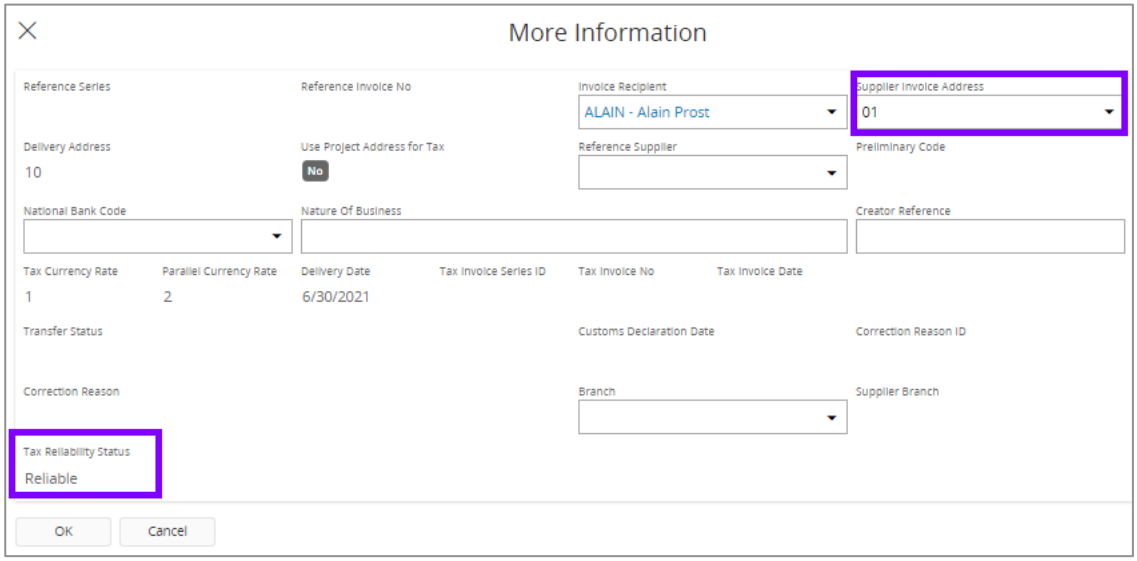
2.7 Validation and Warning when entering a manual supplier invoice

When creating a manual supplier invoice, the reliability of the supplier is validated. If the value on the supplier record is set to **Unreliable** a warning message is displayed when saving the invoice.



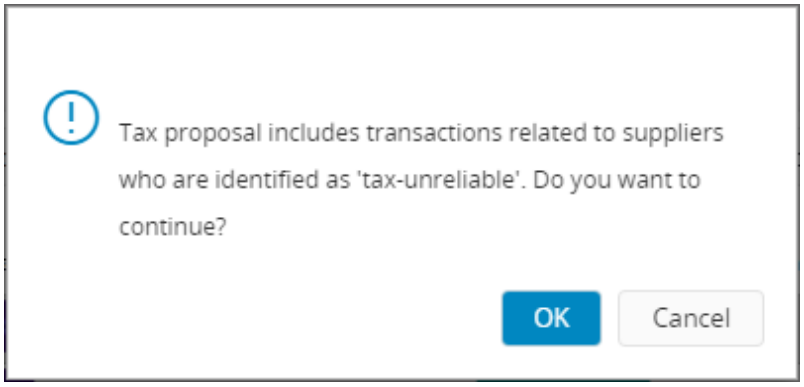
The chosen supplier invoice address set for the invoice will be used to perform the validation. This may be changed in the ***Manual Supplier Invoice*** page and the ***General Invoice Information*** dialog

box accessed under the **General Info** context menu option. The reliability of the selected address is displayed in the **Tax Reliability Status** field.

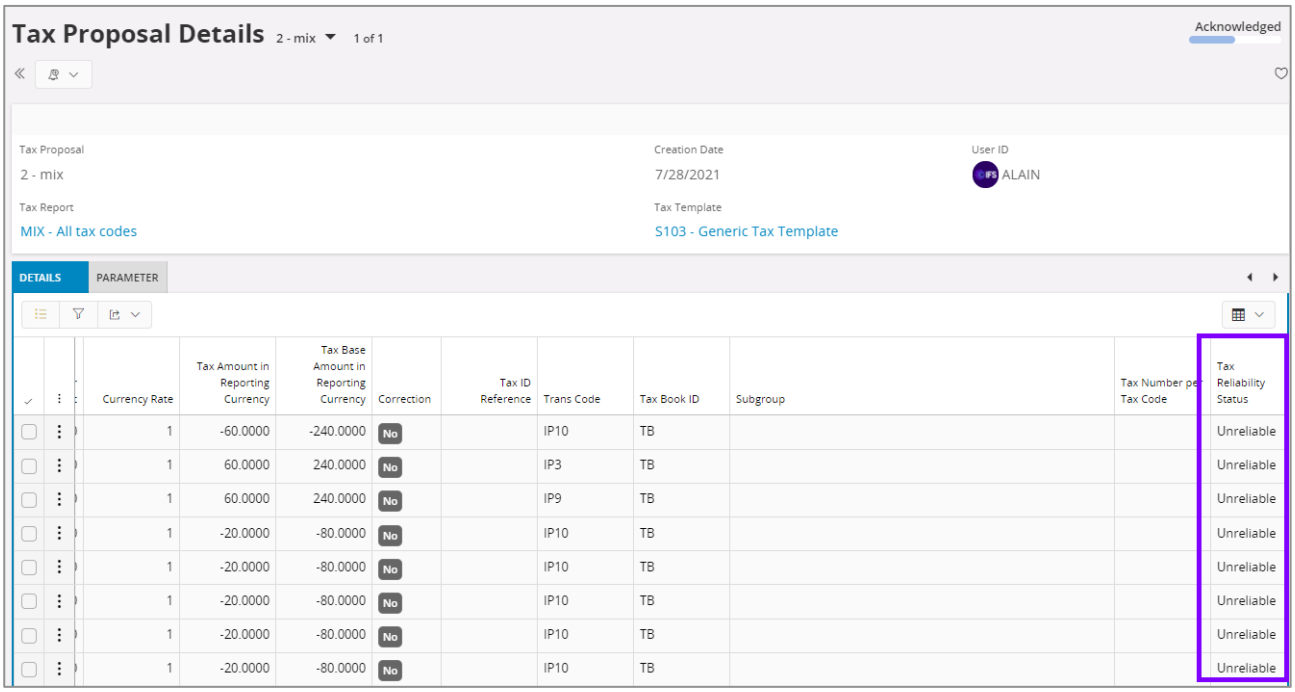


2.8 Validation and Warning when Acknowledging a Tax Proposal

When acknowledging a tax proposal, the reliability of the supplier is validated. If the value on the supplier record is set to **Unreliable** a warning message is displayed.

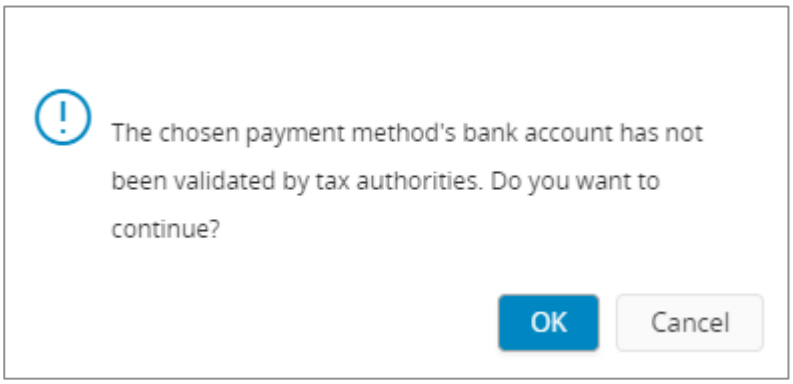


To show the tax reliability status in the tax proposal, the **Tax Reliability Status** column is added to the ***Tax Proposal Details*** page. This column is automatically updated with the changes in the supplier basic data.

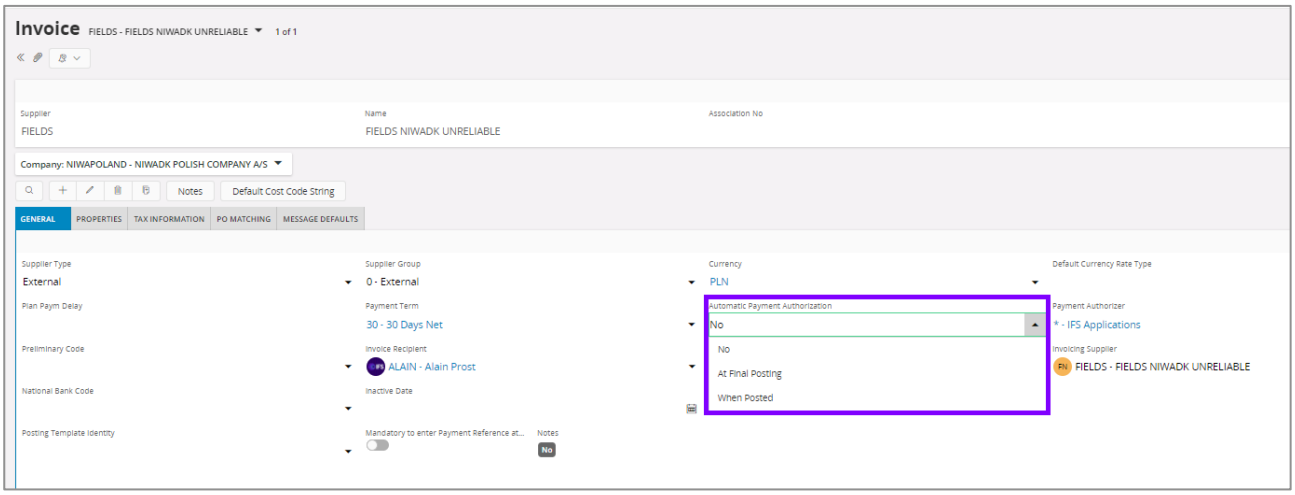


2.9 Validation and warning when authorizing invoice for payment

A validation is done to control whether the bank account on the payment method is valid. If the chosen bank account is not valid for the supplier or connected payee for the supplier, a warning message is displayed. The warning is generated at time of authorizing the invoice installment for the payment.



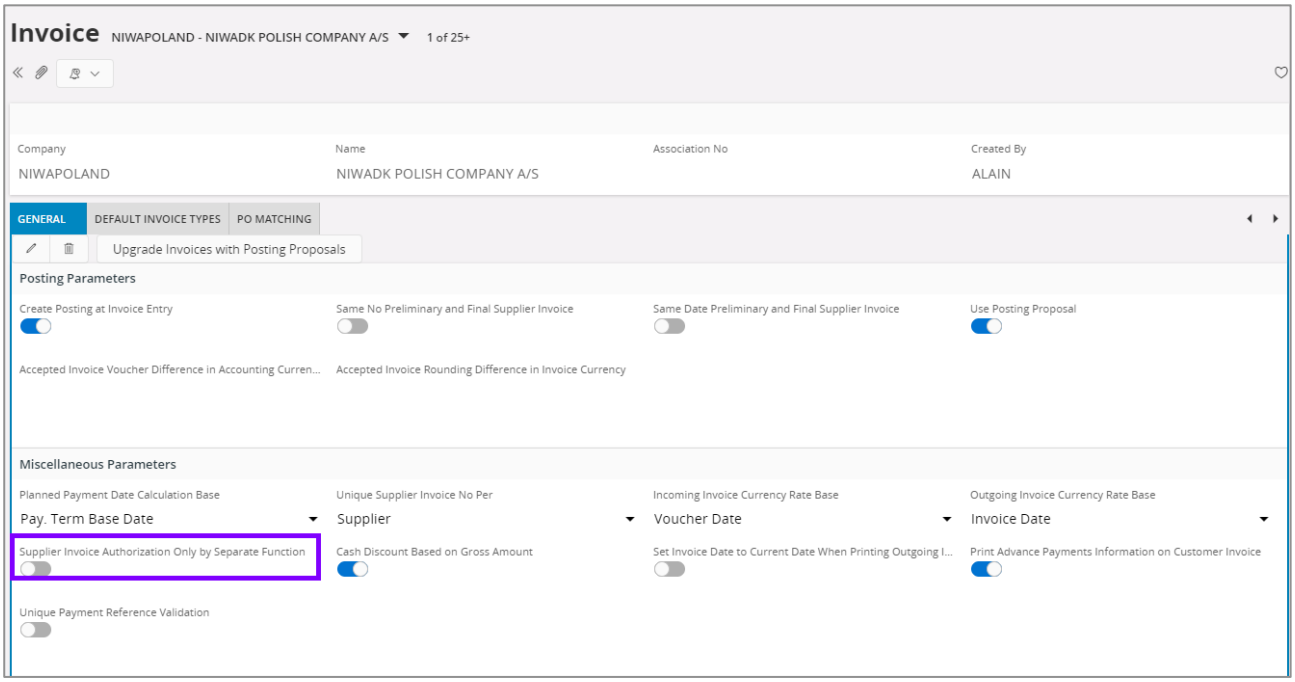
This authorization can be done manually or automatically. This is set up as basic data on the supplier in the ***Supplier/Invoice*** tab and ***General*** subtab, this is IFS Cloud standard functionality.

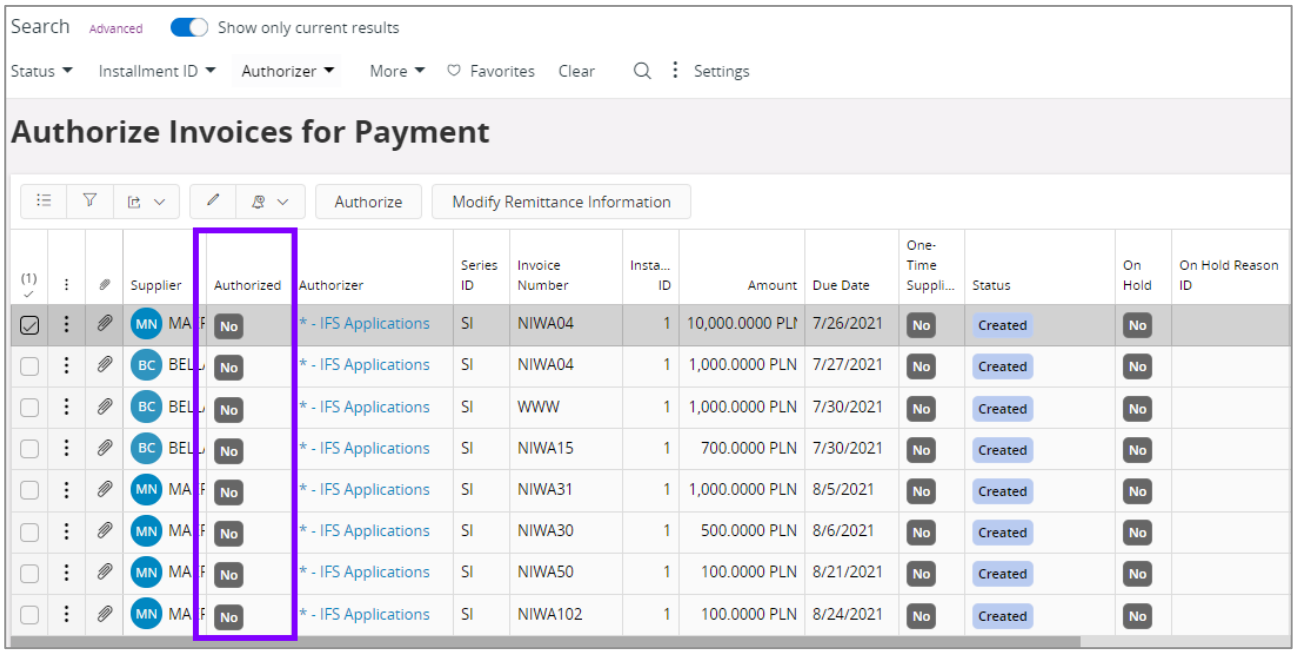


The following options are available:

- **No** - The validation of the account is done when the **Authorize** check box is manually selected in the *Supplier Invoice Installment Plan and Discount* page.
- **At Final Posting** - The validation of the account is done when final postings are created.
- **When Posted** - The validation of the account is done when the first postings are created for the invoice.

On the company level, on the ***Company/Invoice*** tab. it's possible to control if invoice authorization should be done in a separate function/page, this is IFS Cloud standard functionality. If the **Supplier Invoice Authorization Only by Separate Function** check box is selected the authorization can only be done from the ***Authorize Invoices for Payment*** page. The validation of the account is performed when the **Authorized** check box is selected.





2.10 Validation and Warning when Creating a Payment Proposal

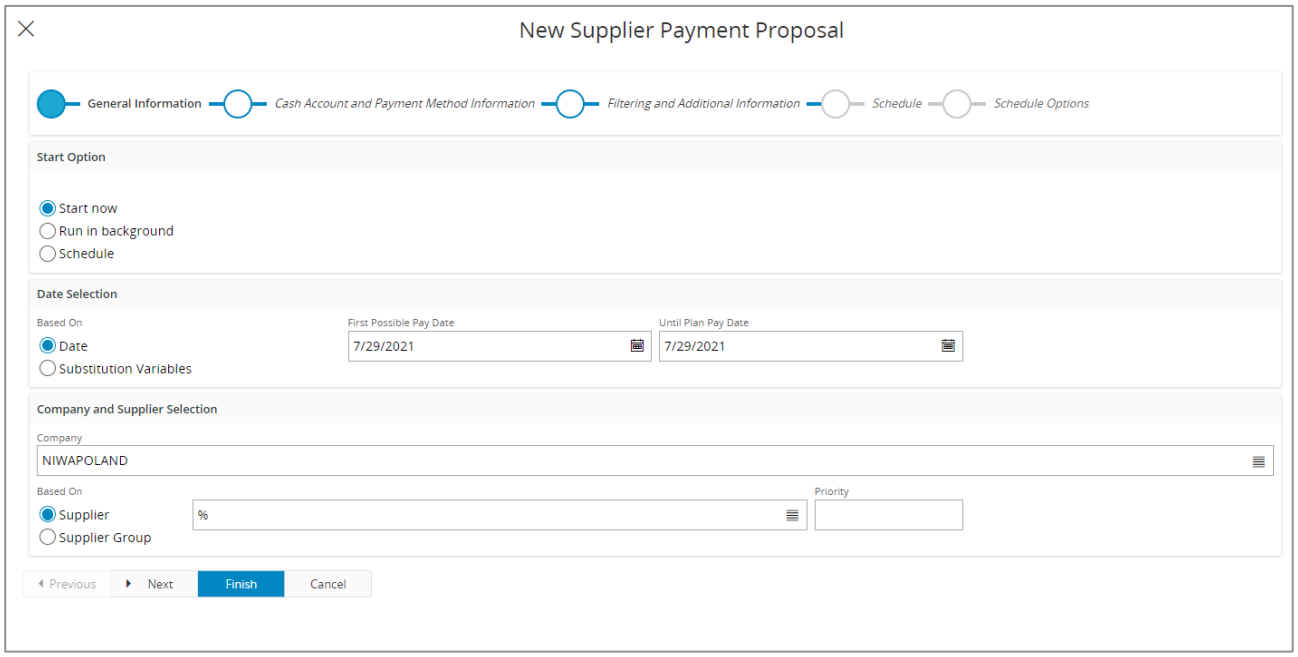
When creating a new supplier payment proposal, a validation is done to control the reliability status of the supplier and a control is done to check that the account connected to the payment method is valid.

If the supplier or payee is unreliable and/or the account is not valid a warning message is displayed. For the account to be validated, it's required that the invoices be registered with a **Payment Method** and **Payment Address ID**.

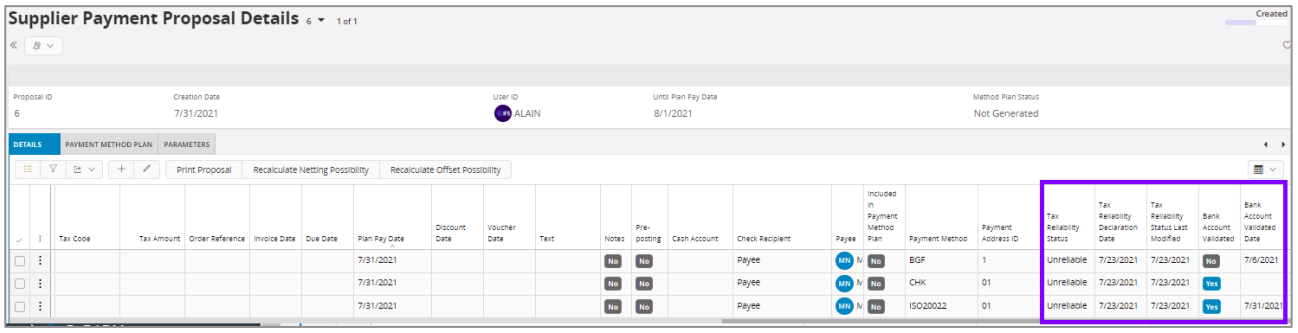
The validation is performed in the following scenarios:

- When creating the proposal under the **Create Proposal** context menu option in the ***Accounts Payable/Supplier Payment Proposal/Supplier Payment Proposals*** page
- When connecting invoices manually in the ***Supplier Payment Proposal Details*** page in the ***Details*** tab.

Read IFS Cloud Documentation for more information on how to use these functions.



Once the proposal is created you can go to the detail page and view connected invoices. There are five new columns added, **Tax Reliability Status**, **Declaration Date**, **Last Modified**, **Account Validated Date** and **Account Validated**, to indicate the supplier's status. Based on this information decision can be made whether to pay or not before acknowledging the payment.



2.11 Delimitations

- There is neither online nor offline connection developed to integrate IFS Cloud with the tax authorities' database.
- This functionality is only available in purchase order entry, manual supplier invoice entry, supplier invoice authorization for payment, payment proposal and tax proposal.

3 VAT Control Statement

3.1 Overview Legal Requirement

Starting from 1st January 2016 (according to Articles 101c – 101i of Act no.: 235/2004 Coll., on VAT as amended, hereinafter “the VAT Act”), selected entities (taxable persons registered for VAT) are obliged to submit so-called ‘VAT Control Statement’ report.

There is an obligation to submit data from particular tax documents which are already required to be recorded in the tax evidence by the VAT Act. This data will be reported in the VAT Control Statement based on issued and received tax documents (including simplified tax invoices).

Only taxable entities registered for VAT in the Czech Republic (with assigned CZ VAT ID number) will have the obligation to submit the VAT Control Statement.

Transactions which shall be declared in the VAT Control Statement:

1. Domestic taxable supplies (CZ) or receipt of advance payment (lines 1, 2 or 25 of the CZ VAT return)

2. Domestic acquisition of goods/services or providing of advance payment (lines 40, 41 or 10 and 11) of the CZ VAT return

3. Received transactions from which the acquirer is obliged to declare VAT according to article 108 section 1b), c) of the VAT Act (lines 3, 4, 5, 6, 9, 12 and 13 of the CZ VAT return)

4. Special scheme for investment gold:

    - Received Intermediary Service for which VAT is applied according to Article 92 section 5 of the VAT Act

    - Supply of VAT-exempt investment gold for which a taxable person registered for VAT is entitled to deduct VAT pursuant to Article 92 section 6 b) and c), or

    - Production of investment gold or transformation of gold into investment gold according to Article 92 section 7 of the VAT Act.

3.2 Solution

To handle the Czech tax reporting requirement, the IFS Cloud standard tax reporting process including the tax transactions and the corresponding tax proposal functionality is used. An XML file is created which can be submitted to the tax authorities.

The VAT Control Statement requires a Code of Supply, Fill Mode Code, identification of non-deductible tax amount, and Customer Date of Incorporation.

Tax Category 1 and Tax Category 2 are added to support reporting the Code of Supply and Fill Mode Code. IFS standard functionality is used to identify the non-deductible tax amounts and the Date of Registration is used to fetch the date of incorporation details in Czech Republic VAT reporting.

- The following new data is added for companies in the Czech Republic during the installation.

  New tax template : “GCZ001 - Czech VAT Control Statement”.
  New external file type : “TaxRepCZ - Czech Tax Reporting” .
  New external file template : “TaxRepCZVatCtrlStmt - Czech Vat control statement”
  New tax group : “KH2016 - Czech VAT Control Statement”.

  New data is generated for tax template **GCZ001** on the ***Tax Group*** page and the ***Tax Template Field Control*** page if STD- CZ- Czech Company Template is used in the company creation or company update process.

  If STD-CZ company template is used in the company creation process, new data is added for the companies with localization variant **Czech Republic** is selected in the ***Company/General*** tab, and localization parameter **Tax Reporting – Czech Republic** is enabled.

  After the company creation, if the **STD-CZ** company template is used for the company update process, new data is added to the companies for which the localization variant **Czech Republic** is selected in the ***Company/General*** tab and the localization parameter **Tax Reporting – Czech Republic** is enabled.

- A new basic data window is added to define the tax categories in ***Accounting Rules/Tax/Tax Categories*****.** Tax categories can be used to classify and group the tax transactions for any reporting purpose.
  In Czech Republic localization, **Tax Category 1** can be used for reporting the **Czech Code of Supply** and **Tax Category 2** can be used for reporting the **Fill Mode Code**.

  The tax categories can be attached to the tax codes, and it is fetched to the invoice lines through the tax lines of the customer/supplier invoices. The tax categories can also be changed in the tax lines of the invoices. These tax categories are fetched to the tax transactions of the tax ledger in order to be used for tax reporting.
  The tax category details are fetched to the ***Tax Categories*** page from the company template.

- A new ***VAT Control Header*** dialog is added. Use it when the tax report is printed/preliminary printed or re-printed. This dialog is used to specify report/file header details that do not always exist in the IFS Cloud standard version.

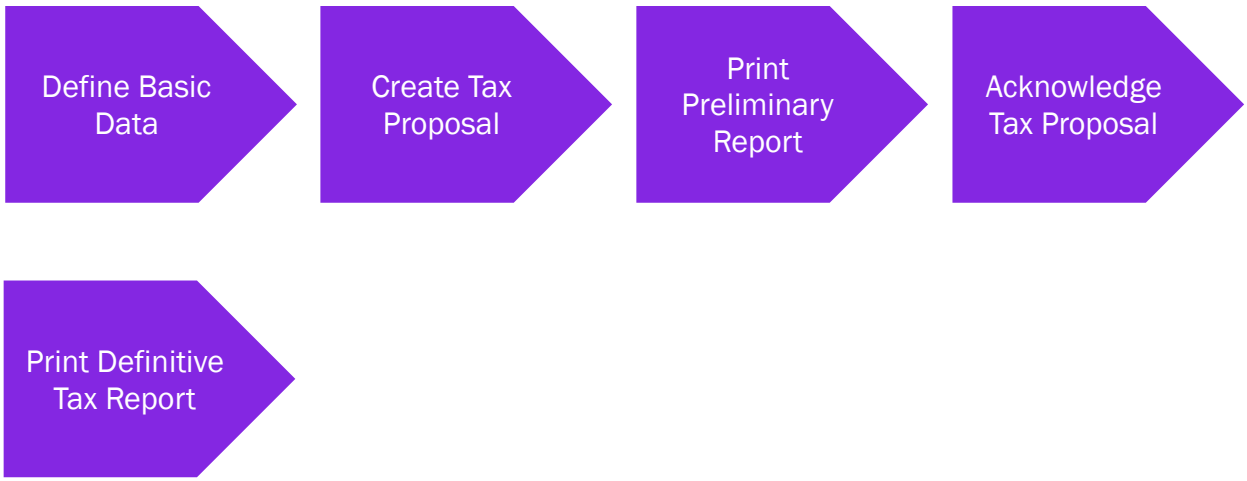
- The **standard non-deductible functionality** is used to specify a proportional claim of tax deduction under the 75 section in the VAT Statement report.

- New **Date of Registration** field is introduced to the ***Customer/General*** tab for the customers that are not obliged to pay VAT.

- For the validation of invoice amounts, the new **Above Tax Control Limit** option is added to the customer, supplier, and project invoices. The same option is also presented in the tax transactions.

- To enter the supplier’s tax liability date for supplier invoices, the new **VAT Control Report Date** is added to the *Tax Transactions* page.

3.2.1 PROCESS OVERVIEW



3.3 Prerequisites

- The company must be set up to use Czech Republic localization, see the Company Setup chapter and the **VAT Reporting** parameter must be enabled.
- Only transactions in the tax ledger will be subject to the report hence, tax codes must be used accordingly.
- Use the STD-CZ company template for company creation or company update process in order to fetch the details of tax groups and subgroups from the company template.

3.3.1 ASSUMPTIONS

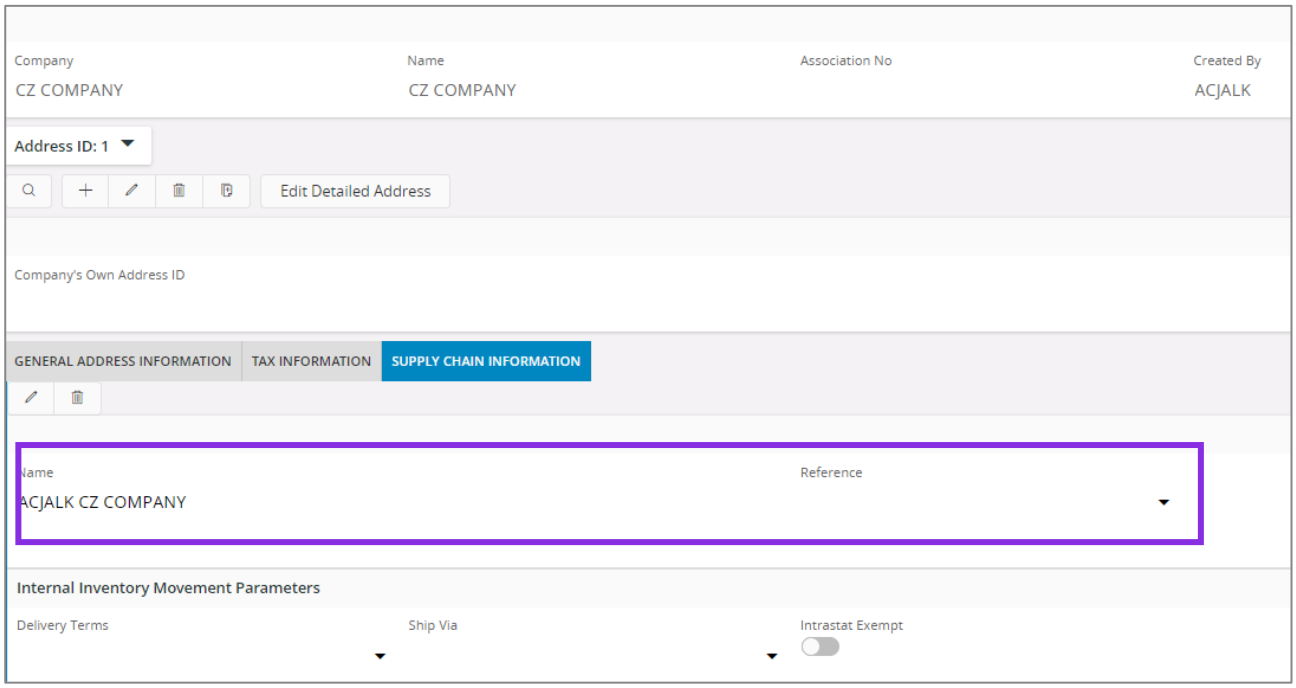
It is an assumption that the user is familiar with the IFS Cloud standard process for tax reporting and have knowledge about country specific requirements i.e., tax consultant type/code, control report data, etc.

3.4 Define basic data

To be able to generate the **VAT Control Statement**, some basic data must be set up. The basic data is used both in the header section and in the sub-sections of the report.

3.4.1 COMPANY NAME

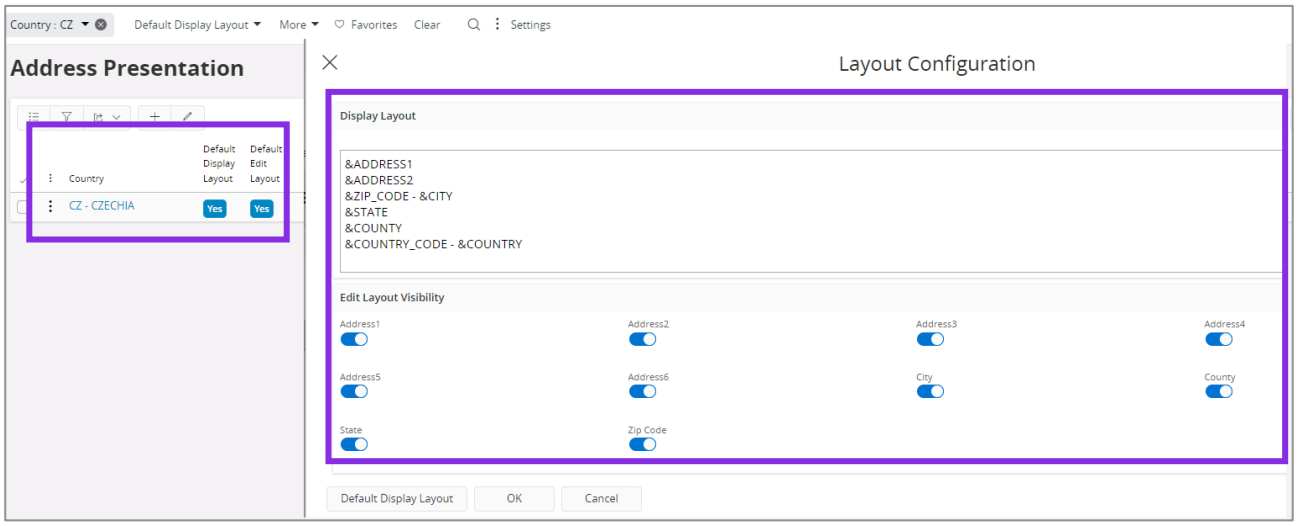
The company name given for an address identity will be used in the header section. If an extended company name is requested, the name field in the ***Application Base Setup/ Enterprise/ Company/ Company page Address/ Distribution*** tab is being used up to 100 characters and the input in this field will overwrite the company name from the address identity.



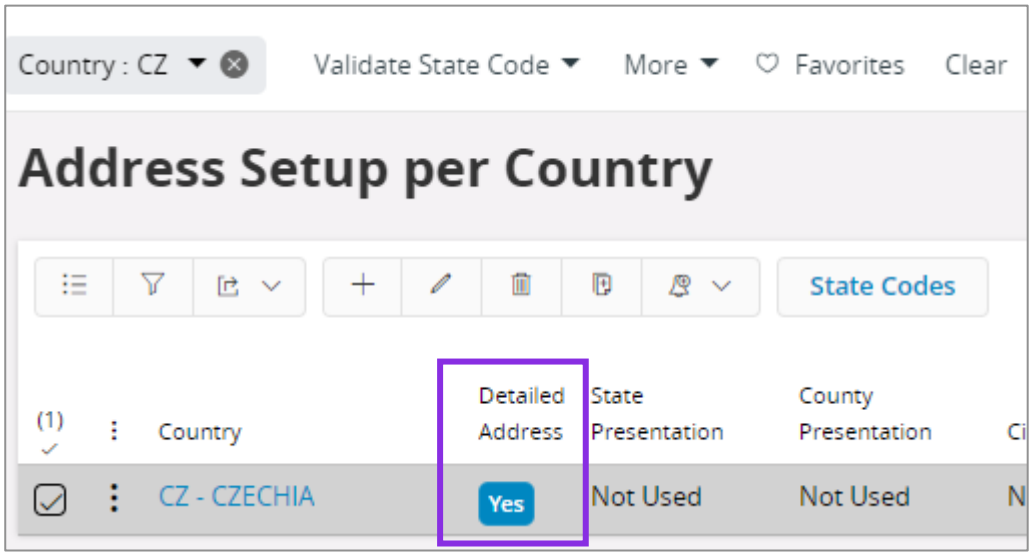
3.4.2 COMPANY ADDRESS

The company address is required in the header section and needs to be entered in a certain way to get the correct information into the correct field.

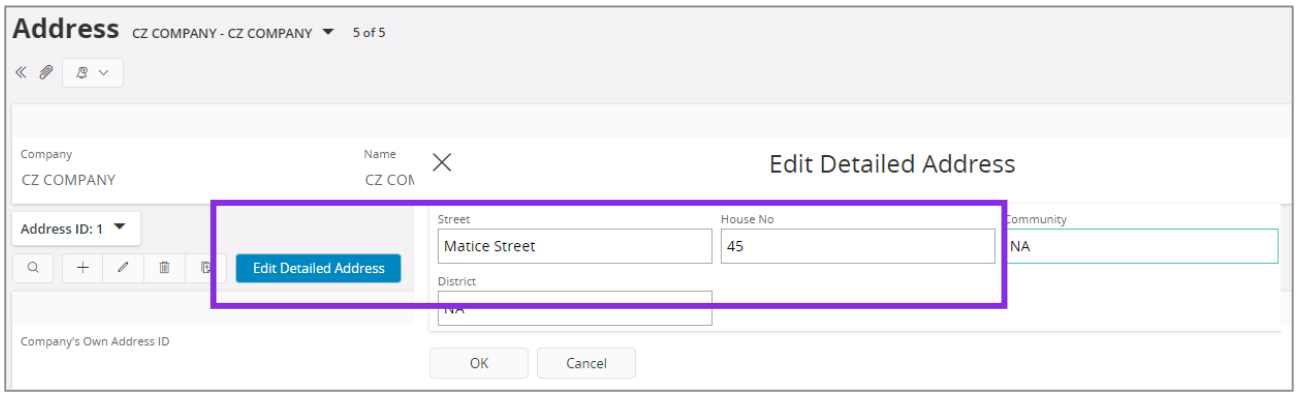
First, the fields for **City, Zip Code** and **Country** must be enabled for the Czech Republic country code in the ***Application Base Setup/Enterprise/Company/Basic Data/Address Presentation*** page.



Second, the functionality for detailed address information must be enabled. On the ***Application Base Setup/Enterprise/Company/Basic Data/Address Setup per Country*** page, the option for **Detailed Address** needs to be checked. The option will enable dedicated fields for **Street** and **House umber** when creating the company address.



Third, enter a customer address in ***Enterprise/Company/Company page Address*** tab. The dialog for address details will enable dedicated fields for **Street** and **House number** which is required in the control statement.

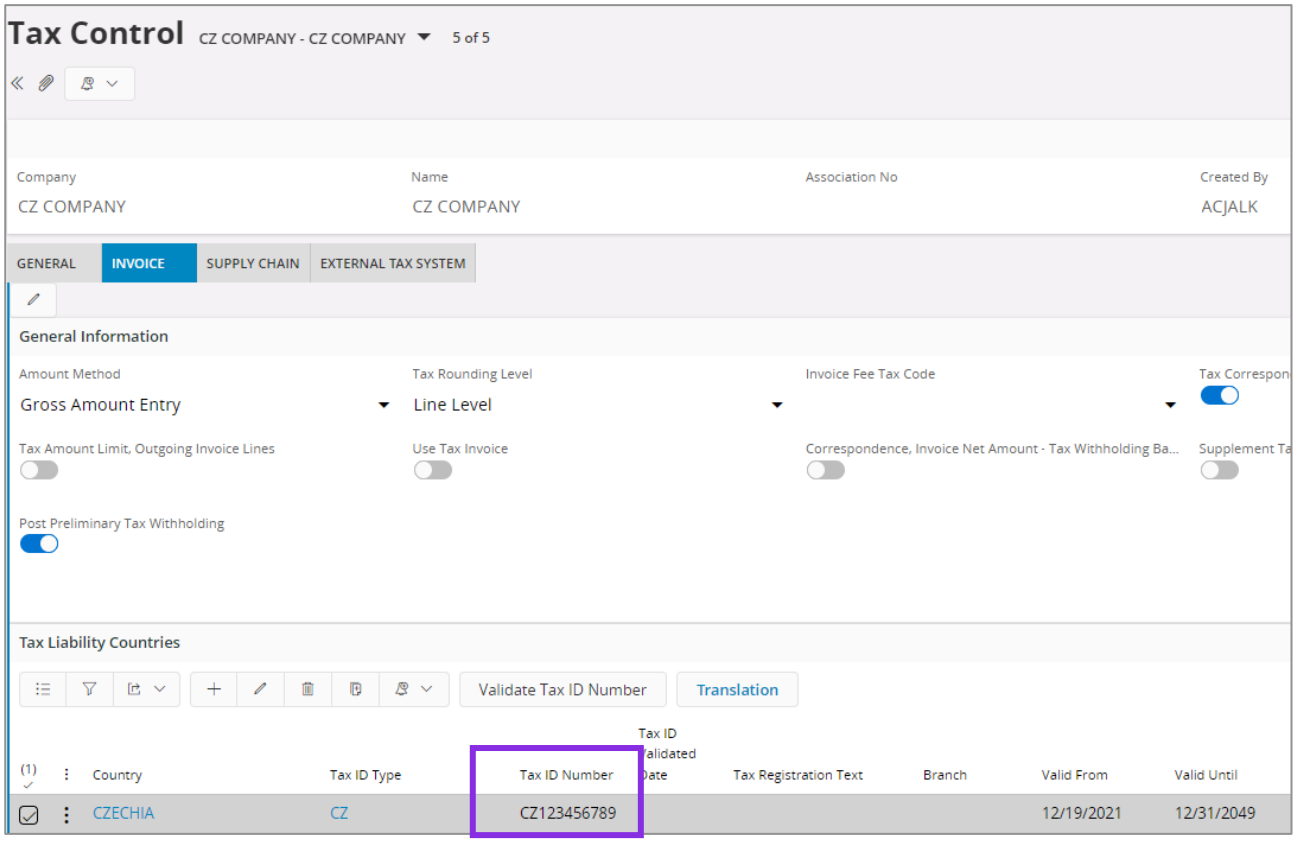


3.4.3 TAX ID NUMBER

Tax ID numbers are required for companies, suppliers and customers and are used as references in the VAT reports.

3.4.3.1 Company Tax ID Number

Go to ***Application Base Setup/Enterprise/Company/Company*** page ***Tax Control/Invoice*** tab to enter the **Tax ID Number** for the company.



3.4.3.2 Supplier Tax ID Number

Go to the ***Application Base Setup/Enterprise/Supplier/Supplier*** page ***Address/Document Tax Information*** tab to enter the **Tax ID Number** for the supplier.

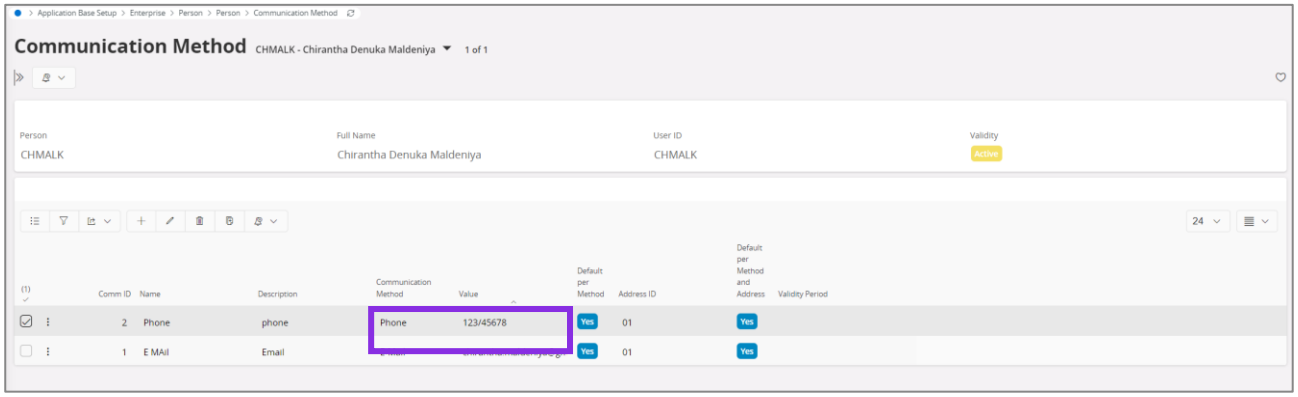
3.4.3.3 Customer Tax ID Number

Go to the ***Application Base Setup/Enterprise/Customer/Customer*** page ***Address/Document Tax Information*** tab to enter the **Tax ID Number** for the customer.

3.4.4 CREATE PERSON ID

The header section of the VAT report requires information about the **Contact Person**, **Tax Consultant**, **Authorized Person** and **Issued By**. Use standard functionality in the ***Application Base Setup/Enterprise/Person*** page to enter person IDs which will be fetched via the list of values into the header dialog when printing the tax report.

Note: Phone number must be separated from regional code by using “/” sign.



3.4.5 CREATE TAX REPORT

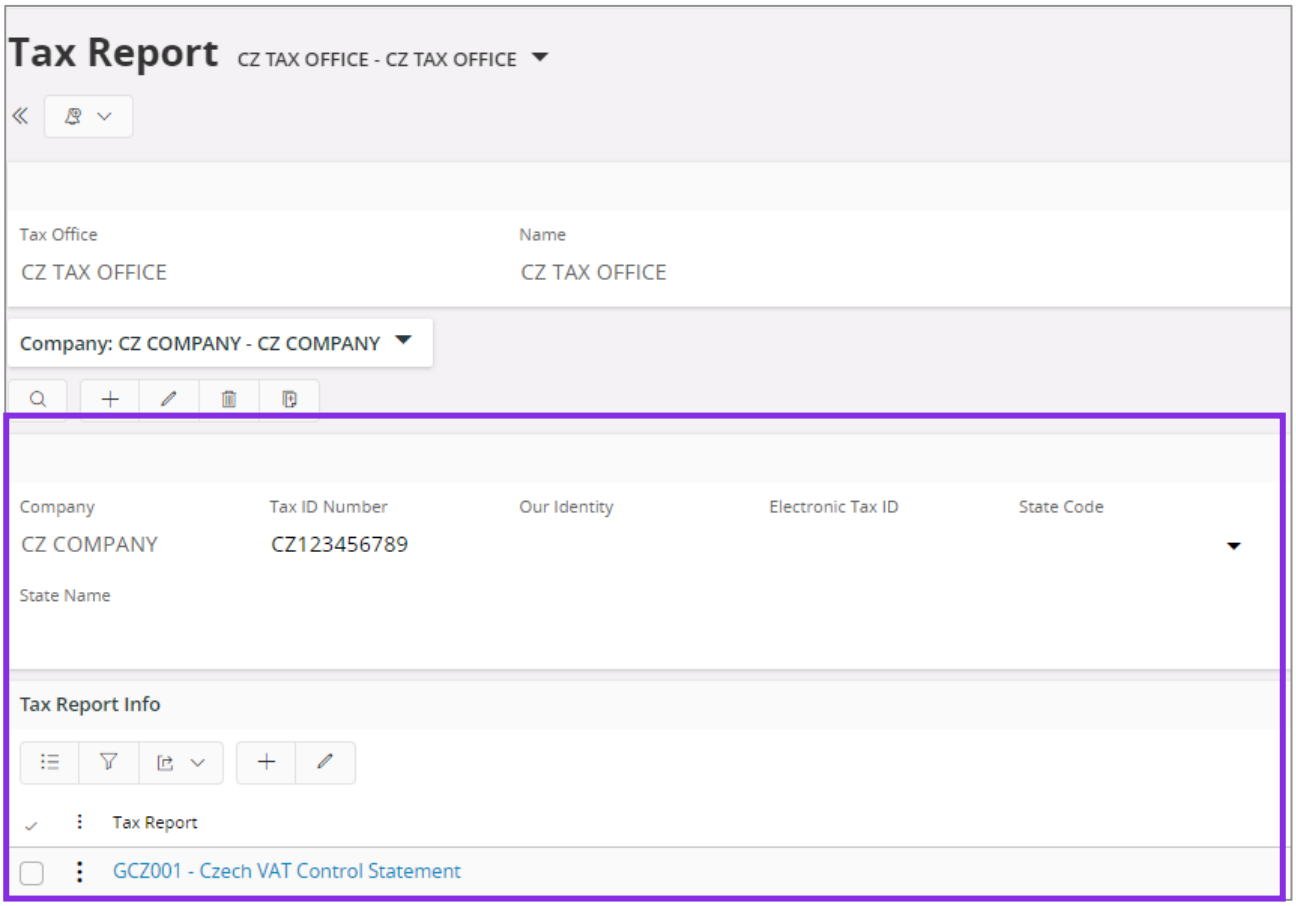
A tax report must be created for the VAT Control Statement. Use standard functionality in IFS Cloud to create the report in the ***Financials/Tax Ledger/Tax Report*** page.

A new tax template, **GCZ001**, for the control statement is introduced. In addition to this, the new external file type **TaxRepCZ** and the new external file template **TaxRepCZVatCtrlStmt** are also introduced which are connected to the tax template.

3.4.6 CREATE TAX OFFICE AND REGIONAL TAX OFFICE

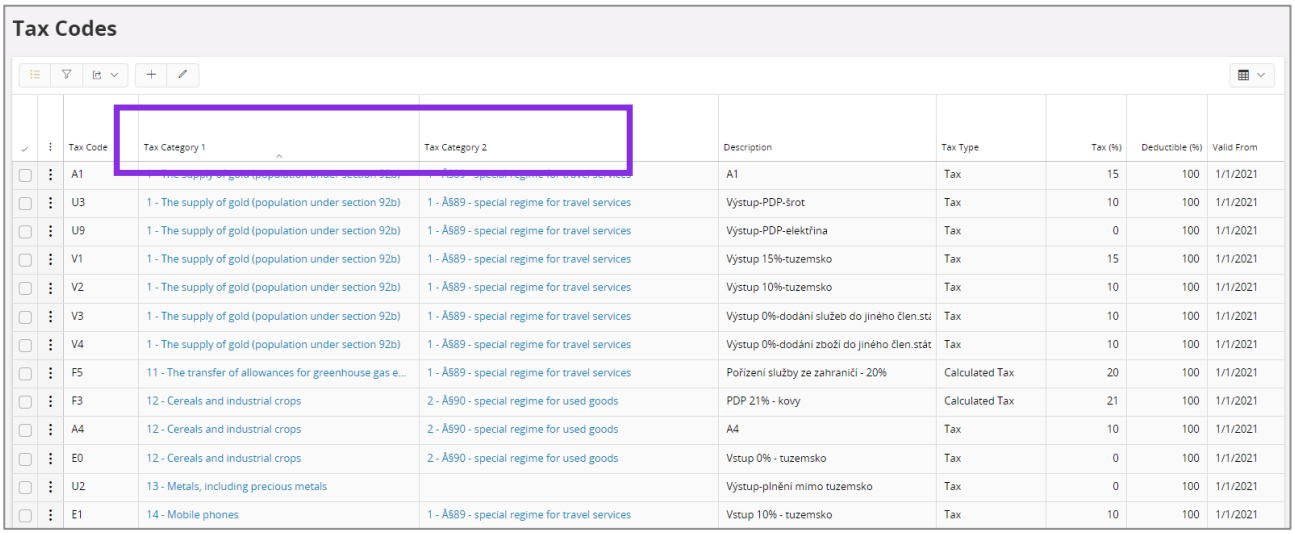
For tax office and regional tax office, the standard functionality for adding tax office is used. Go to the ***Application Base Setup/Enterprise/Tax/Tax Office*** page and set up both the tax office and regional tax office.

Note: Make sure to add the tax report number to your tax office and regional tax office.



3.4.7 CREATE TAX CODES

A tax code is needed for each type of transaction, and it is the tax code that direct a certain transaction into a certain sub-section of the statement. Separate tax codes for disbursed (sales) and received (purchase) tax is required. A tax code is being created according to the standard process in the ***Accounting Rules/Tax/Tax Codes*** page.



Tax Code	Tax Category 1	Tax Category 2	Description	Tax Type	Tax (%)	Deductible (%)	Valid From
A1	1 - The supply of gold (population under section 92b)	1 - Â§89 - special regime for travel services	A1	Tax	15	100	1/1/2021
U3	1 - The supply of gold (population under section 92b)	1 - Â§89 - special regime for travel services	Výstup-PDP-šrot	Tax	10	100	1/1/2021
U9	1 - The supply of gold (population under section 92b)	1 - Â§89 - special regime for travel services	Výstup-PDP-elektřina	Tax	0	100	1/1/2021
V1	1 - The supply of gold (population under section 92b)	1 - Â§89 - special regime for travel services	Výstup 15%-tuzemsko	Tax	15	100	1/1/2021
V2	1 - The supply of gold (population under section 92b)	1 - Â§89 - special regime for travel services	Výstup 10%-tuzemsko	Tax	10	100	1/1/2021
V3	1 - The supply of gold (population under section 92b)	1 - Â§89 - special regime for travel services	Výstup 0%-dodání služeb do jiného člen.stá	Tax	10	100	1/1/2021
V4	1 - The supply of gold (population under section 92b)	1 - Â§89 - special regime for travel services	Výstup 0%-dodání zboží do jiného člen.stát	Tax	10	100	1/1/2021
F5	11 - The transfer of allowances for greenhouse gas e...	1 - Â§89 - special regime for travel services	Pořízení služby ze zahraničí - 20%	Calculated Tax	20	100	1/1/2021
F3	12 - Cereals and industrial crops	2 - Â§90 - special regime for used goods	PDP 21% - kovy	Calculated Tax	21	100	1/1/2021
A4	12 - Cereals and industrial crops	2 - Â§90 - special regime for used goods	A4	Tax	10	100	1/1/2021
E0	12 - Cereals and industrial crops	2 - Â§90 - special regime for used goods	Vstup 0% - tuzemsko	Tax	0	100	1/1/2021
U2	13 - Metals, including precious metals		Výstup-plnění mimo tuzemsko	Tax	0	100	1/1/2021
E1	14 - Mobile phones	1 - Â§89 - special regime for travel services	Vstup 10% - tuzemsko	Tax	10	100	1/1/2021

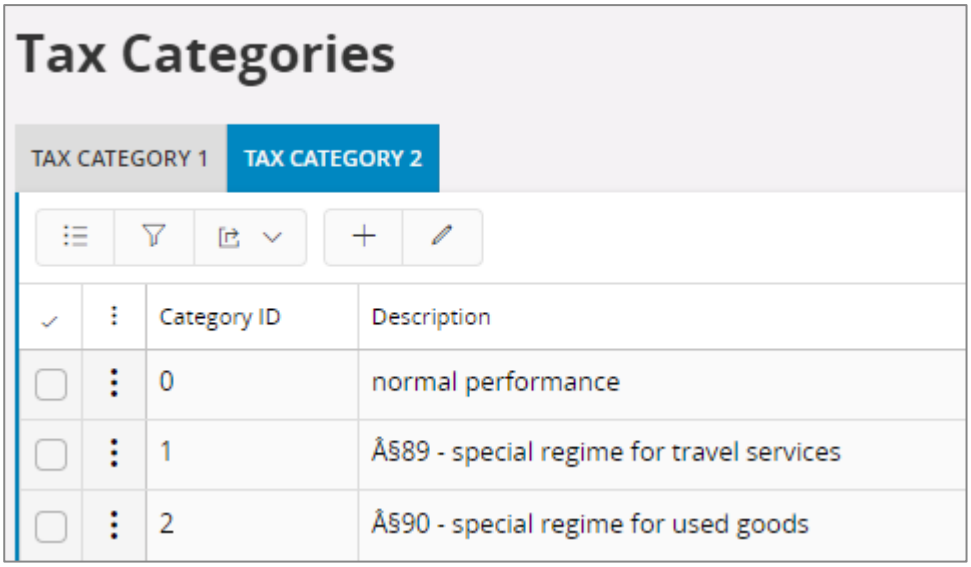
Note: A tax code can only be connected to one tax sub-group, but it is possible to direct a transaction into another sub-section by adding a delivery type.

3.4.7.1 Fill Mode Code

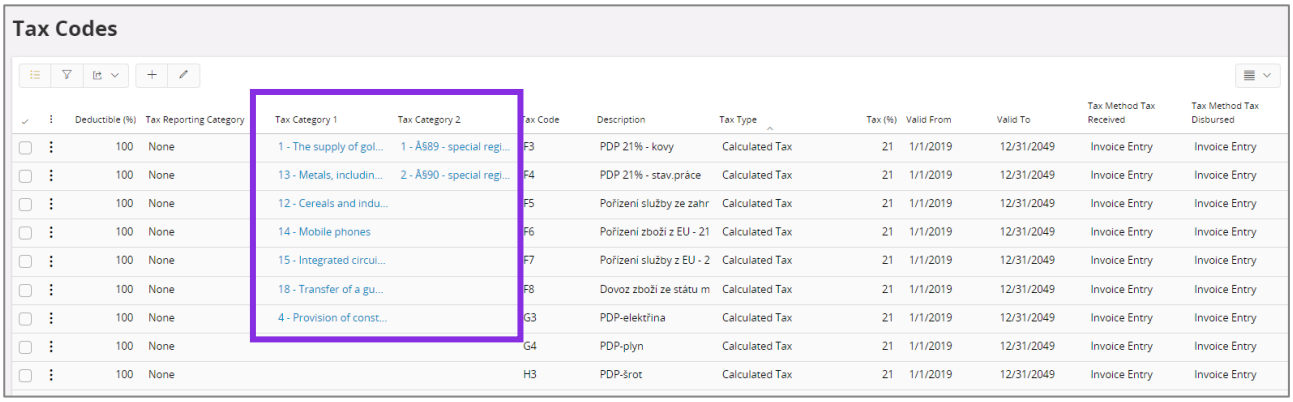
A **Fill Mode Code** is set for the taxable transactions via **Tax Category 2** and used for reporting the received remuneration described in section 108, section 44, and the special scheme for travel service under section 89, the special scheme for second-hand goods under section 90.

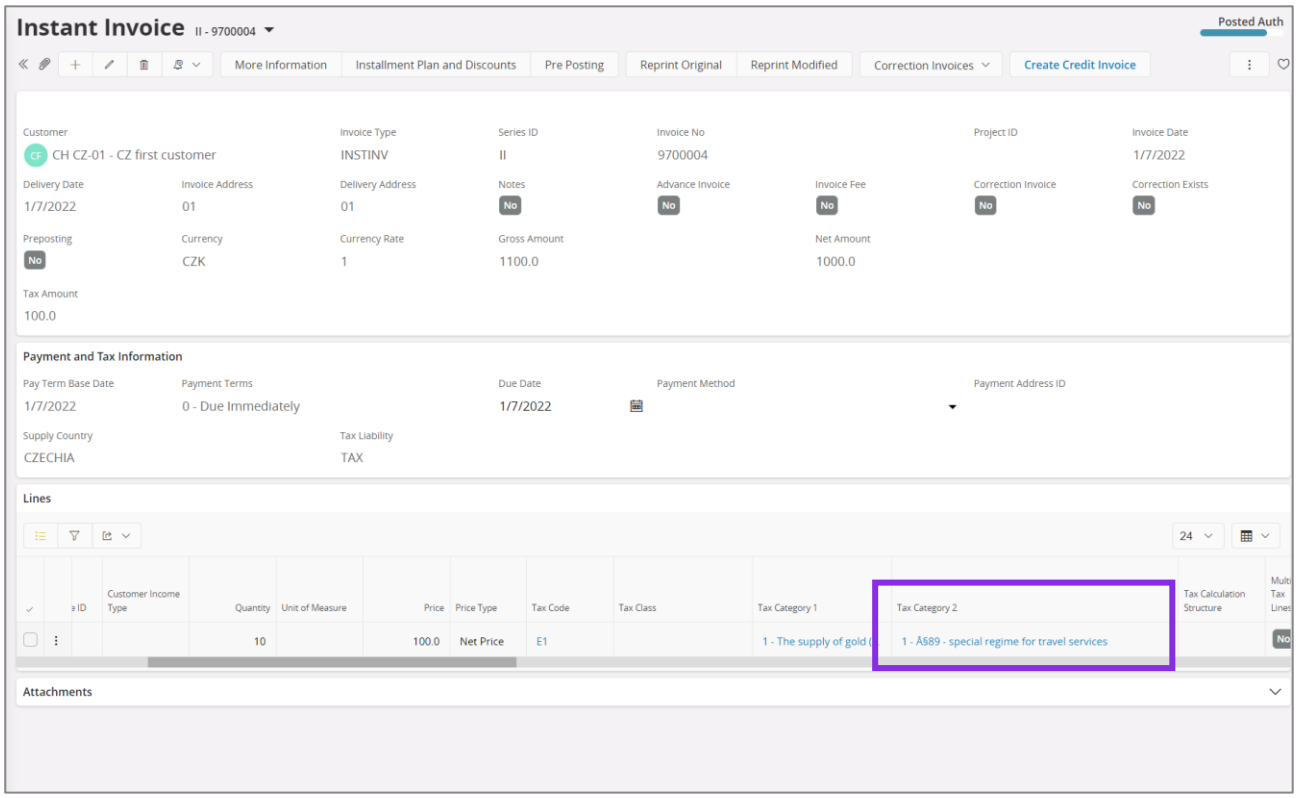
Make sure the values for the fill mode code are added in the ***Tax Category 2*** tab in the ***Tax Categories*** page. If the **STD-CZ** company template is used for company creation or company updates, the details will be fetched from the company template. Use the drop-down list to connect the tax category 2 to tax codes on the ***Tax Code*** page. There are three different codes, and it is requested for all tax-disbursed transactions.

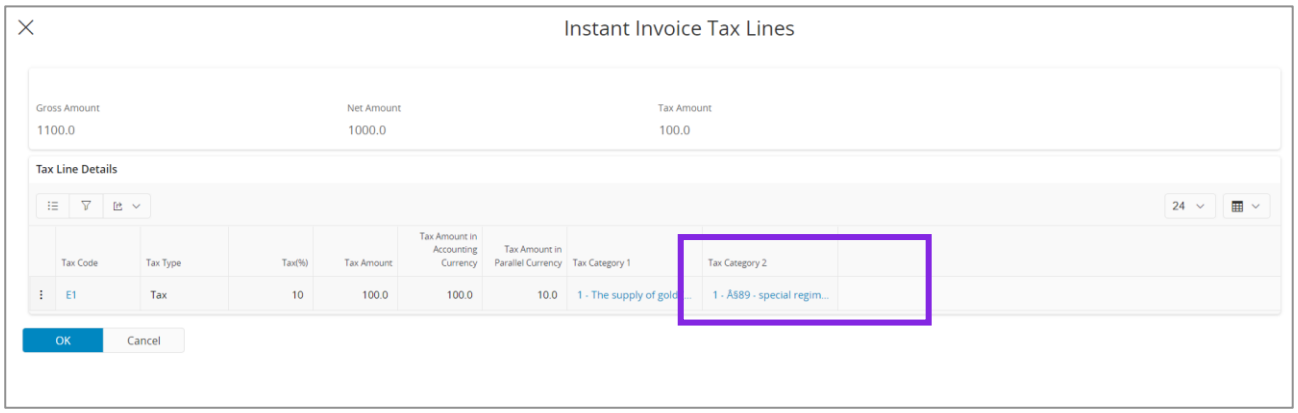
- Normal performance
- §89 – Special regime for travel services
- §90 – Special regime for used goods

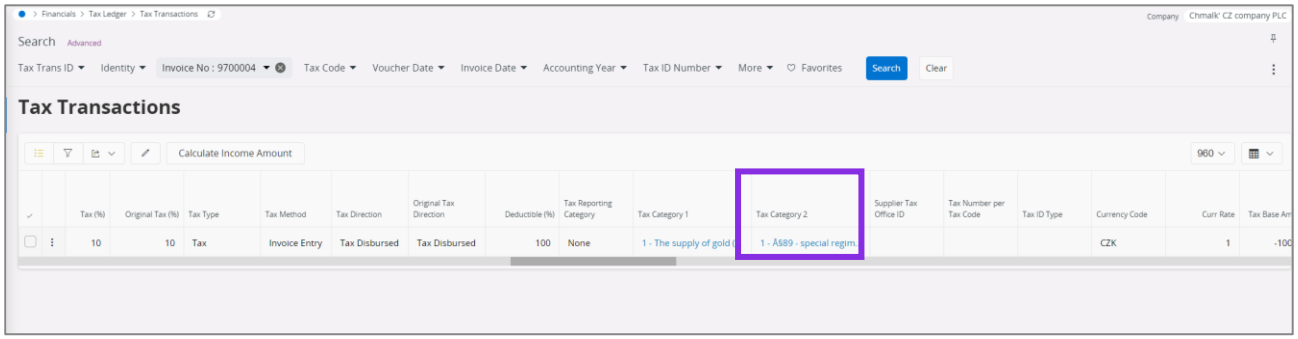


The tax category 2 details are displayed on the line level of Instant Invoices, Customer Invoices, Manual Customer Invoices and Project Invoices. Use the ***Tax Lines*** page of different invoice types to change the default tax category 2 details fetched from the tax code setup. These **Tax categories** are also displayed in tax transactions and in the control statement.



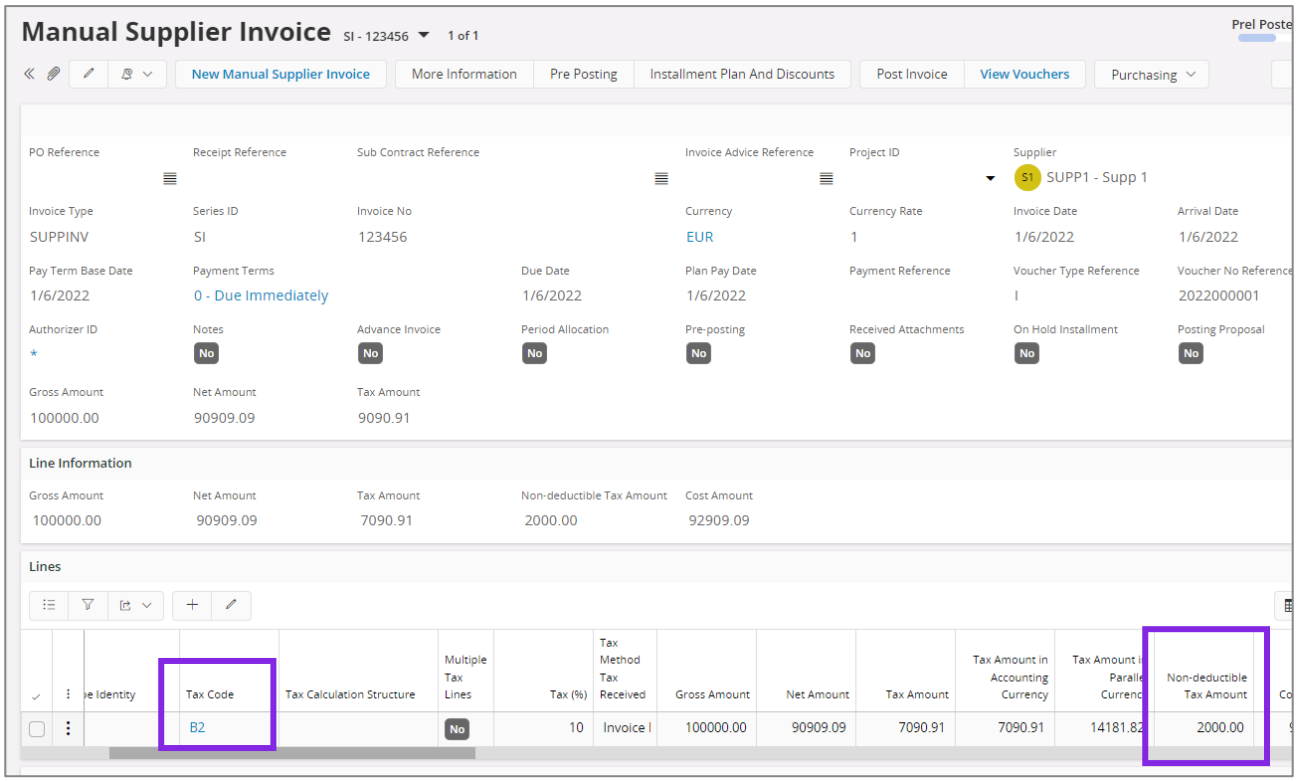

Instant Invoice II - 9700004
Posted Auth
More Information
Installment Plan and Discounts
Pre Posting
Reprint Original
Reprint Modified
Correction Invoices
Create Credit Invoice
Customer
CH CZ-01 - CZ first customer
Invoice Type
INSTINV
Series ID
II
Invoice No
9700004
Project ID
Invoice Date
1/7/2022
Delivery Date
1/7/2022
Invoice Address
01
Delivery Address
01
Notes
Advance Invoice
Invoice Fee
Correction Invoice
Correction Exists
Preposting
Currency
CZK
Currency Rate
1
Gross Amount
1100.0
Net Amount
1000.0
Tax Amount
100.0
Payment and Tax Information
Pay Term Base Date
1/7/2022
Payment Terms
0 - Due Immediately
Due Date
1/7/2022
Payment Method
Payment Address ID
Supply Country
CZECHIA
Tax Liability
TAX
Lines
Customer Income Type
Quantity
Unit of Measure
Price
Price Type
Tax Code
Tax Class
Tax Category 1
Tax Category 2
Tax Calculation Structure
10
100.0
Net Price
E1
1 - The supply of gold
1 - Â§89 - special regime for travel services
Attachments


Instant Invoice Tax Lines
Gross Amount
1100.0
Net Amount
1000.0
Tax Amount
100.0
Tax Line Details
Tax Code
Tax Type
Tax(%)
Tax Amount
Tax Amount in Accounting Currency
Tax Amount in Parallel Currency
Tax Category 1
Tax Category 2
E1
Tax
10
100.0
100.0
10.0
1 - The supply of gold
1 - Â§89 - special regim...
OK
Cancel


Financials > Tax Ledger > Tax Transactions
Company
Chmalk' CZ company PLC
Search
Advanced
Tax Trans ID
Identity
Invoice No : 9700004
Tax Code
Voucher Date
Invoice Date
Accounting Year
Tax ID Number
More
Favorites
Search
Clear
Tax Transactions
Calculate Income Amount
Tax (%)
Original Tax (%)
Tax Type
Tax Method
Tax Direction
Original Tax Direction
Deductible (%)
Tax Reporting Category
Tax Category 1
Tax Category 2
Supplier Tax Office ID
Tax Number per Tax Code
Tax ID Type
Currency Code
Curr Rate
10
10
Tax
Invoice Entry
Tax Disbursed
Tax Disbursed
100
None
1 - The supply of gold
1 - Â§89 - special regim...
CZK
1

3.4.7.2 Non-Deductible Tax

A tax code with 100% or less than 100% (between 0%-100%) tax deductible can be used to enter a tax transaction with a deductible tax portion. When such tax transaction is fetched into the tax ledger, the **Non-Deductible Tax Amount** field is used to specify a proportional claim of a tax deduction if the transaction is reported under section 75. The option is either true or false and the setting is displayed in the control statement.



3.4.7.3 Code of Supply

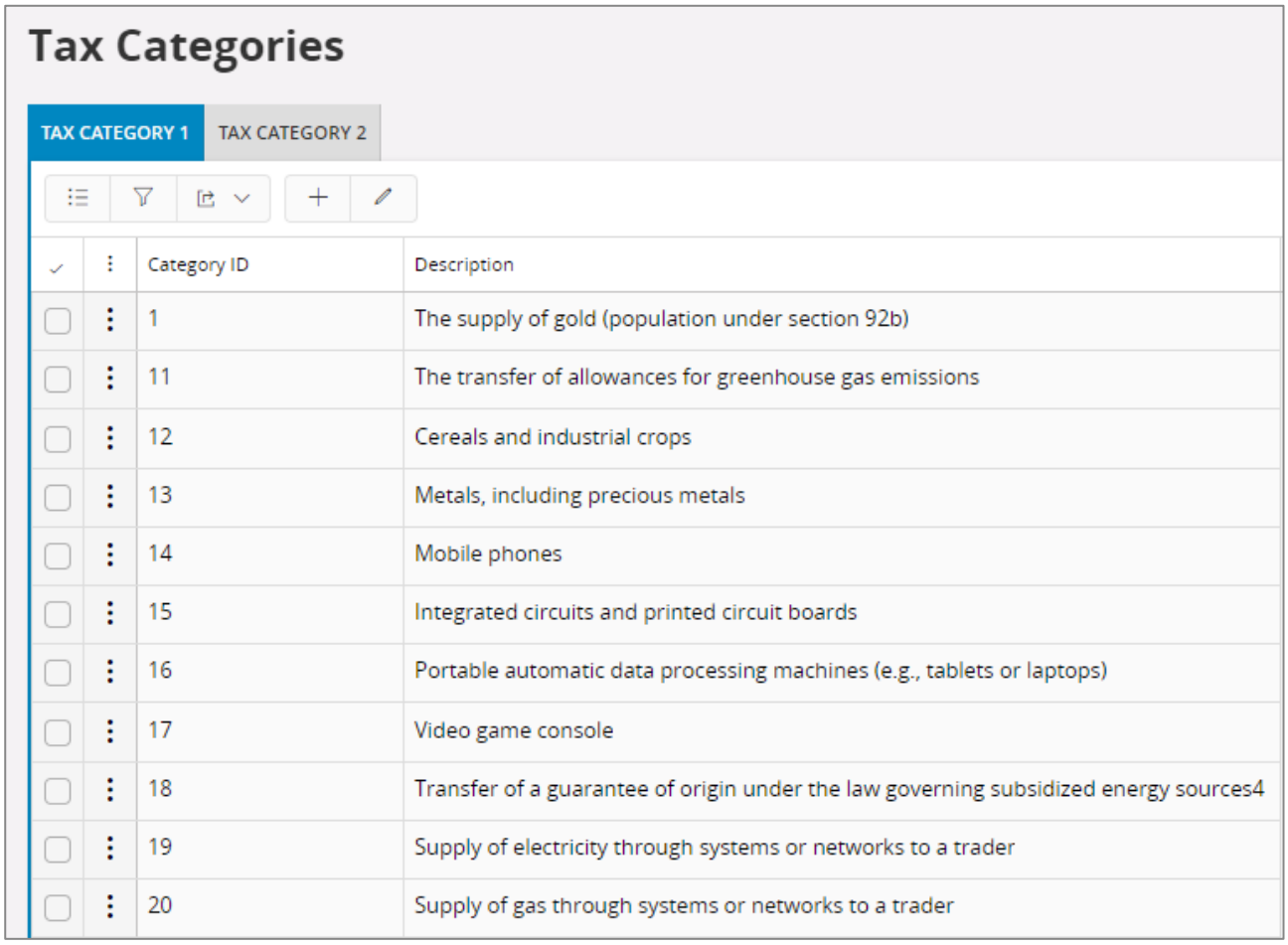
In Czech Republic localization, **Tax Category 1** is used for reporting the **Czech Code of Supply**.

In the ***Application Base Setup/Enterprise/Tax/Tax Categories*** page use the **Tax Category 1** tab to enter the Czech code of supply details. If the **STD-CZ** company template is used for company creation or company updates, the details will be fetched from the company template.

This is described under section 92a as the Subject of performance. The code of Supply mentioned below needs to be defined.

- 1 - The supply of gold (population under section 92b)
- 3 - Supply of immovable things, if this delivery will apply tax (implementation under section 92d)
- 4 - Provision of construction or installation work (performance under section 92e)
- 5 - The goods listed in annex 5 of the law on VAT (population under section 92 c)
- 11 - The transfer of allowances for greenhouse gas emissions
- 12 - Cereals and industrial crops
- 13 - Metals, including precious metals

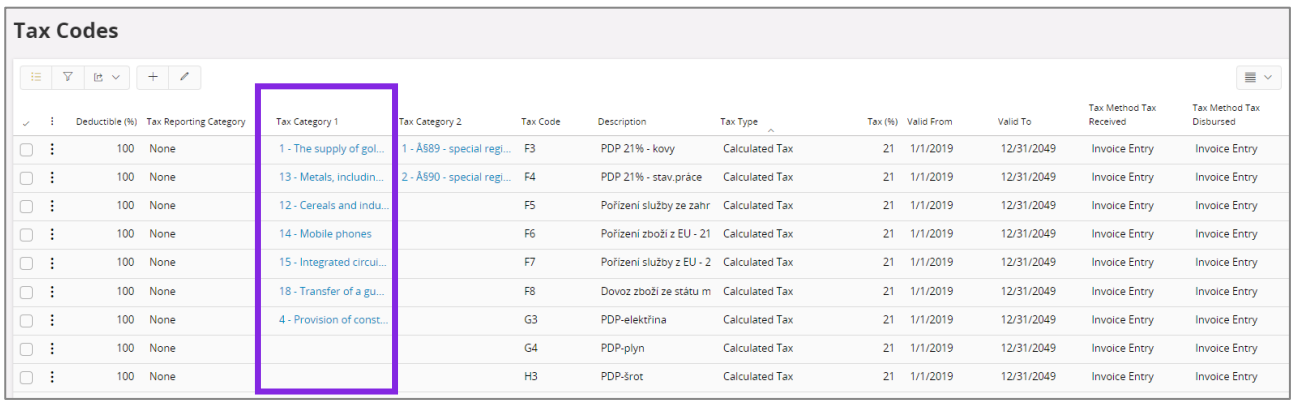
- 14 - Mobile phones
- 15 - Integrated circuits and printed circuit boards
- 16 - Portable automatic data processing machines (e.g., tablets or laptops)
- 17 - Video game console

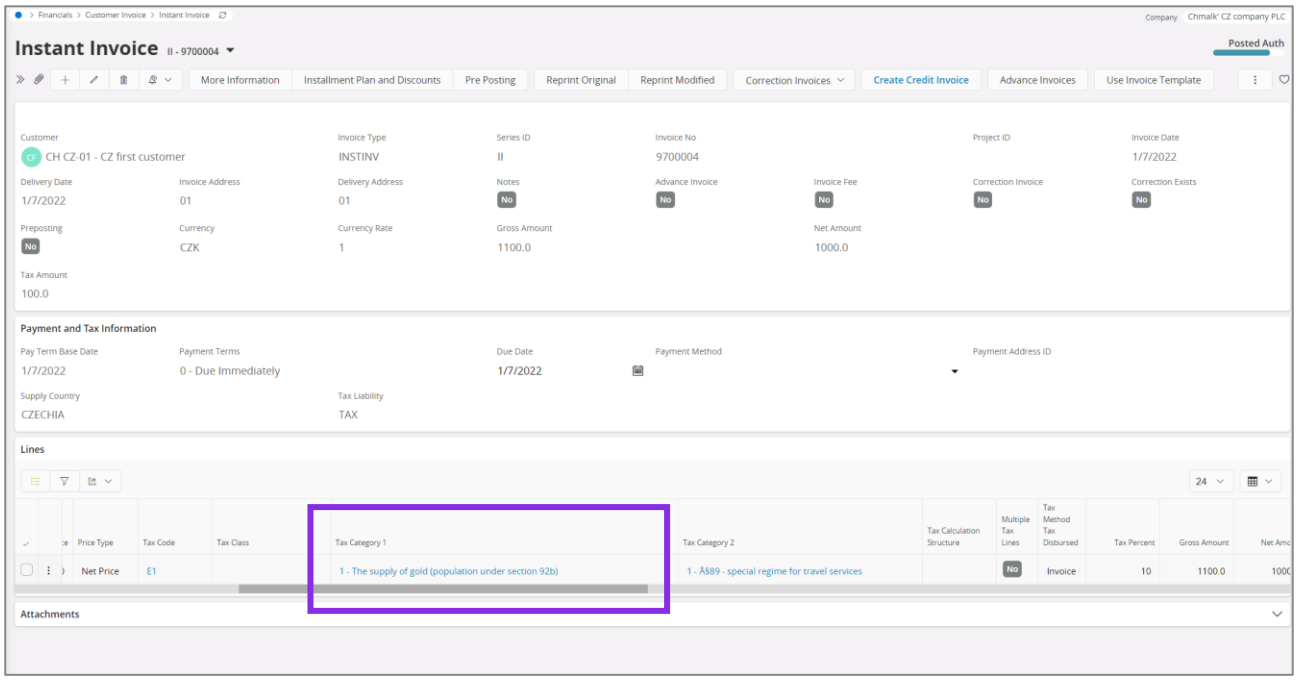


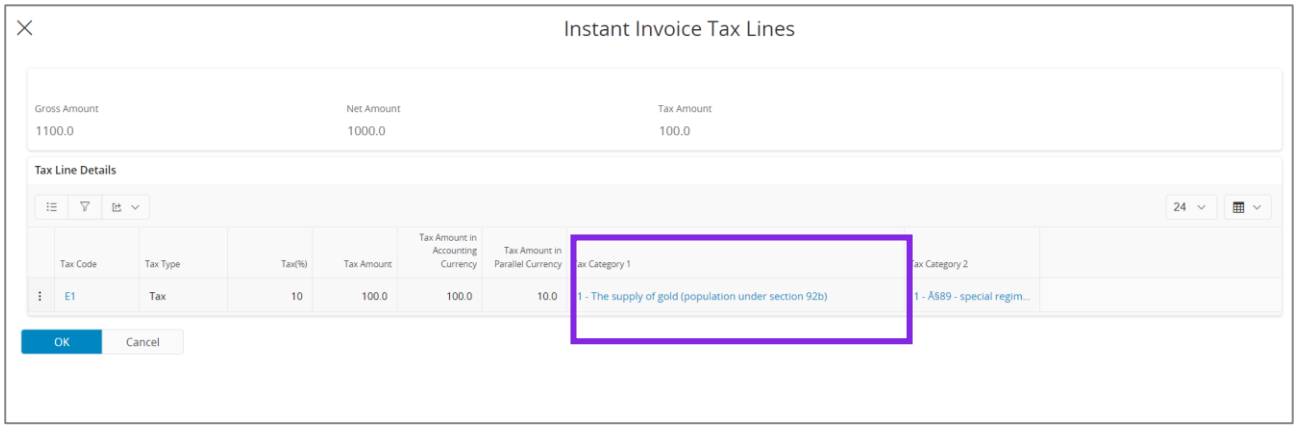
Connect the specific tax category 1 to tax codes in the *tax codes* page using the drop-down list.

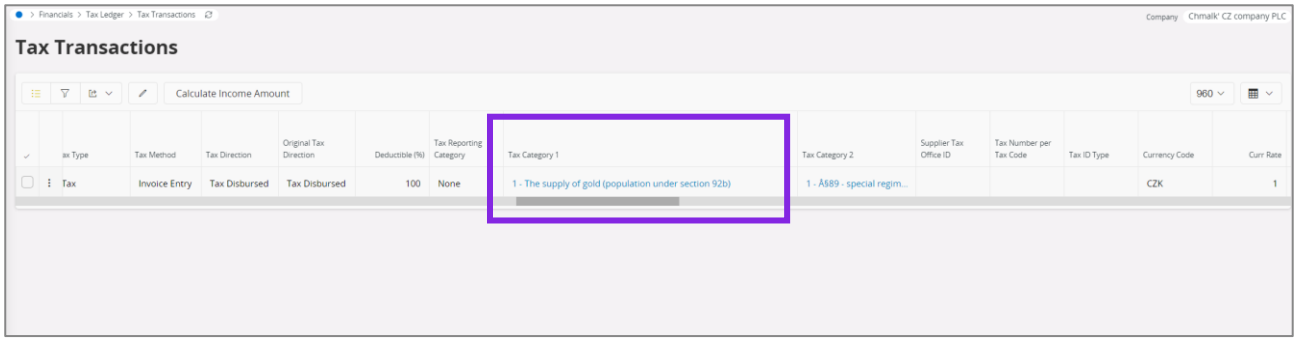
The tax category 1 details are displayed on the line level of Instant Invoices, Customer Invoices, Manual Customer Invoices, Project Invoices and Manual Supplier Invoices.

Use the ***Tax Lines*** page of different invoice types to change the default tax category 1 details fetched from the tax code setup. These **Tax categories** are also displayed in tax transactions and in the control statement.




Instant Invoice
Posted Auth
More Information
Installment Plan and Discounts
Pre Posting
Reprint Original
Reprint Modified
Correction Invoices
Create Credit Invoice
Advance Invoices
Use Invoice Template
Customer
CH CZ-01 - CZ first customer
Invoice Type
INSTINV
Series ID
II
Invoice No
9700004
Project ID
Invoice Date
1/7/2022
Delivery Date
1/7/2022
Invoice Address
01
Delivery Address
01
Notes
Advance Invoice
Invoice Fee
Correction Invoice
Correction Exists
Preposting
Currency
CZK
Currency Rate
1
Gross Amount
1100.0
Net Amount
1000.0
Tax Amount
100.0
Payment and Tax Information
Pay Term Base Date
1/7/2022
Payment Terms
0 - Due Immediately
Due Date
1/7/2022
Payment Method
Payment Address ID
Supply Country
CZECHIA
Tax Liability
TAX
Lines
Price Type
Tax Code
Tax Class
Tax Category 1
Tax Category 2
Tax Calculation Structure
Multiple Tax Lines
Tax Method Tax Disbursed
Tax Percent
Gross Amount
Net Amount
Net Price
E1
1 - The supply of gold (population under section 92b)
1 - Ã§89 - special regime for travel services
Invoice
10
1100.0
Attachments


Instant Invoice Tax Lines
Gross Amount
1100.0
Net Amount
1000.0
Tax Amount
100.0
Tax Line Details
Tax Code
Tax Type
Tax(%)
Tax Amount
Tax Amount in Accounting Currency
Tax Amount in Parallel Currency
Tax Category 1
Tax Category 2
E1
Tax
10
100.0
100.0
10.0
1 - The supply of gold (population under section 92b)
1 - Ã§89 - special regim...
OK
Cancel

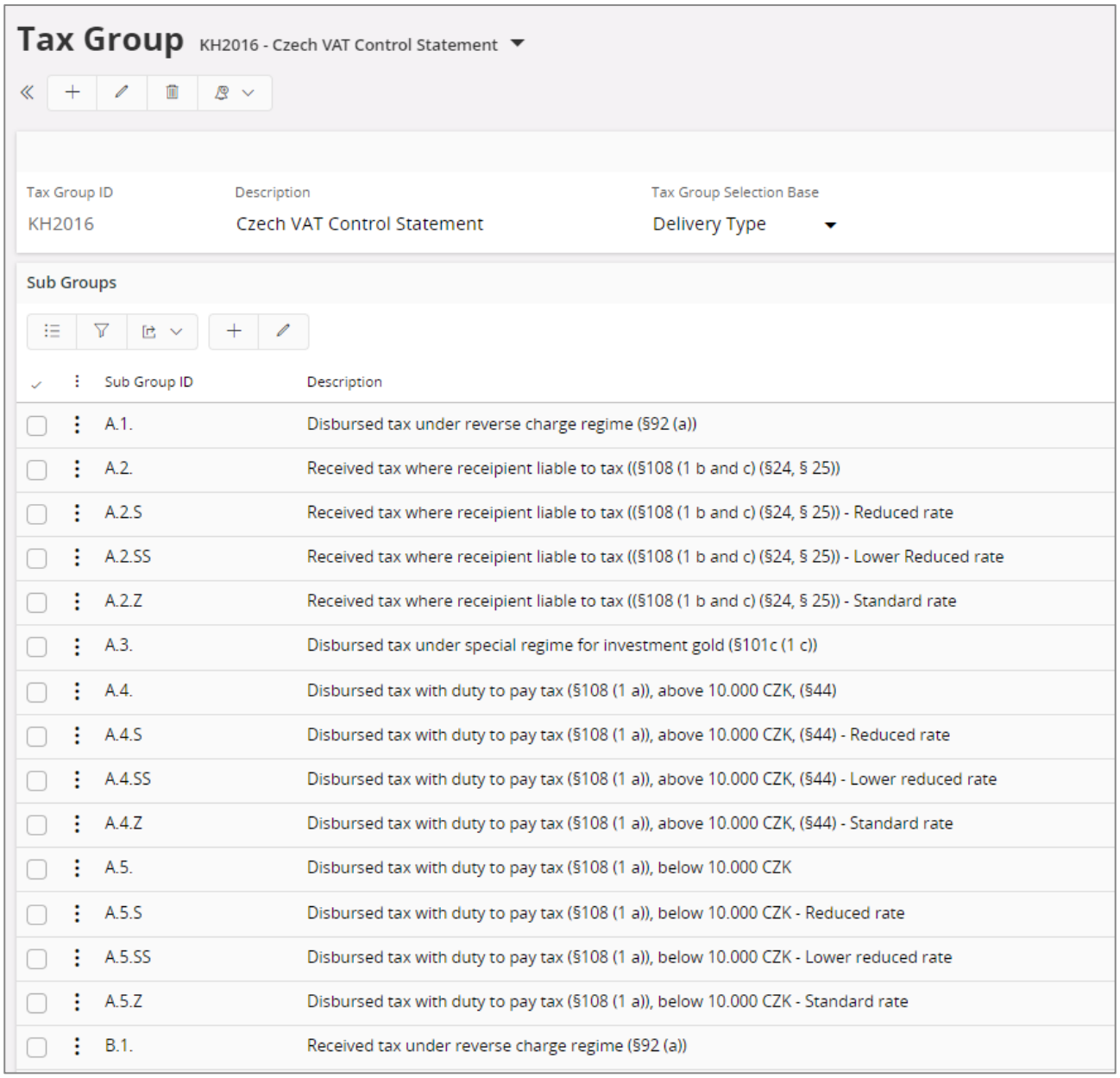

Tax Transactions
Calculate Income Amount
Tax Type
Tax Method
Tax Direction
Original Tax Direction
Deductible (%)
Tax Reporting Category
Tax Category 1
Tax Category 2
Supplier Tax Office ID
Tax Number per Tax Code
Tax ID Type
Currency Code
Curr Rate
Tax
Invoice Entry
Tax Disbursed
Tax Disbursed
100
None
1 - The supply of gold (population under section 92b)
1 - Ã§89 - special regim...
CZK
1

3.4.8 CREATE SUB GROUP DETAILS

A tax sub-group is where the user connects a tax code with a certain sub-section in the statement. The tax group and sub-groups are fetched from the company template if the **STD-CZ** company template is used for company creation or company update process. The sub-group details need to be set up by the user. Create a line for each tax code and delivery type that is required for the statement.

Go to ***Financials/Tax Ledger/Basic Data/Tax Group*** page ***Subgroup Details*** tab to add tax codes to the proper subgroup.

- Taxable supplies from which a taxable person registered for VAT is obliged to declare tax and supplies in the domestic reverse charge regime.
    - A.1. Taxable supplies in domestic reverse charge regime from which an acquirer is obliged to declare tax according to Article 92a of the VAT Act.
    - A.2. Taxable acquisition from which an acquirer is obliged to declare tax according to Article 108 section 1b) and c) (Articles 24 and 25 of the VAT Act).
    - A.3. Supplies in the special regime for investment gold according to Article 101c section 1c) point 2 of the VAT Act.
    - A.4. Taxable supplies and received payments with the obligation to declare tax according to Article 108 section 1a) of the VAT Act in the amount over of 10.000 CZK including VAT and all corrections according to Article 44 of the VAT Act regardless of the threshold.
    - A.5. Other taxable supplies and received payments with the obligation to declare tax according to Article 108 section 1a) of the VAT Act with the amount up to 10.000 CZK including VAT or supplies with no obligation to issue a tax document.
- B. Received taxable supplies with place of supply in CZ.
    - B.1. Received taxable supplies in domestic reverse charge regime from which an acquirer is obliged to declare tax according to Article 92a of the VAT Act.
    - B.2. Received taxable supplies and providing payments from which an acquirer claims tax deduction according to Article 73 section 1a) of the VAT Act with the amount over 10.000 CZK including VAT and all received corrections according to Article 44 of the VAT Act regardless of the threshold.
    - B.3. Received taxable supplies and providing payments from which an acquirer claims tax deduction according to Article 73 section 1a) with the amount up to 10.000 CZK including VAT.



Here are instructions on which tax codes should be connected to which subgroups.

- A.1. – 0% type “Tax”, IP4 posting from customer invoice is used
- A.2.Z – 21% type “Calculated Tax”, IP9 posting from supplier invoice
- A.2.S – 15% type “Calculated Tax”, IP9 posting from supplier invoice
- A.2.SS – 10% type “Calculated Tax”, IP9 posting from supplier invoice
- A.3. – 0% type “Tax”, IP4 posting from customer invoice
- A.4.Z or A.5.Z – 21% type “Tax”, IP4 posting from customer invoice
- A.4.S or A.5.S – 15% type “Tax”, IP4 posting from customer invoice
- A.4.SS or A.5.SS – 10% type “Tax”, IP4 posting from customer invoice
- B.1.Z – 21% type “Calculated Tax”, IP9 posting from supplier invoice
- B.1.S – 15% type “Calculated Tax”, IP9 posting from supplier invoice
- B.1.SS – 10% type “Calculated Tax”, IP9 posting from supplier invoice
- B.2.Z or B.3.Z – 21% type “Tax”, IP3 posting from supplier invoice

- B.2.S or B.3.S – 15% type “Tax”, IP3 posting from supplier invoice
- B.2.SS or B.3.SS – 10% type “Tax”, IP3 posting from supplier invoice

Note: For transactions to be reported in A4/A5 sections, tax codes can be connected to A.4.X sub-group or A.5.X sub-group. When XML is created, the system will consider all transactions from these two types of subgroups and will automatically include transactions in the A4 section or A5 section based on the following rules.

- If the **Fill Mode Code** field has the value **1** or **2**, the transaction will be reported in the A4 section.
- If the **Correction Reason ID** field has the value **A** or **P**, the transaction will be reported in the A4 section.
- If the **Above VAT Control Limit** check box is selected and the value in the **Tax Number** field starts with **CZ** (domestic tax number), the transaction will be reported in the A4 section.
- In all other cases, transactions will be reported in the A5 section.

Note: For transactions to be reported in B2/B3 sections, tax codes can be connected to the B.2.X subgroup or the B.3.X subgroup. When XML is created, the system will consider all transactions from these two types of subgroups and will automatically include transactions in the B2 section or B3 section based on the following rules.

- If the **Non-Deductible Tax Amount** is greater than zero, the transaction will be reported in the B2 section.
- If the **Correction Reason ID** field has the value “A” or “P”, the transaction will be reported in the B2 section.
- If the **Above VAT Control Limit** check box is selected and the value in the **Tax Number** field starts with “CZ” (domestic tax number), the transaction will be reported in the B2 section.
- In all other cases, transactions will be reported in the B3 section.

See the following chapters for description of the **Correction Reason ID** field and **Above VAT Control Limit** check box.

3.4.9 CUSTOMER DATE OF INCORPORATION

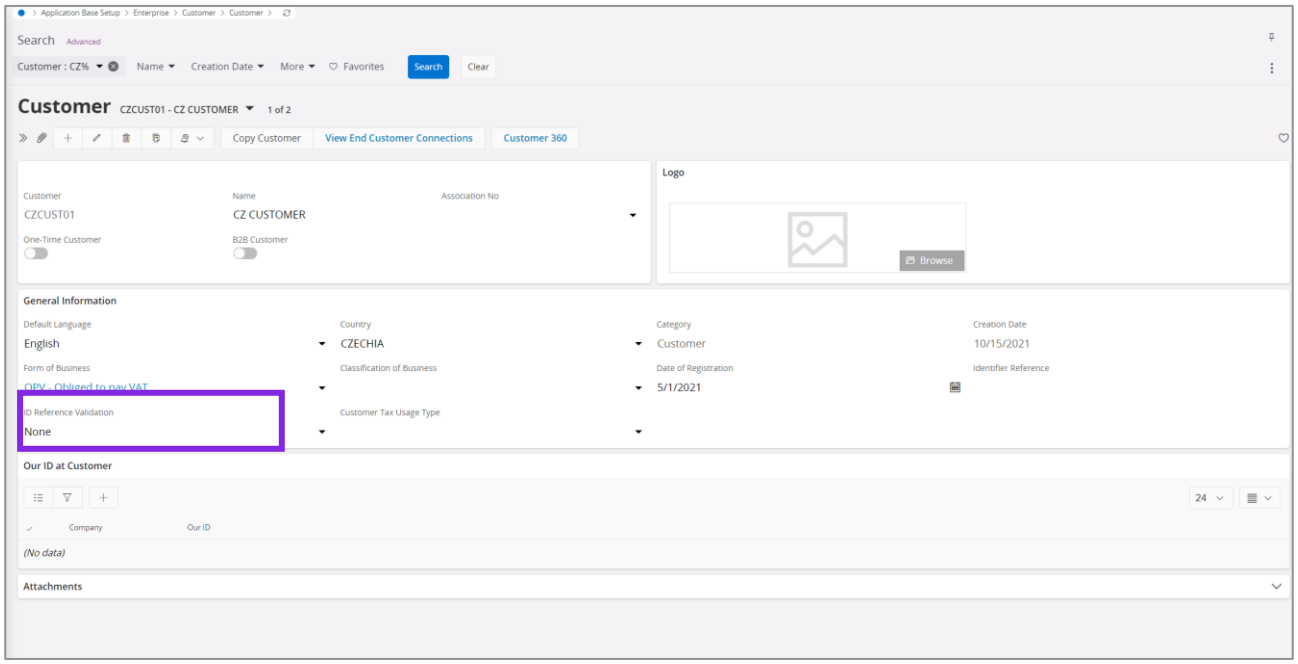
The customer Registration Date field is added to the ***Customer/General*** tab. Data from this field is disclosed under section 92.

3.4.10 FORM OF BUSINESS

The standard version of IFS Cloud provides functionality to define the form of business in ***Application Base Setup/Enterprise/Company/Basic Data/Form of Business***. Form of Business could be connected to Customer (on the ***Customer/General*** tab).

The values in the **Form of Business** field are used to indicate whether the customer’s business entity is obliged to pay VAT.

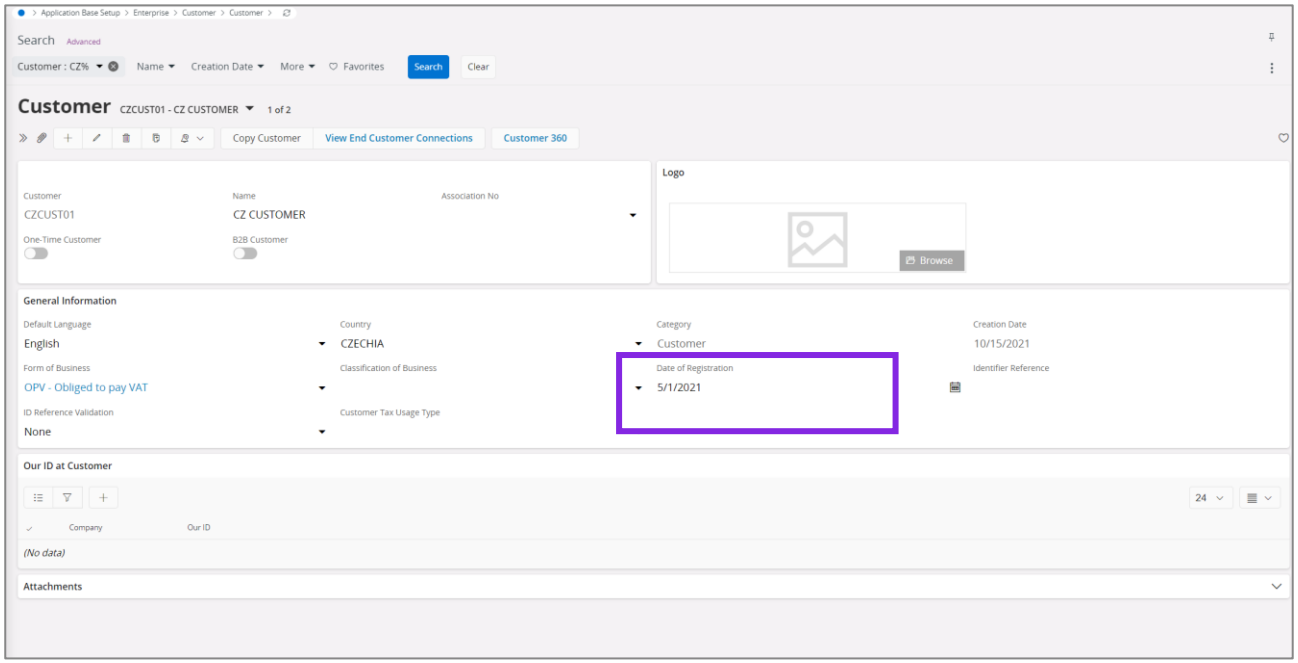
- Obliged to pay VAT - connect the correct Form of Business to the customer.
- Not Obliged to pay VAT.



When the form of business is equal to NOPV, then in the A3 block of the XML file, fill tags: d_narozeni, jm_prijm_obch, m_pobytu_sidlo with the date of incorporation (see below), customer name, customer address respectively. Otherwise, the fields are empty in the XML file.

3.4.11 CUSTOMER DATE OF INCORPORATION

A new **Date of Registration** field is added to the ***Customer/General*** tab. Define the date of registration of your customer for the Not Obliged to Pay VAT form of business selected.



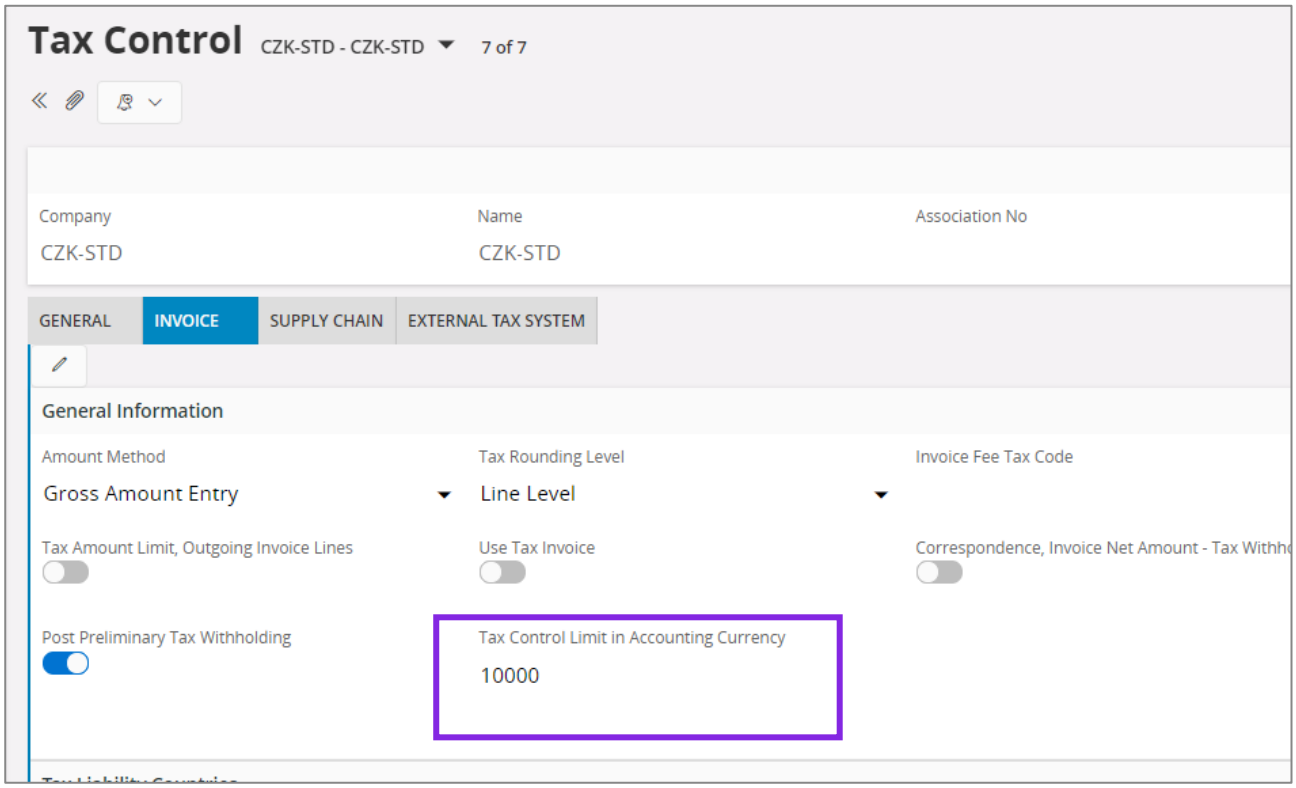
3.4.11.1 Fetch “Date of Registration” to the XML

In VAT Control Statement XML, under clause, A3, Position: d_narozeni, the **Date of Registration** is retrieved by validating whether the form of business is NOPV = Not Obliged to Pay VAT. When the form of business = NOPV, then the **Date of Registration** field value is provided and then the customer incorporation date is retrieved to the VAT Control Statement XML file.

3.4.12 10,000 CZK LIMIT

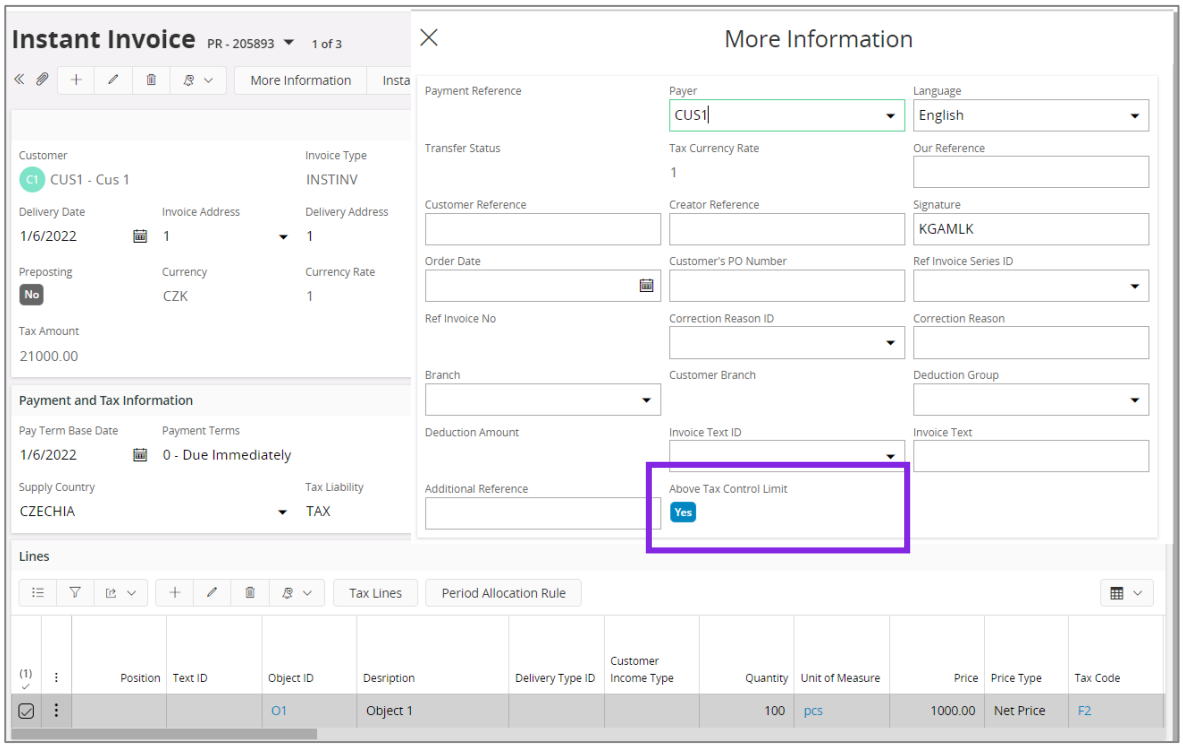
There is limit of 10 000 CZK for the total amount of the invoice that has an impact on the selection of the section in which the transaction should be reported. See the description of subgroups for details.

The limit should be defined in the **Tax Control Limit in the Accounting Currency** field in the ***Application Base Setup/Enterprise/Company/Tax Control/Invoice*** Tab.

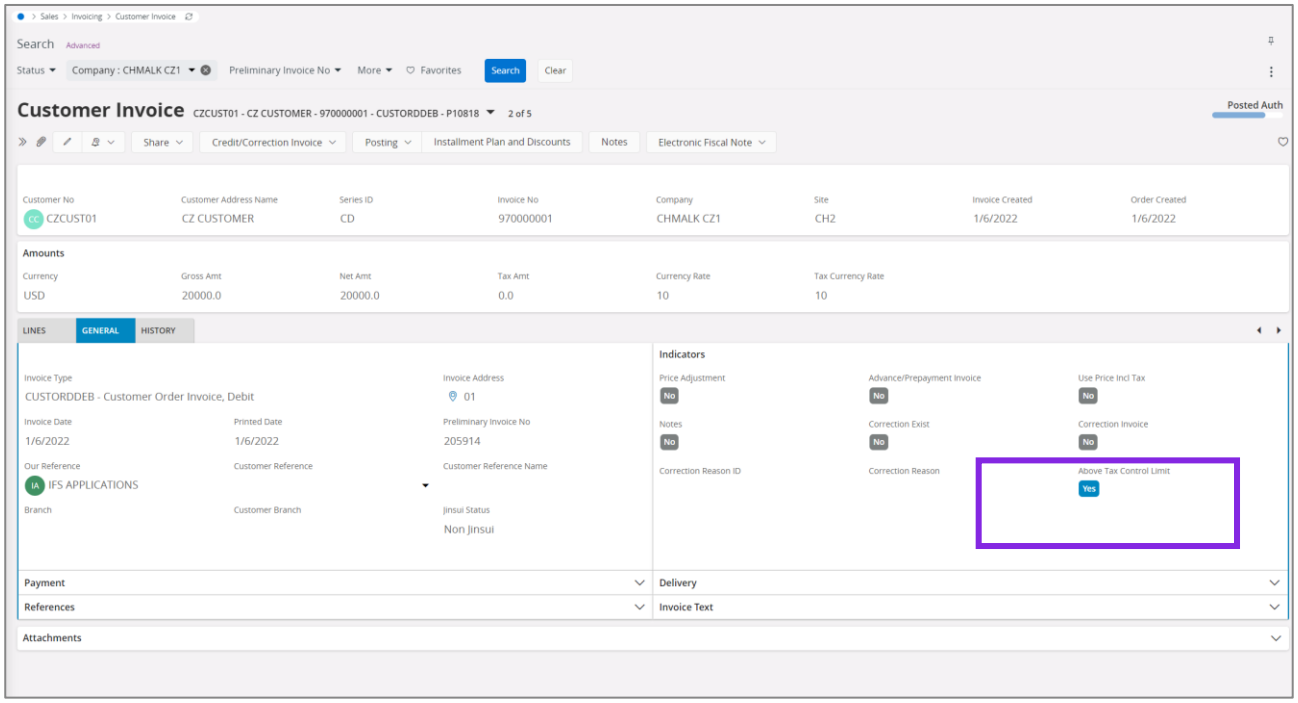


To handle special scenarios such as scheduled payments or partial invoicing of the contract value, a new **Above VAT Control Limit** check box is added to the invoice header. It is selected by default for invoice amounts above the defined limit of 10,000 CZK. It can be selected manually for invoices below this limit in case the given invoice is part of a bigger value.

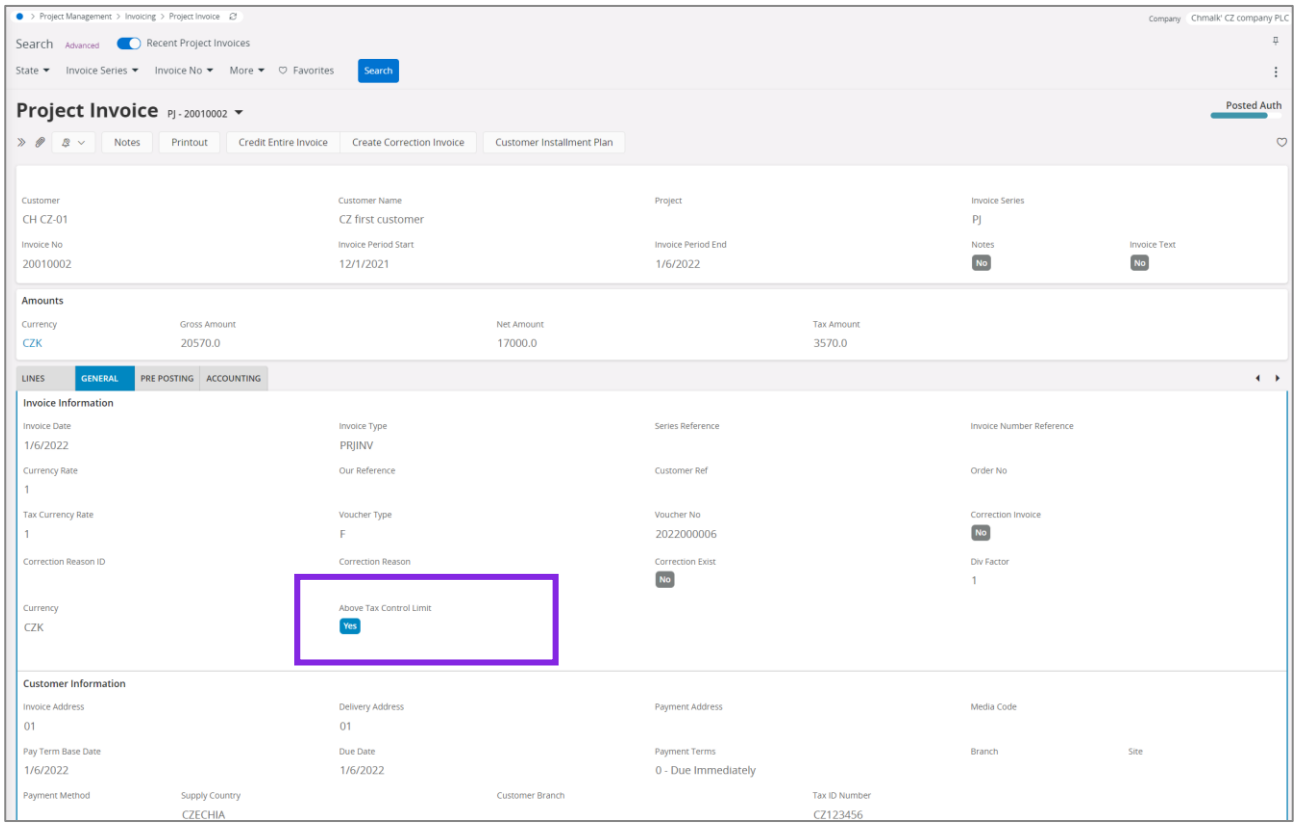
Below is the layout of the instant invoice with new the check box added.



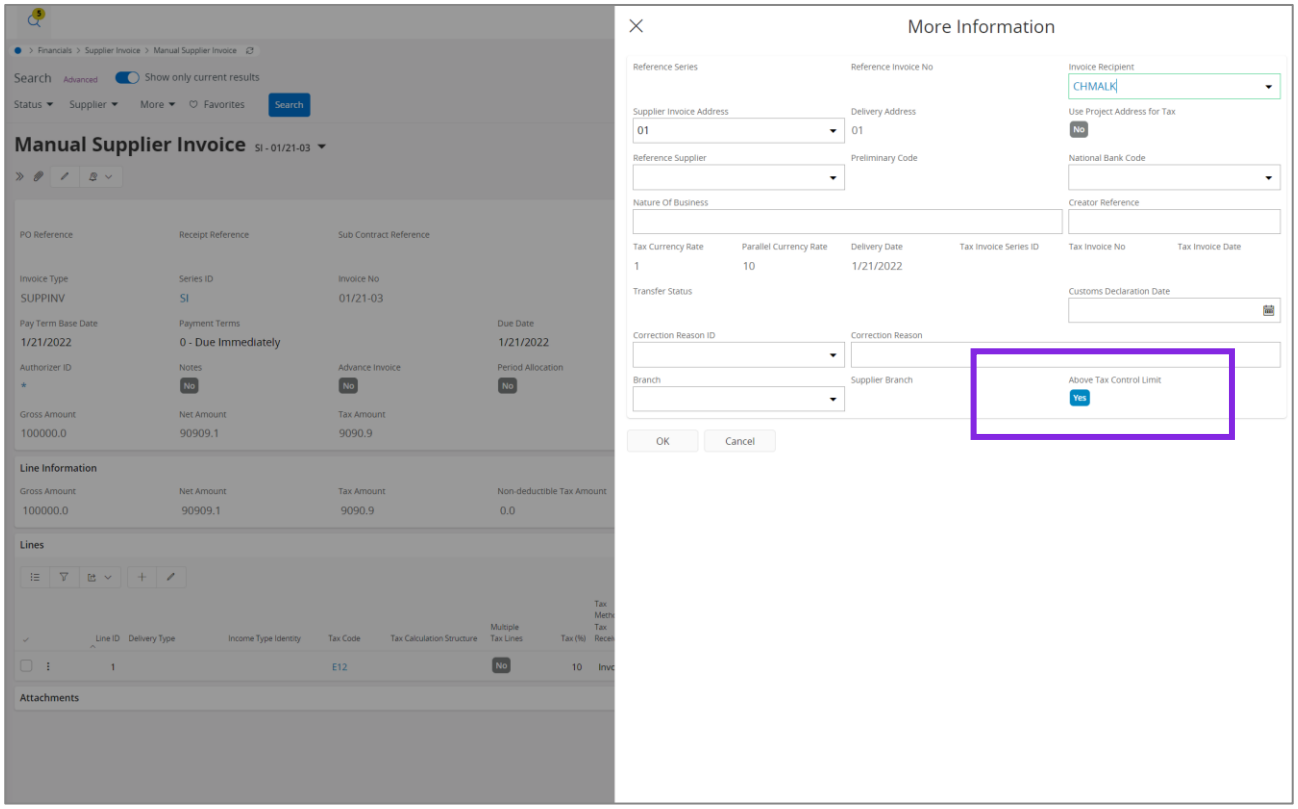
Below is the layout of the customer order invoice with new the check box added.



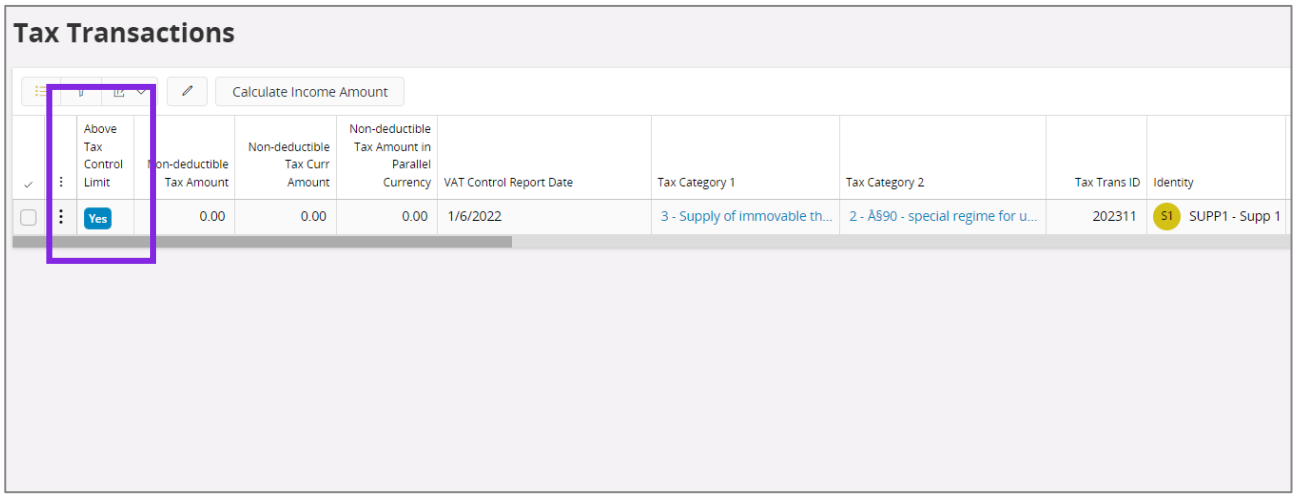
The new check box is also added to the ***Project Invoice*** page.



The new check box is added to the ***Manual Supplier Invoice*** page.



The Above Tax control limit option is added to tax transactions. It is selected whenever it is selected on the corresponding invoice header.



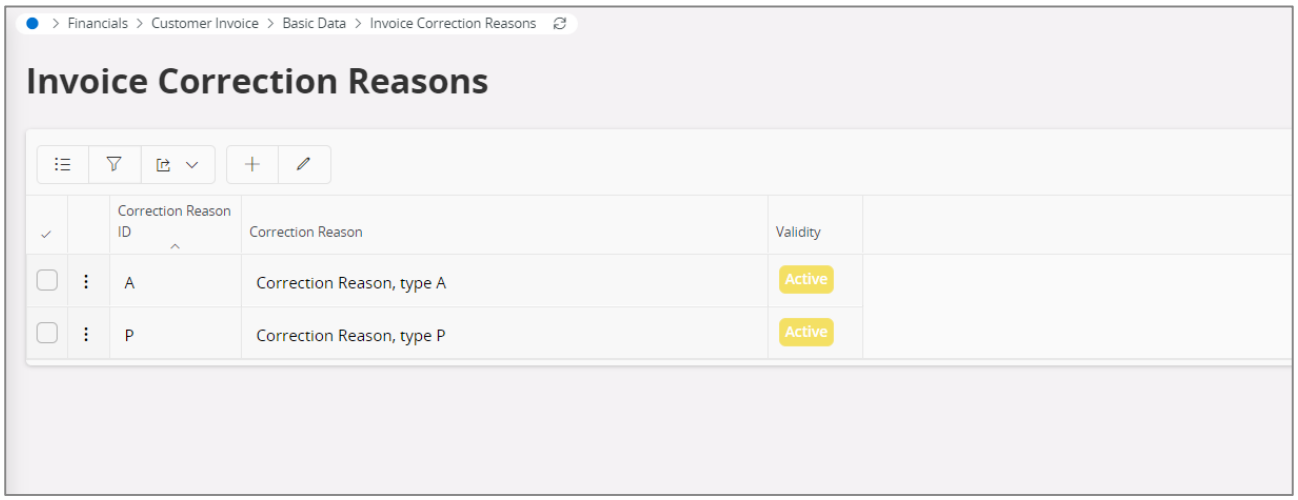
3.4.13 CORRECTION REASON

When transactions are reported in the A4 section and B2 section, all transactions related to bad debt corrections should have the zdph_44 tag set to **A** or **P**. All other transactions should have the zdph_44 tag set to **N**.

3.4.13.1 Correction Reason – Basic Data

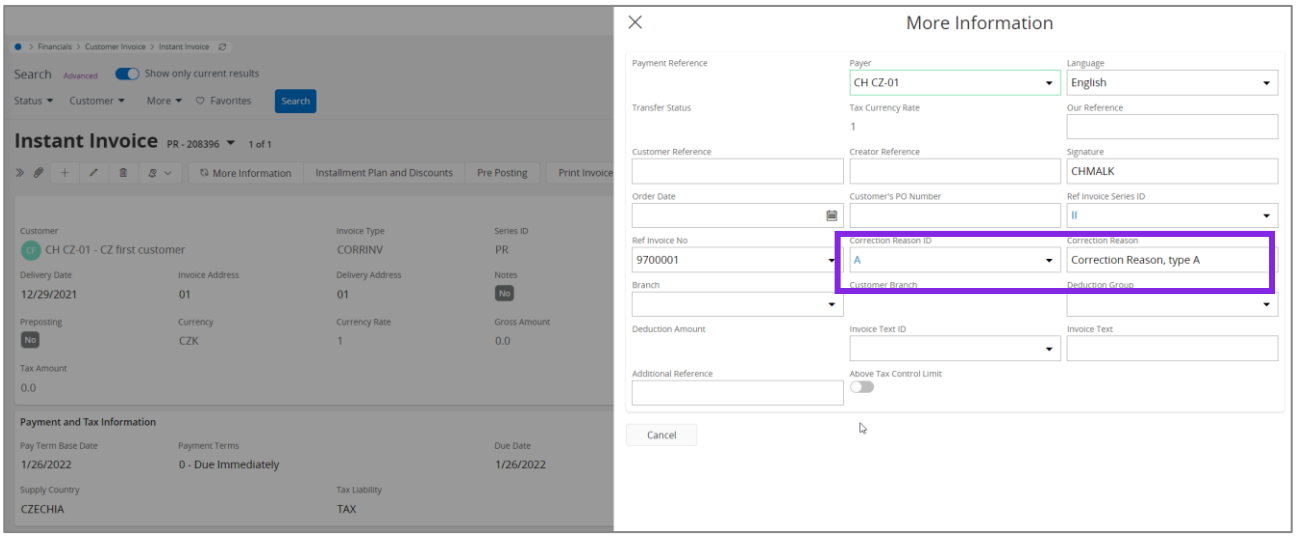
Using standard functionality, define two correction reasons in the ***Invoice Correction Reasons*** page.

- Correction Reason ID “A” – according to art 44
- Correction Reason ID “P” – according to art 46



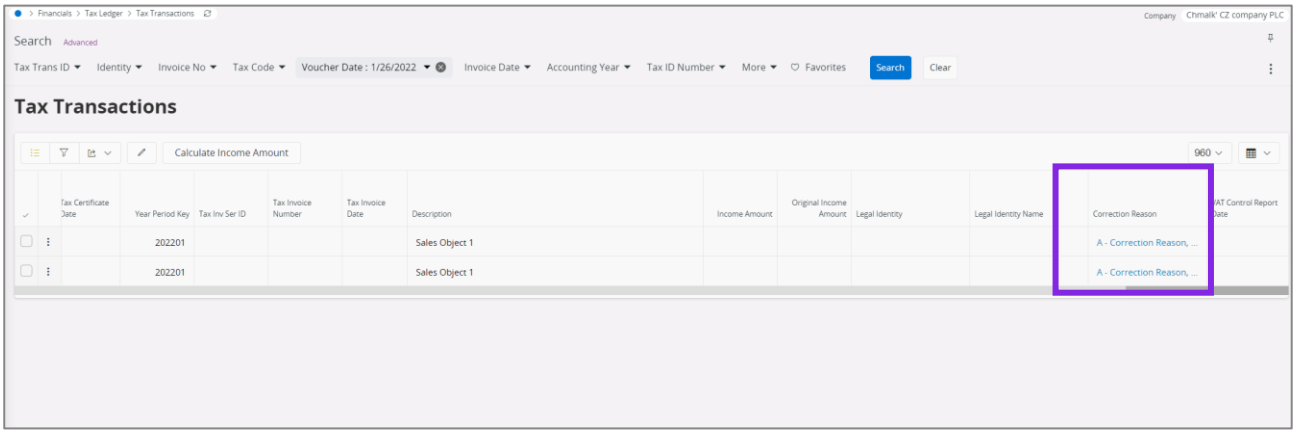
3.4.13.2 Correction Reason – Invoice pages

Using standard functionality, enter the correction reason in the **Correction Reason** field when entering credit invoices for bad debt corrections.



3.4.13.3 Correction Reason – Tax Transactions page

The **Correction Reason ID** column is added to the ***Tax Transactions*** page. When transactions are fetched to Tax Ledger, the correction reason from the invoice is fetched to this column. Value can also be manually changed if required.



3.4.13.4 Correction Reason – XML file

When the A4 section and B2 section is generated in the Czech VAT Control Statement XML file, the zdph_44 tag is set to:

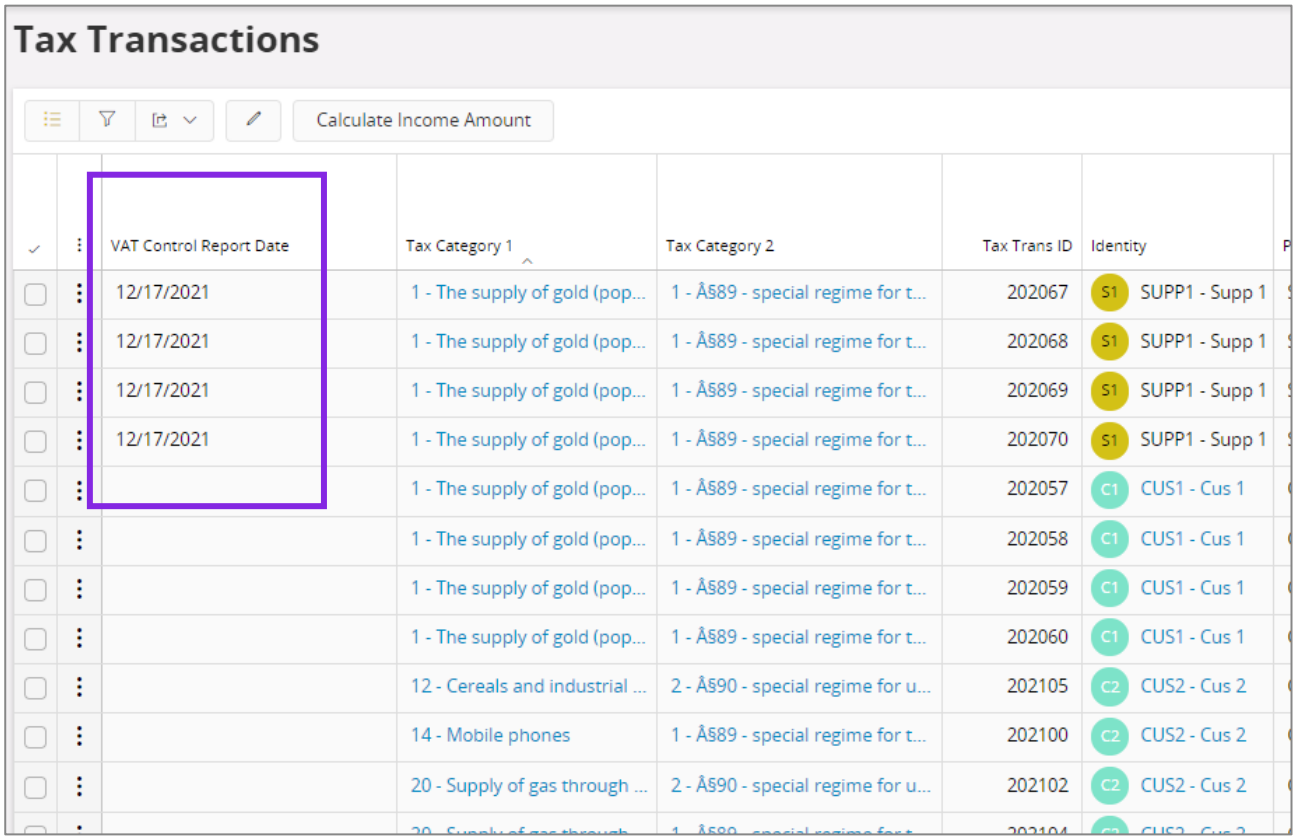
- "A" – when "A" is specified in the **Correction Reason ID** field on the ***Tax Transactions*** page.
- "P" – when "P" is specified in the **Correction Reason ID** field on the ***Tax Transactions*** page.
- "N" – otherwise.

3.4.14 VAT CONTROL REPORT DATE

To enter supplier's tax liability date for a supplier invoice, the New **VAT Control Report Date** column is added to tax transactions. It is filled with the **Delivery Date** field value from the supplier invoice.

The same field can be used for customer invoices to handle some special cases like credit notes, returns when tax liability should be entered manually. Therefore, for customer invoices **VAT Control Report Date** column is kept empty. Users can enter it manually in special cases.

VAT Control Report Date from tax transactions is sent to duzp and dppd tags in all blocks in the XML file. When it is empty, then the value from the **Tax Liability Date** is used.



3.5 Create tax proposal

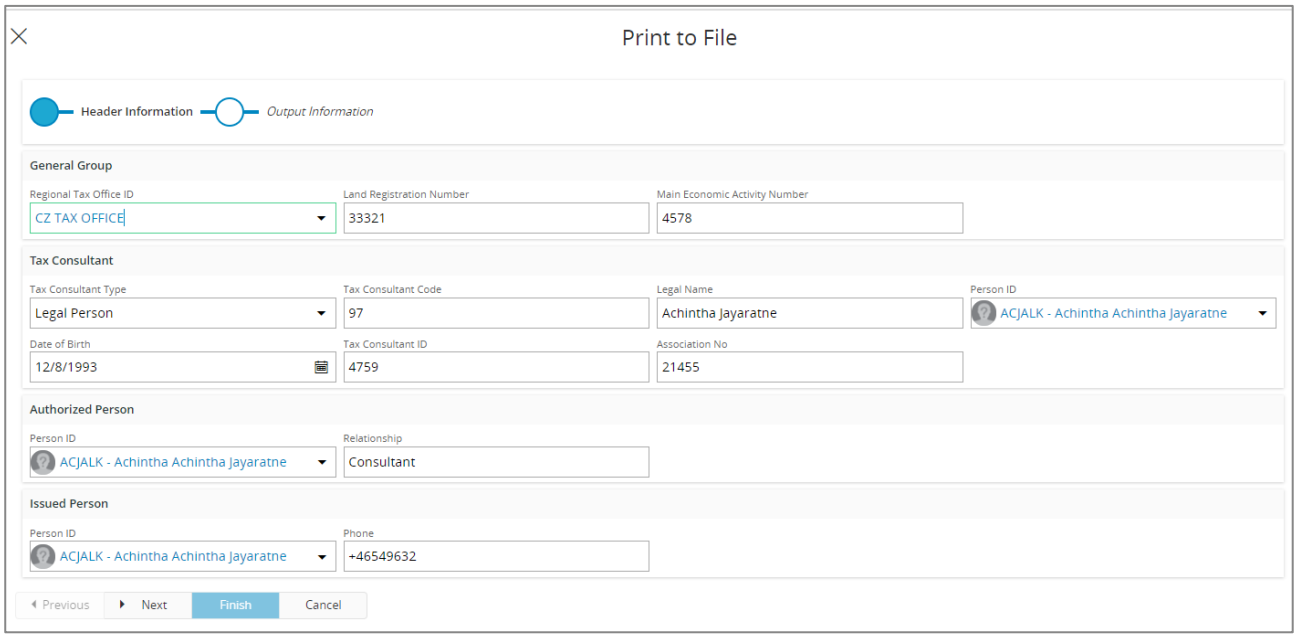
Use the standard functionality in IFS Cloud to create the tax proposal for a certain tax report and select the **Tax Office ID** for the tax proposal. The selected **Tax Office ID** is fetched to the VAT control statement.

3.6 Print preliminary tax report

Use standard functionality in IFS Cloud to print the preliminary tax report via the given command.

3.6.1 ENTER HEADER INFORMATION

A country specific page is displayed when you print the preliminary tax report. Enter the information or use the list of value, when applicable, to add the requested information.



3.6.2 HEADER INFORMATION

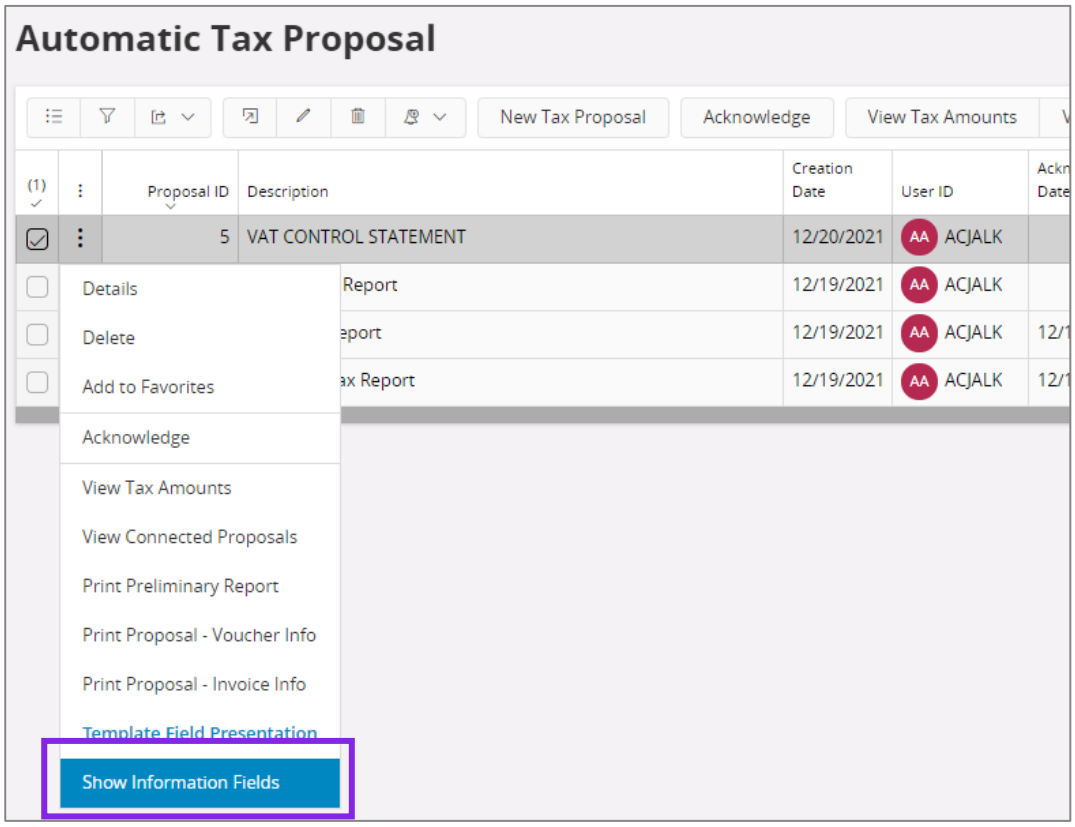
Some of the company related information for header section of the VAT control statement are taken from the information fields that have been added to the tax template.

Company Detailed Name - The extended company name defined field in ***Application Base Setup/Enterprise/Company/Company*** **page** ***Address/Distribution*** tab is used.

Phone/E-mail of reporting company – The default phone no./E-mail connected to the default document address of the company is used. The value with default per method and address is selected.

House no, Street, Zip code, City, and **State** – All these address-related details are fetched from the default document address of the company.

Note that any of this information can still be modified after creating the tax proposal but before printing the tax report. Use IFS standard functionality to view and modify the information fields connected to a tax proposal through **Show Information Fields** command in the **Automatic Tax Proposal** page.


Automatic Tax Proposal
New Tax Proposal
Acknowledge
View Tax Amounts
Proposal ID
Description
Creation Date
User ID
5
VAT CONTROL STATEMENT
12/20/2021
ACJALK
Details
Delete
Add to Favorites
Acknowledge
View Tax Amounts
View Connected Proposals
Print Preliminary Report
Print Proposal - Voucher Info
Print Proposal - Invoice Info
Template Field Presentation
Show Information Fields

Information Fields

Template Field	Data Type	String Value	Information Source
INFH1 - Company Detailed Name	STRING	ACJALK CZ COMPANY	TAX_PROPOSAL#COMPANY_DETAILED_NAME - Tax Proposal : Cor
INFH2 - Phone No of Company	STRING	+564964	TAX_PROPOSAL#COMPANY_TAX_PHONE - Tax Proposal : Compar
INFH3 - Email of Company	STRING	Achintha.jayaratne@ifs.com	TAX_PROPOSAL#COMPANY_TAX_EMAIL - Tax Proposal : Company
INFH4 - House No of Reporting Company	STRING	41,	COMPANY_ADDRESS#HOUSE_NO - Company Address : House Nc
INFH5 - Street of Reporting Company	STRING	160,	COMPANY_ADDRESS#STREET - Company Address : Street
INFH6 - Zip Code of Reporting Company	STRING	16041	COMPANY_ADDRESS#ZIP_CODE - Company Address : Zip Code
INFH7 - City of Reporting Company	STRING	Prague	COMPANY_ADDRESS#CITY - Company Address : City
INFH8 - State of reporting company	STRING		
INFH9 - Authorized Person ID	STRING	ACJALK	
INFH10 - Authorized Person Relationship	STRING	Consultant	
INFH11 - Tax Consultant Person ID	STRING	ACJALK	
INFH12 - Tax Consultant Type	STRING	LEGAL_PERSON	
INFH13 - Tax Consultant Code	STRING	97	
INFH14 - Tax Consultant Legal Name	STRING	Achintha Jayaratne	
INFH15 - Tax Consultant Date Of Birth	DATE		
INFH16 - Tax Consultant ID	STRING	4759	
INFH17 - Tax Consultant Association No	STRING	21455	
INFH18 - Issued Person ID	STRING	ACJALK	
INFH19 - Issued Person Phone	STRING	+46549632	
INFH20 - Regional Tax Office ID	STRING	CZ TAX OFFICE	
INFH21 - Land Registration Number	NUMBER		
INFH22 - Main Economic Activity Number	NUMBER		

3.7 Acknowledge tax proposal

Use standard functionality in the IFS Cloud to acknowledge the tax proposal by using the **Acknowledge** command.

3.8 Print definitive tax report

Use standard functionality in the IFS Cloud to print the definitive tax report by using the **Print Definitive Report** Command. The dialog for header information is displayed and you have the possibility to update any company information before the definitive report is printed. An XML file is created which can be submitted to tax authorities.

3.9 Supplementary report and correction report

Use standard functionality in the IFS Cloud to create a supplementary report.

3.10 Delimitations

The Above Tax control limit validation is not applied to manual customer invoice.

4 VAT Return Report

4.1 Overview of legal requirement

It is a legal requirement, for Czech companies to generate different reports for the tax office. A VAT return report is a report that displays all tax transactions and some specific information. The report is generated as an XML file and is manually uploaded into the governmental portal. The report is divided into the different sections and subsections, each with specific reporting rules.

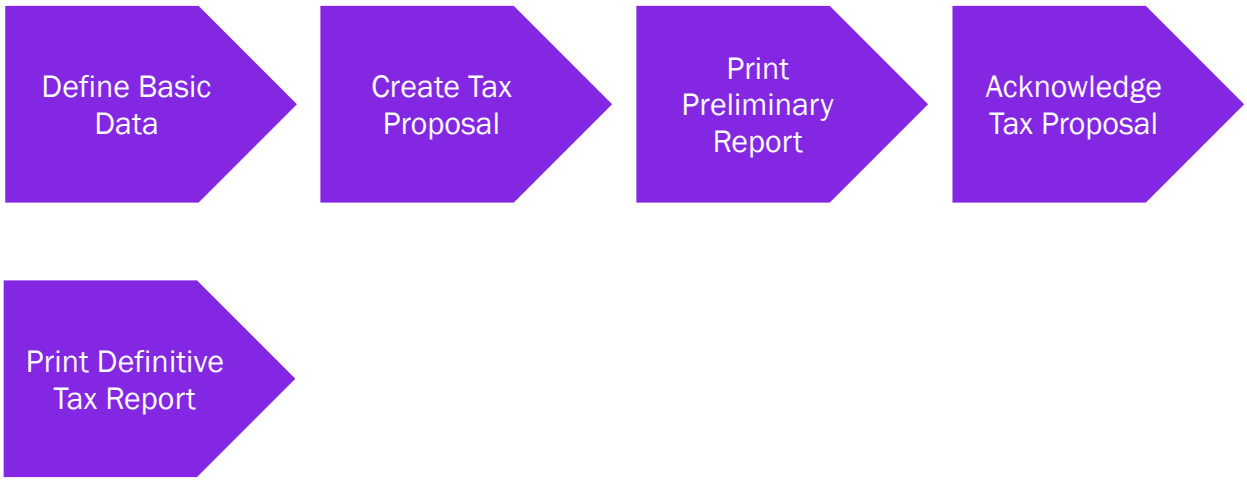
The VAT Return report consists of two different reference reports (tax sales - and tax purchase report) and is generated based on the set up and transactions in these two reports. The report can be generated either monthly or quarterly depending on the company´s tax obligations.

4.2 Solution

To support these requirements, the following functionalities have been added:

- Dialog for report header information
- Tax templates
- Tax groups and sub-group details for reference reports
- Requirements regarding monthly or quarterly reports
- Creation of supplementary/correction reports

4.2.1 PROCESS OVERVIEW



4.2.2 ASSUMPTIONS

- It is an assumption that the user is familiar with the IFS Cloud standard process of creating tax reports and tax proposals.

4.3 Prerequisites

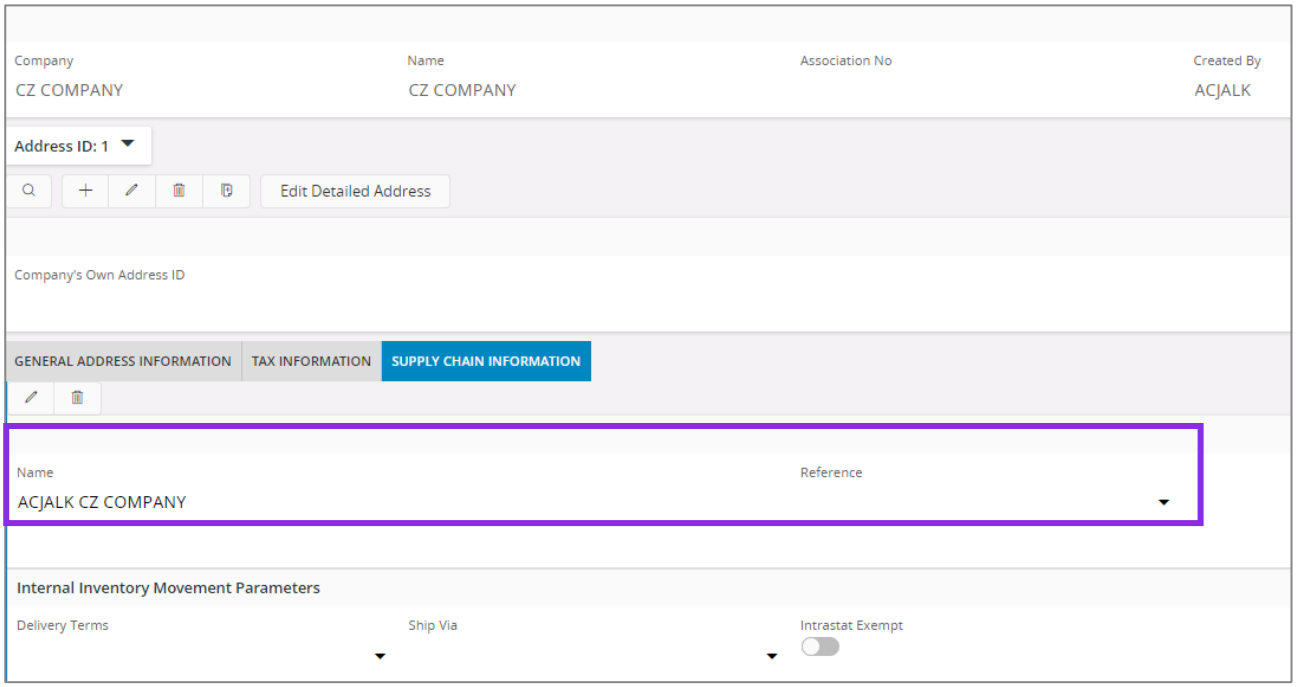
- The company must be set up to use Czech Republic localization, see the Company Setup chapter and the “Tax Reporting- Czech Republic” parameter must be enabled.
- Use STD-CZ company template for company creation or company update process in order to fetch the details of tax groups and subgroups from the company template.

4.4 Define basic data

To be able to generate the VAT report, some basic data must be set up. The basic data is used both in the header section and in the sub-sections of the report.

4.4.1 COMPANY NAME

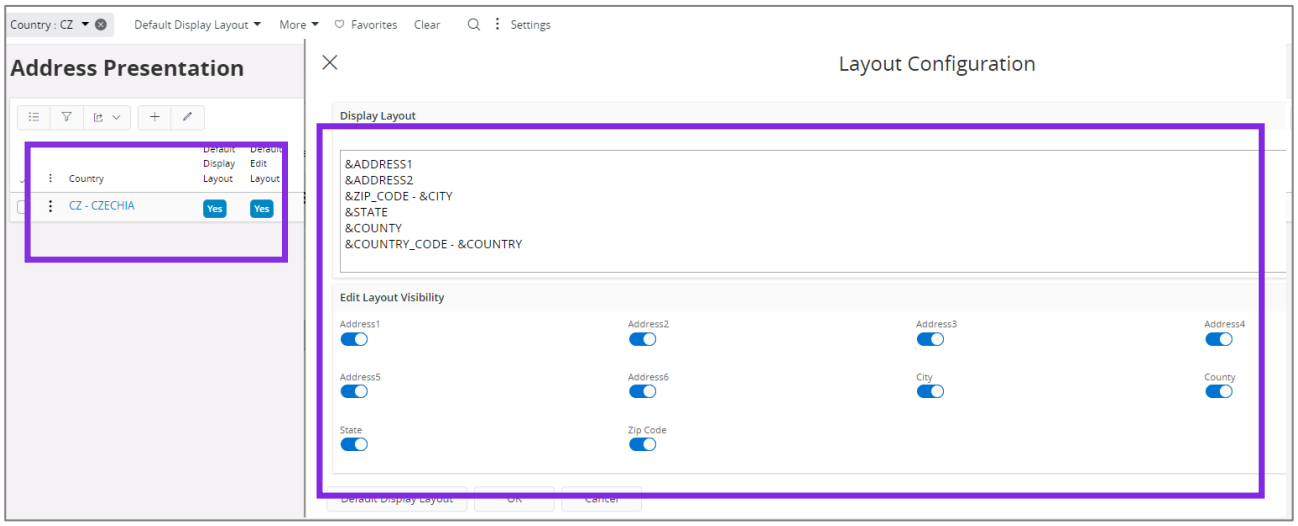
The company name given for an address identity will used in the header section. If an extended company name is requested, the name field in the ***Application Base Setup /Enterprise /Company /Company*** page ***Address/Distribution Data*** tab is being used. You can add up to 100 characters and the input in this field will overwrite the company name from the address identity.



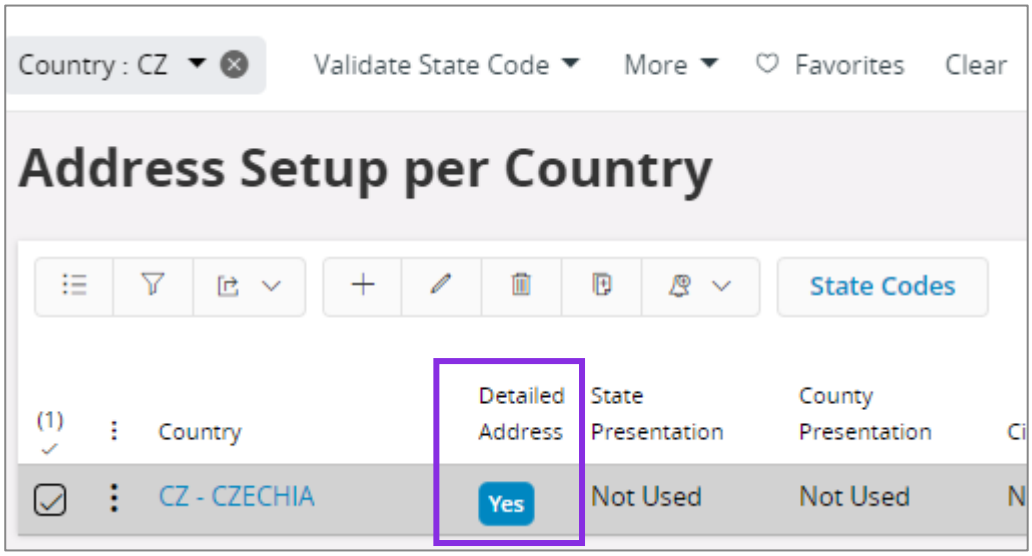
4.4.2 COMPANY ADDRESS

The company address is required in the header section and needs to be entered in a certain way to get the correct information into the correct field.

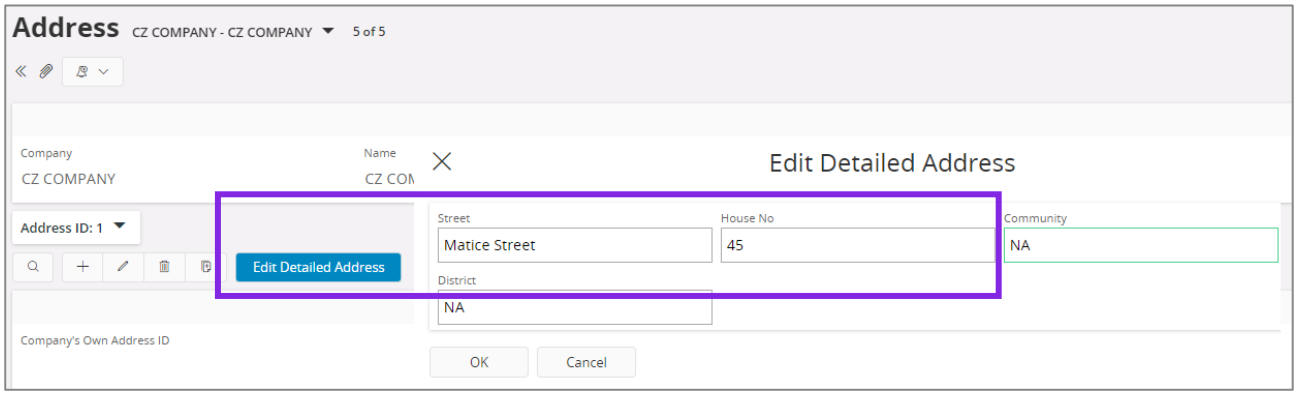
First, the fields for **City, Zip Code,** and **Country** must be enabled for the Czech Republic country code on the ***Enterprise/Company/Basic Data/Address Presentation*** page.



Second, the functionality for detailed address information must be enabled. On the ***Enterprise/Company/Basic Data/Address Setup per Country*** page, the check box for **Detailed Address** needs to be checked. The check box will enable dedicated fields for **Street** and **House number** when creating the company address.



Third, enter a customer address in the ***Application Base Setup/Enterprise/Company/Company*** page ***Address*** tab. The dialog for address details will enable dedicated fields for **Street** and **House number** which is required in the control statement.

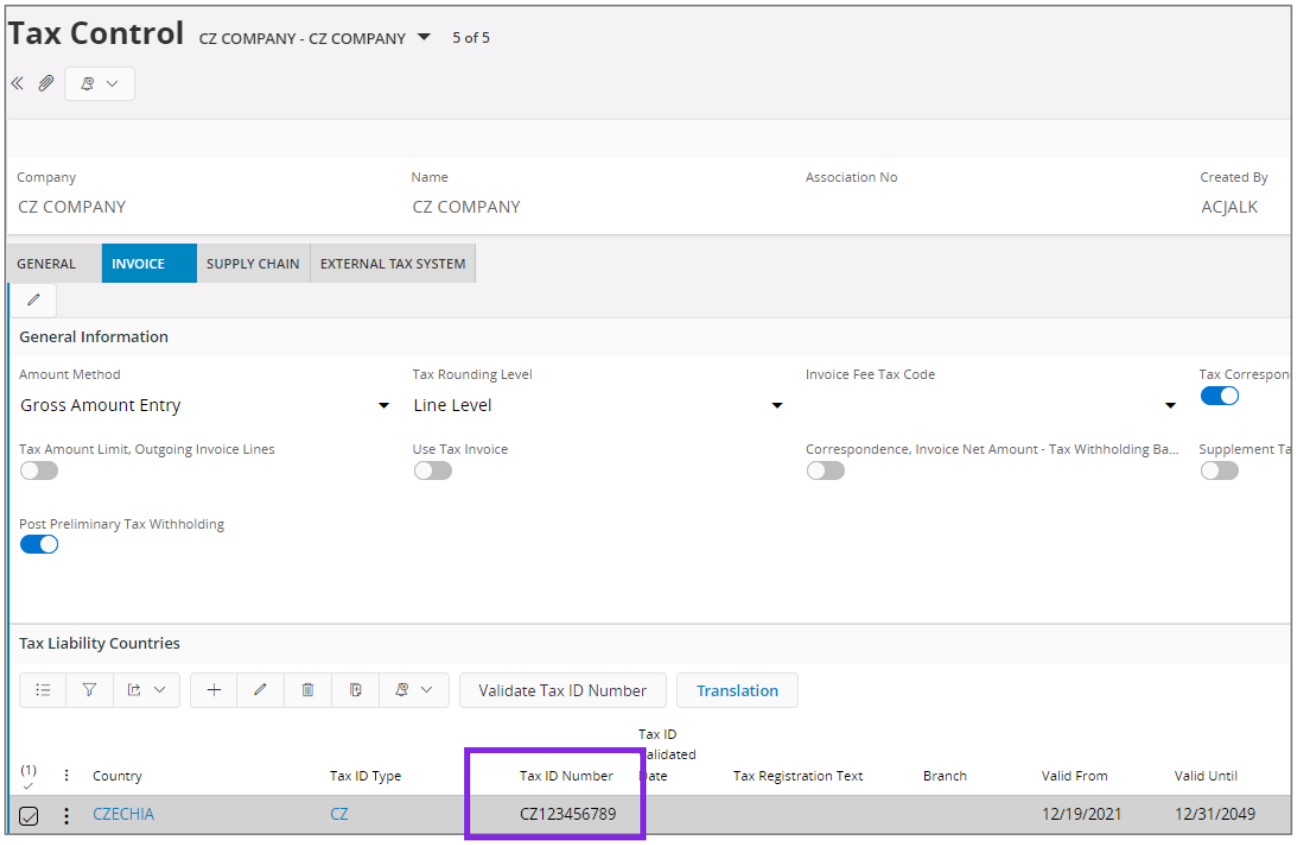


4.4.3 TAX ID NUMBER

Tax ID numbers are required for companies, suppliers and customers and are used as references in the VAT reports.

4.4.3.1 Company Tax ID Number

Go to the ***Application Base Setup/Enterprise/Company*** page ***Tax Control/Invoice*** tab to enter the **Tax ID Number** for the company.



4.4.3.2 Supplier Tax ID Number

Go to the ***Application Base Setup/Enterprise/Supplier/Supplier*** page ***Address/Document Tax Information*** tab to enter the **Tax ID Number** for the supplier.

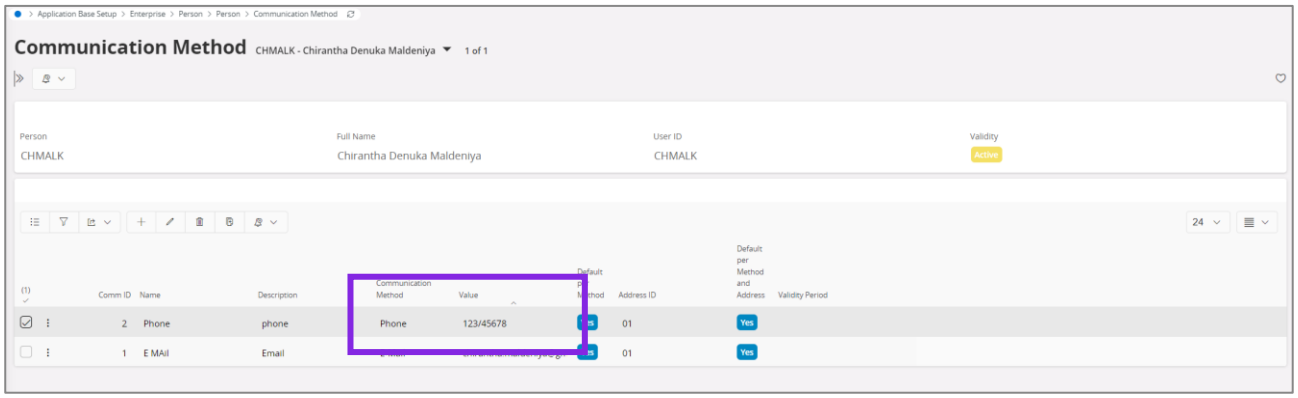
4.4.3.3 Customer Tax ID Number

Go to the ***Application Base Setup/Enterprise/Customer/Customer*** page ***Address/Document Tax Information*** tab to enter the **Tax ID Number** for the customer.

4.4.4 CREATE PERSON ID

The header section of the VAT report requires information about the **Contact Person, Tax Consultant, Authorized Person,** and **Issued By**. Use standard functionality in the ***Application Base Setup/Enterprise/Person*** page to enter person IDs which will be fetched via a list of values into the header dialog when printing the tax report.

Note: Phone number must be separated from regional code by using “/” sign.



4.4.5 CREATE TAX REPORT

A specific tax report must be created for the Czech Purchase Tax Report (tax template GCZ003), Czech Sales Tax Report (tax template GCZ004), and Czech VAT Return Report (tax template GCZ002). Use standard functionality in IFS Cloud to create the report in the ***Financials/Tax Ledger/Tax Report*** page.

If the report is created for a quarter, then the number of periods must be set to 3.

A calculation is done to determine which quarter the report represents:

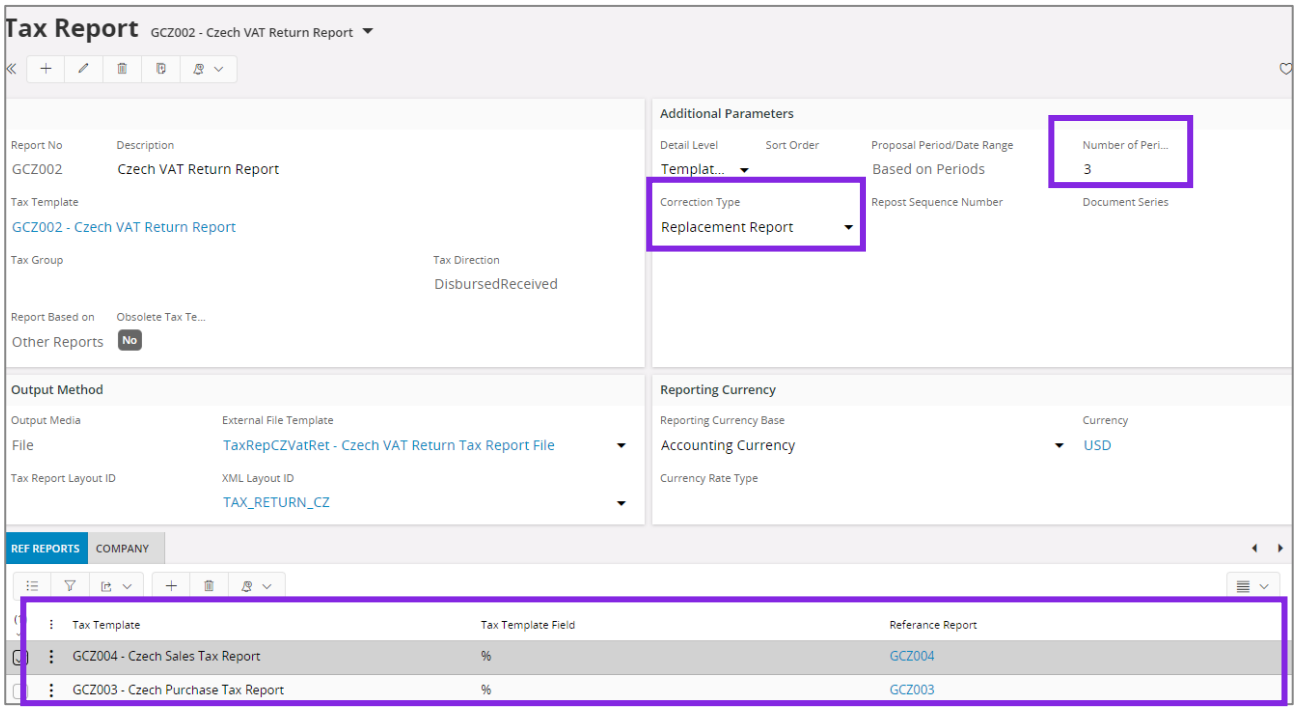
Last month in the period/3 = Quarter

Ex) Tax period April to June (6) → 6/3 = 2

Note: It is required from the user to create the report according to the calendar year i.e., Q1 = period 1 to 3, Q2 = period 4 to 6, etc.

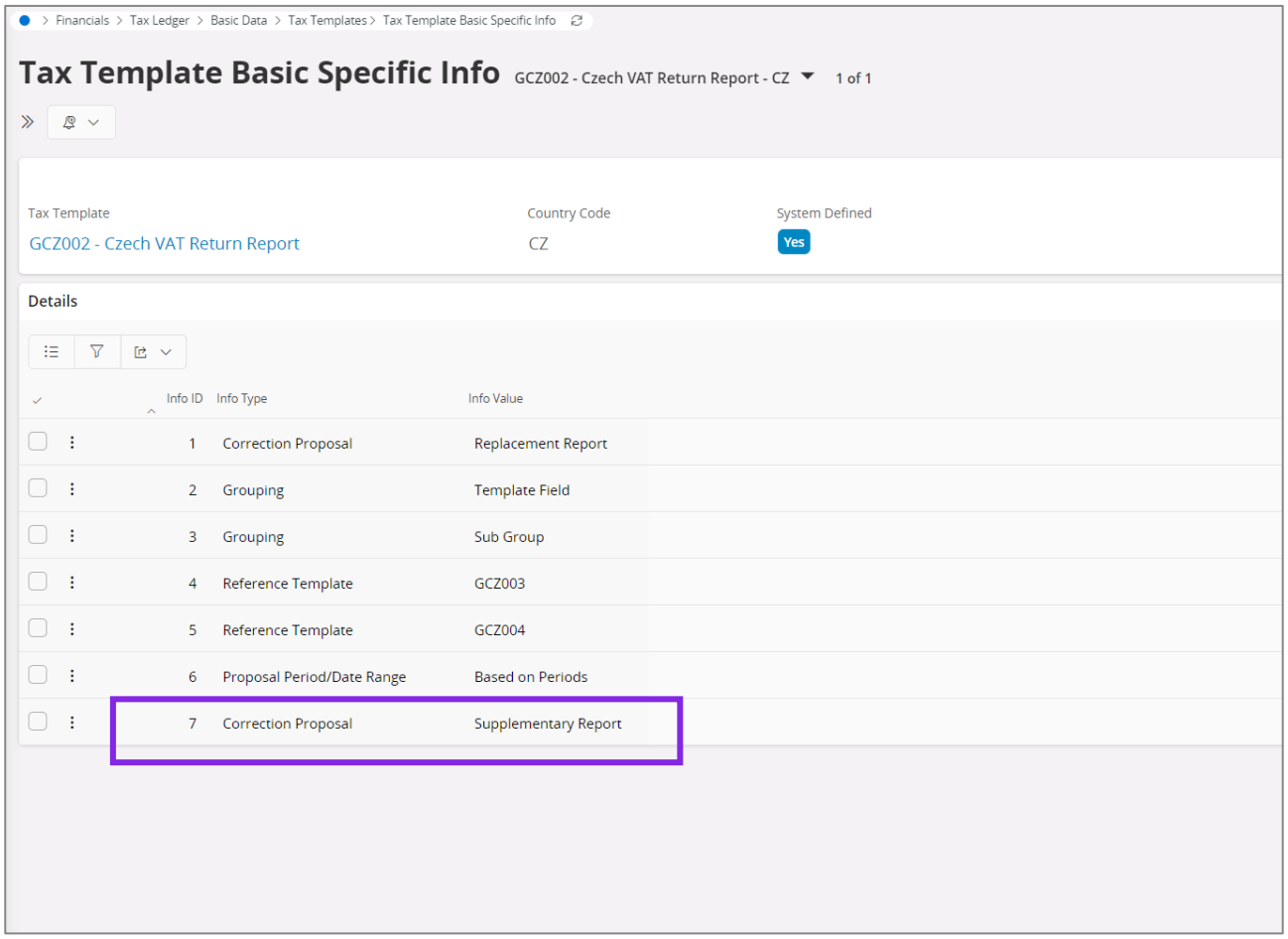
When creating all tax reports, select “Replacement Report” in the **Correction Type** field, in order to handle corrections before the end of the reporting period. Note that this setup will have to be changed to “Supplementary Report” to handle corrections after the end of the reporting period. This is described later in the process.

When creating a tax report for Czech VAT Return, make sure that both Tax Sales and Tax Purchase reference reports are connected to the report in the *Ref Reports* tab.



Also note that to make it possible to select **Supplementary Report** for Czech tax reports, an entry with **Correction Proposal** in the **Info Type** field and **Supplementary Report** in the **Info Value** field is added in the ***Tax Template Basic Specific Info*** page for system-defined tax templates **GCZ003**, **GCZ004,** and **GCZ002** during the installation.

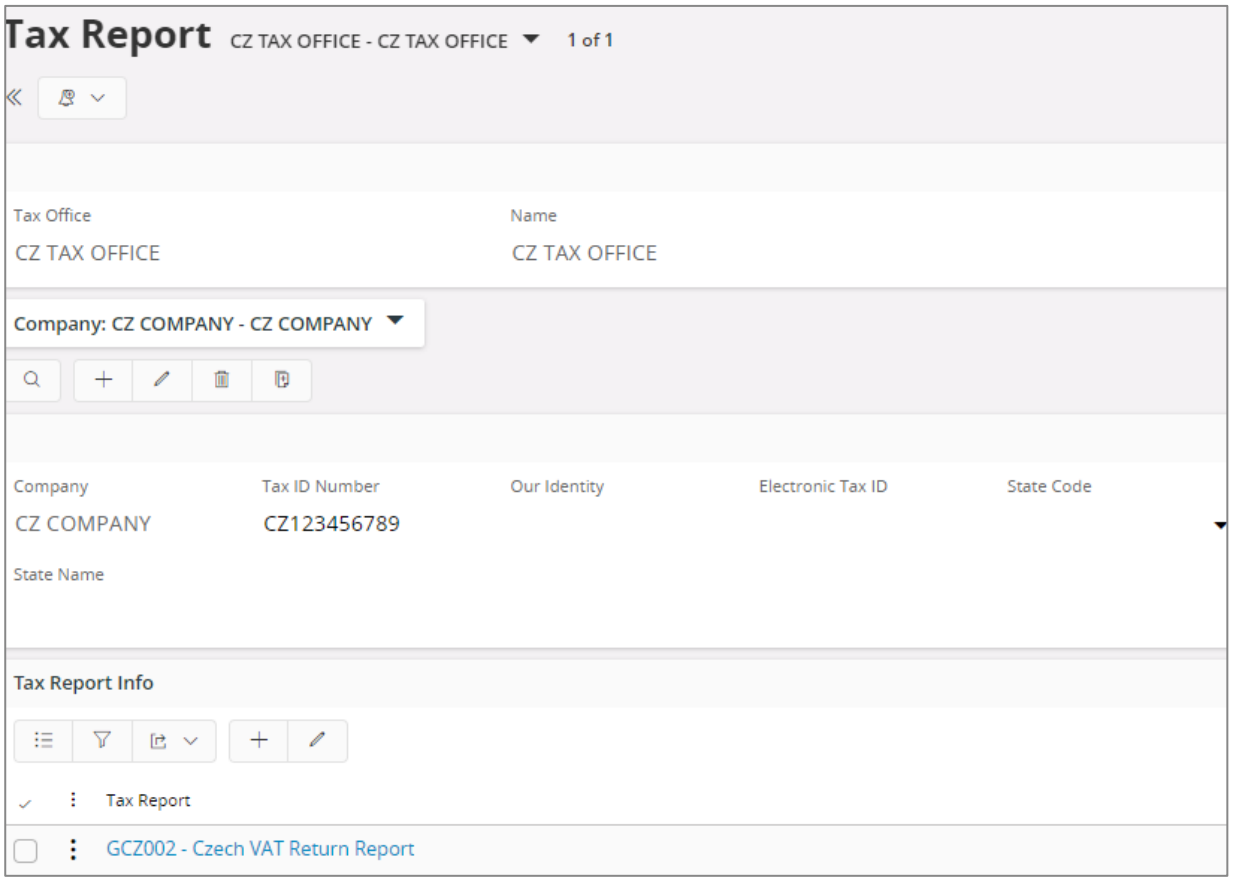
- In the case of **GCZ003** and **GCZ004**, which are tax templates based on tax transactions (the **Tax Report Based On** field is set to **Tax Transaction** on the ***Tax Templates*** page), this is a standard possibility. Any user-defined tax template based on tax transactions can be set up this way.
- In the case of **GCZ002**, which is a tax template based on other reports, Tax Sales and Tax Purchase (**Tax Report Based On** field is set to **Other Reports** in the ***Tax Templates*** page), this is an extended functionality. For user-defined tax templates based on other reports, this setup can only be defined if the tax template is **GCZ002** and it was created as a copy of GCZ002 (see **Org Template ID** field). Functionality related to this new setup is described later in the process.



4.4.6 CREATE TAX OFFICE AND REGIONAL TAX OFFICE

For the tax office and regional tax office, the standard functionality for adding the tax office is used. Go to the ***Application Base Setup/Enterprise/Tax/Tax Office*** page and set up both the tax office and regional tax office.

Note: Make sure to add the tax report number to your tax office and regional tax office.



4.4.7 CREATE TAX CODES

A tax code is needed for each type of transaction, and it is the tax code that directs a certain transaction into a certain sub section of the statement. Separate tax codes for disbursed (sales) and received (purchase) tax is required. A tax code is being created according to the standard process on the ***Accounting Rules/Tax/Tax Codes*** page.

Note: A tax code can only be connected to one tax sub group, but it is possible to direct a transaction into another sub section by adding a delivery type i.e. for a credit or correction transaction.

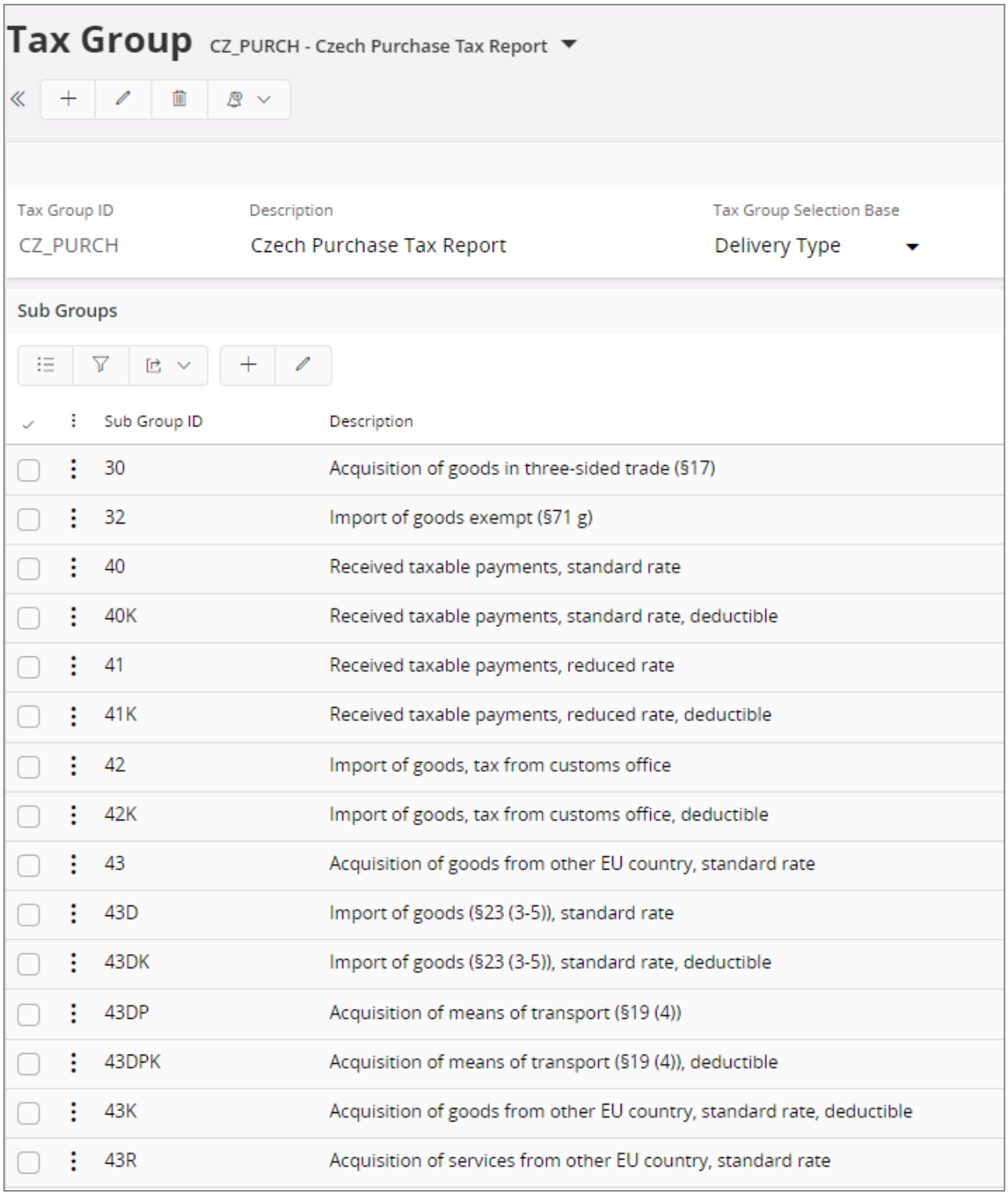
4.4.8 CREATE SUB GROUP DETAILS

A tax sub group is where the user connects a tax code with a certain sub section in the statement. The tax group and sub groups are fetched from the company template, if the **STD-CZ** company template is used for company creation or company update process. The sub group details need to be set up by the user. Create a line for each tax code and delivery type that is required for the statement.

The VAT return report does not have its own tax group, instead it uses two different reference tax groups.

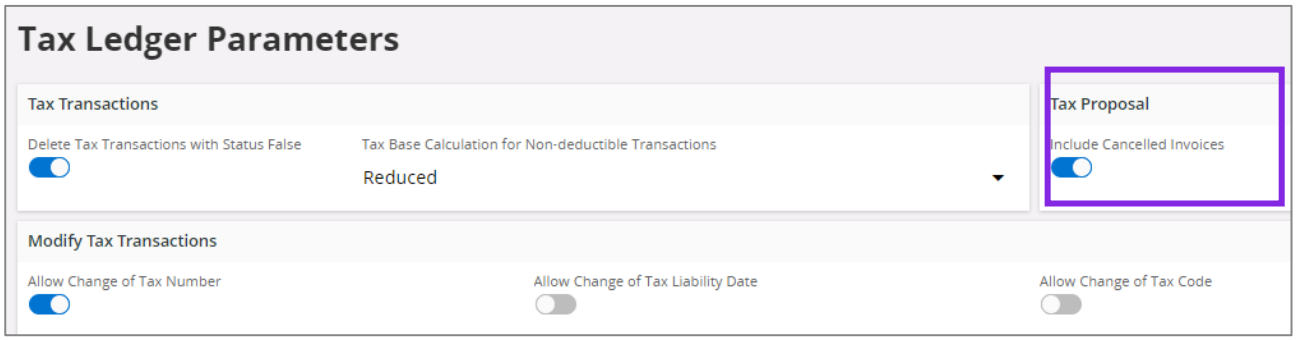
Go to the ***Financials/Tax Ledger/Basic Data/Tax Group*** page and search for each of the tax group IDs below and set up the sub group details.

- CZ_PURCH – Czech Purchase Tax Report
- CZ_SALES - Czech Sales Tax Report



4.4.9 EXCLUDE CANCELED INVOICES

If an invoice is canceled within the same tax period i.e., due to an internal mistake, then none of the original or the correction/credit invoice should be reported in the control statement. Use standard functionality *in the* ***Financials/Tax Ledger/Basic Data/Tax Ledger Parameter*** page to uncheck the check box for canceled invoices.



4.5 Create tax proposal

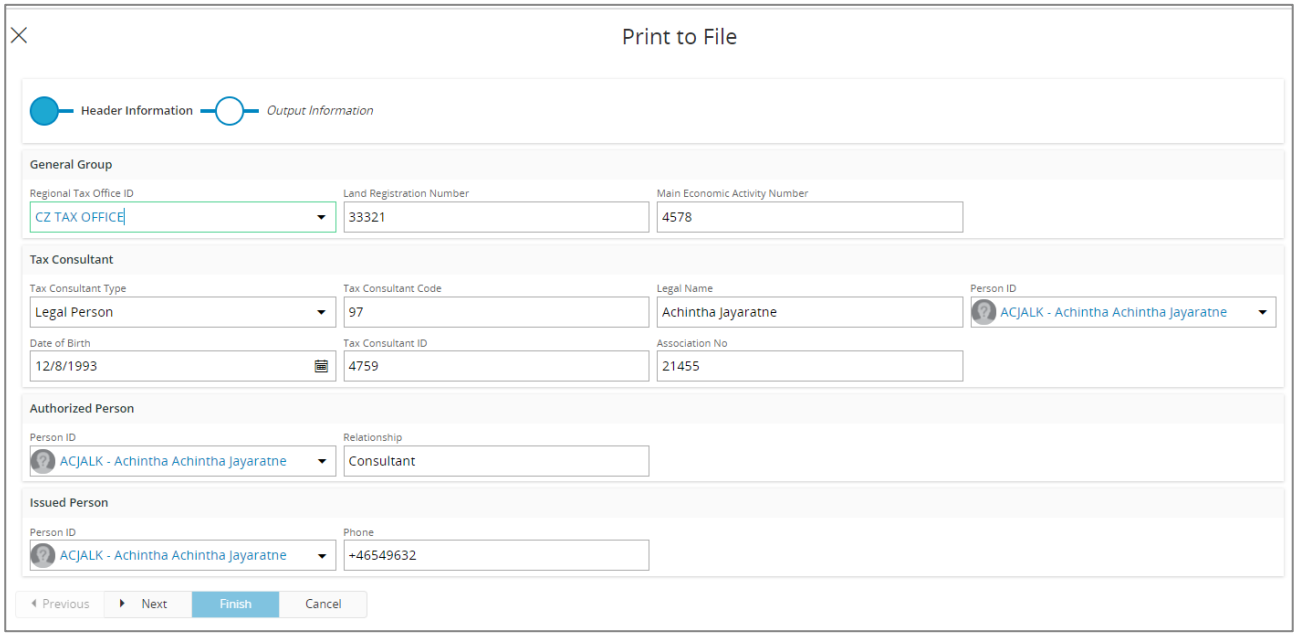
Use standard functionality in IFS Cloud to create the tax proposal for a certain tax report and connect the tax proposal to a Tax Office ID.

4.6 Print preliminary tax report

Use standard functionality in IFS Cloud to print the preliminary tax report via the **Print Preliminary Report** command.

4.6.1 ENTER HEADER INFORMATION

A country-specific page is displayed when you print the preliminary tax report. Enter the information or use the list of values, when applicable, to add the requested information.



4.6.1.1 Header Information

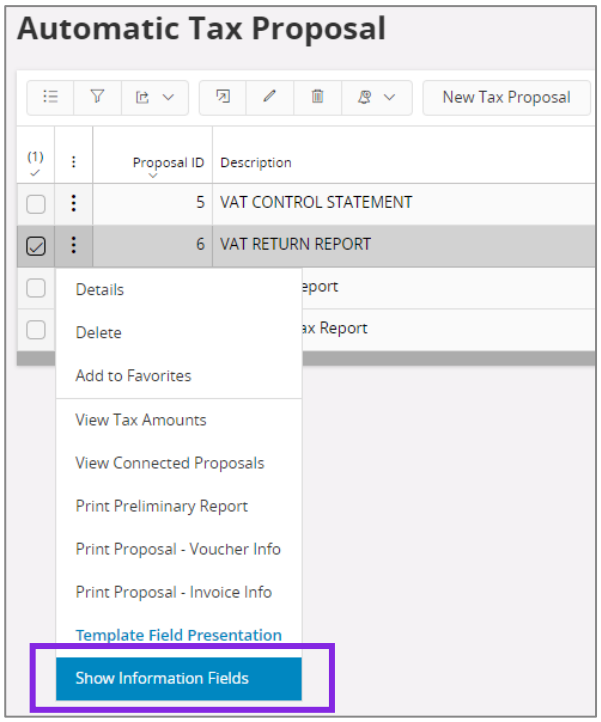
Some of the company-related information for the header section of the VAT control statement is taken from the information fields that have been added to the tax template.

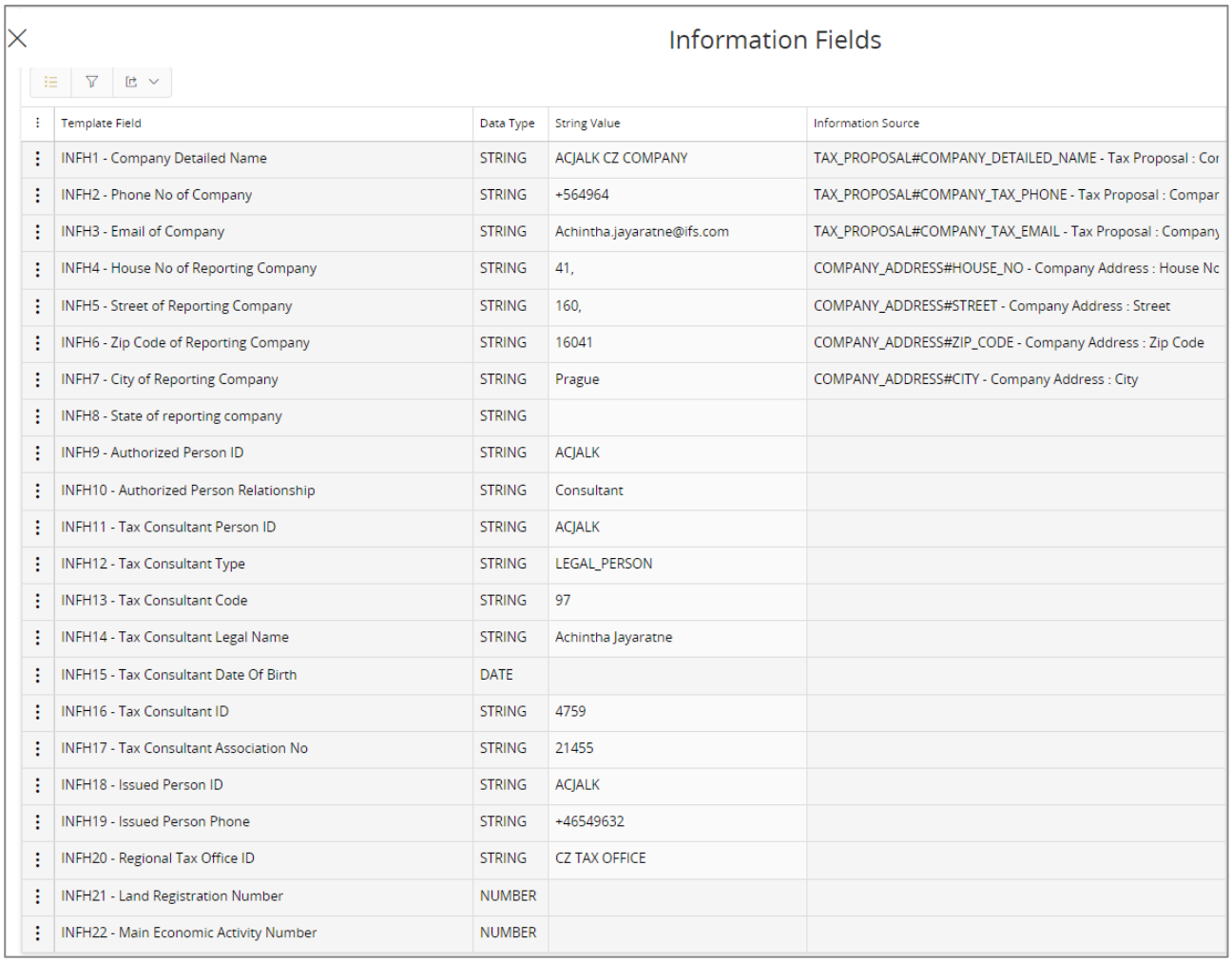
Company Detailed Name - The extended company name defined field in the ***Application Base Setup/Enterprise/Company/Company*** **page** ***Address/Distribution*** tab is used.

Phone/E-mail of reporting company – The default phone no./E-mail connected to the default document address of the company is used. The value with default per method and address is selected.

House no, Street, Zip code, City, and **State** – All these address-related details are fetched from the default document address of the company.

Note that any of this information can still be modified after creating the tax proposal but before printing the tax report. Use IFS standard functionality to view and modify the information fields connected to a tax proposal through the **Show Information Fields** command on the ***Automatic Tax Proposal*** page.





Template Field	Data Type	String Value	Information Source
INFH1 - Company Detailed Name	STRING	ACJALK CZ COMPANY	TAX_PROPOSAL#COMPANY_DETAILED_NAME - Tax Proposal : Cor
INFH2 - Phone No of Company	STRING	+564964	TAX_PROPOSAL#COMPANY_TAX_PHONE - Tax Proposal : Compar
INFH3 - Email of Company	STRING	Achintha.jayaratne@ifs.com	TAX_PROPOSAL#COMPANY_TAX_EMAIL - Tax Proposal : Company
INFH4 - House No of Reporting Company	STRING	41,	COMPANY_ADDRESS#HOUSE_NO - Company Address : House Nc
INFH5 - Street of Reporting Company	STRING	160,	COMPANY_ADDRESS#STREET - Company Address : Street
INFH6 - Zip Code of Reporting Company	STRING	16041	COMPANY_ADDRESS#ZIP_CODE - Company Address : Zip Code
INFH7 - City of Reporting Company	STRING	Prague	COMPANY_ADDRESS#CITY - Company Address : City
INFH8 - State of reporting company	STRING		
INFH9 - Authorized Person ID	STRING	ACJALK	
INFH10 - Authorized Person Relationship	STRING	Consultant	
INFH11 - Tax Consultant Person ID	STRING	ACJALK	
INFH12 - Tax Consultant Type	STRING	LEGAL_PERSON	
INFH13 - Tax Consultant Code	STRING	97	
INFH14 - Tax Consultant Legal Name	STRING	Achintha Jayaratne	
INFH15 - Tax Consultant Date Of Birth	DATE		
INFH16 - Tax Consultant ID	STRING	4759	
INFH17 - Tax Consultant Association No	STRING	21455	
INFH18 - Issued Person ID	STRING	ACJALK	
INFH19 - Issued Person Phone	STRING	+46549632	
INFH20 - Regional Tax Office ID	STRING	CZ TAX OFFICE	
INFH21 - Land Registration Number	NUMBER		
INFH22 - Main Economic Activity Number	NUMBER		

4.7 Acknowledge tax proposal

Use standard functionality in IFS Cloud to acknowledge the tax proposal by using the context menu option.

4.8 Print definitive tax report

Use standard functionality in IFS Cloud to print the definitive tax report by using the context menu option. The dialog for header information is displayed and you have the possibility to update any company information before the definitive report is printed. An XML file is created which can be submitted to tax authorities.

Note the following attributes in the XML.

- In the VetaD block, the dapdph_forma attribute is equal "B" (ordinary report).
- In the Veta6 block, if the tax disbursed is bigger than the tax received, dano_da attribute is equal to the tax disbursed minus the tax received.
- In the Veta6 block, if the tax received is bigger than the tax disbursed, dano_no attribute is equal to the tax received minus the tax disbursed.
- In the Veta6 block, dano attribute is not used (0.00 value).

4.9 Create tax proposal – correction before the end of the reporting period

If some transactions were missing in the reporting and the time for the reporting has not passed yet, the correction is done by replacement, that is a new report should be created considering not only missing transactions but also the original transactions.

In the ***Tax Report*** page select **Replacement Report** in the **Correction Type** field for tax reports connected to tax templates

- GCZ003 - Czech Purchase Tax Report
- GCZ004 - Czech Sales Tax Report
- GCZ002 - Czech VAT Return Report

Use standard functionality in IFS Cloud to create correction tax proposals for Purchase Tax Report and Sales Tax Report. When these proposals are generated and the **Replacement Report** is selected in the **Correction Type** field, the system includes all tax transactions for the reporting period, and all transactions are displayed on the ***Tax Proposal Details*** page.

Use standard functionality in IFS Cloud to create correction tax proposals for the VAT Return Report. When this proposal is generated and the **Replacement Report** is selected in the **Correction Type** field, the system considers tax transactions from the last proposal for Purchase Tax Report and the last proposal for Sales Tax Report and amounts in the ***Tax Proposal - Template Field Presentation*** page are calculated accordingly.

4.10 Print preliminary tax report – correction before the end of the reporting period

Use standard functionality in IFS Cloud to print the preliminary tax report.

When the VAT Control Header dialog is displayed, add the requested information.

4.11 Acknowledge tax proposal – correction before the end of the reporting period

Use standard functionality in IFS Cloud to acknowledge the tax proposal.

4.12 Print definitive tax report – correction before the end of the reporting period

Use standard functionality in IFS Cloud to print the definitive tax report by using the **Print Definitive Report** command. The dialog for header information is displayed and you have the possibility to update any company information before the definitive report is printed. An XML file is created which can be submitted to tax authorities.

Note the following attributes in the XML.

- In the VetaD block, dapdph_forma attribute is equal to "O" (correction report before the end of the reporting period).
- In the Veta6 block, if the tax disbursed is bigger than the tax received, dano_da attribute is equal to the tax disbursed minus the tax received.
- In the Veta6 block, if the tax received is bigger than the tax disbursed, dano_no attribute is equal tax received minus the tax disbursed.
- In the Veta6 block, dano attribute is not used (0.00 value).

4.13 Create tax proposal – correction after the end of the reporting period

If some transactions were missing in the reporting and the time for the reporting has already passed, the correction is done by reporting additions, that is a new report should be created considering only missing transactions.

In the *Tax Report* page select “Supplementary Report” in the **Correction Type** field for tax reports connected to tax templates

- GCZ003 - Czech Purchase Tax Report
- GCZ004 - Czech Sales Tax Report
- GCZ002 - Czech VAT Return Report

Use standard functionality in IFS Cloud to create correction tax proposals for Purchase Tax Report and Sales Tax Report. When these proposals are generated and the **Supplementary Report** is selected in the **Correction Type** field, the system includes new tax transactions for the reporting period only, and only new transactions are displayed on the ***Tax Proposal Details*** page.

Use standard functionality in IFS Cloud to create correction tax proposals for the VAT Return Report. When this proposal is generated and **Supplementary Report** is selected in the **Correction Type** field (new functionality for templates based on other reports), the system considers tax transactions from these proposals for Purchase Tax Report and Sales Tax Report which were created after the previous proposal for VAT Return Report. Amounts in the ***Tax Proposal - Template Field Presentation*** page are calculated accordingly.

4.14 Print preliminary tax report – correction after the end of the reporting period

Use standard functionality in IFS Cloud to print the preliminary tax report via the **Print Preliminary Report** command.

When the VAT Control Header dialog is displayed, add the requested information.

4.15 Acknowledge tax proposal – correction after the end of the reporting period

Use standard functionality in IFS Cloud to acknowledge the tax proposal.

4.16 Print definitive tax report – correction after the end of the reporting period

Use standard functionality in IFS Cloud to print the definitive tax report by using the **Print Definitive Report** command. The dialog for header information is displayed and you have the possibility to update any company information before the definitive report is printed. An XML file is created which can be submitted to tax authorities.

Note the following attributes in the XML

- In the VetaD block, the dapdph_forma attribute is equal to "D" (correction report after the end of the reporting period).
- In the Veta6 block, dano_da attribute is not used (0.00 value).
- In the Veta6 block, dano_no attribute is not used (0.00 value).
- In the Veta6 block, dano attribute is equal to tax disbursed minus tax received.

4.17 **Delimitation**

Not defined.

5 VAT Summary Report

5.1 Overview of legal requirement

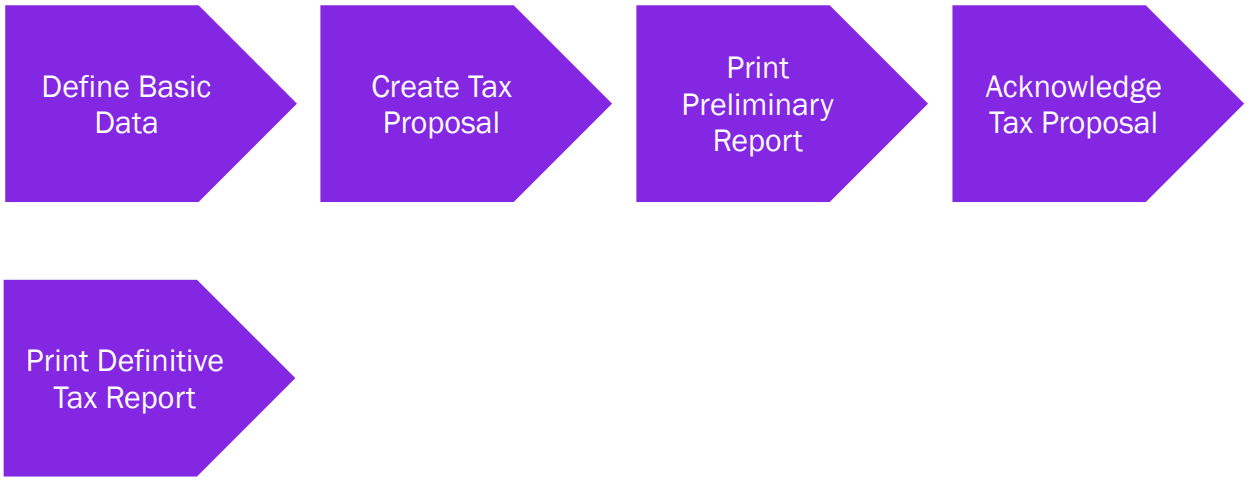
It is a legal requirement, for Czech companies to generate different reports for the tax office. VAT summary report displays a customer's tax transactions inside the EU (VIES). VIES is an electronic system allowing information regarding VAT registration to be transferred between countries. The report can be generated either monthly or quarterly depending on the company's tax obligations.

5.2 Solution

An XML file is created which can be submitted to tax authorities. To support the full requirement, the following have been added:

- New tax template : "GCZ007 - Czech VAT Summary Report ".
- New external file type: "TaxRepCZ - Czech Tax Reporting".
- New external file template: " TaxRepCZVatSum - Czech VAT Summary Report File "
- New tax group : "CZ_SUM_REP- Czech VAT Summary Report".

5.2.1 PROCESS OVERVIEW



5.2.2 ASSUMPTIONS

It´s an assumption that the user is familiar with IFS Cloud standard process of creating tax reports and tax proposals.

5.3 Prerequisites

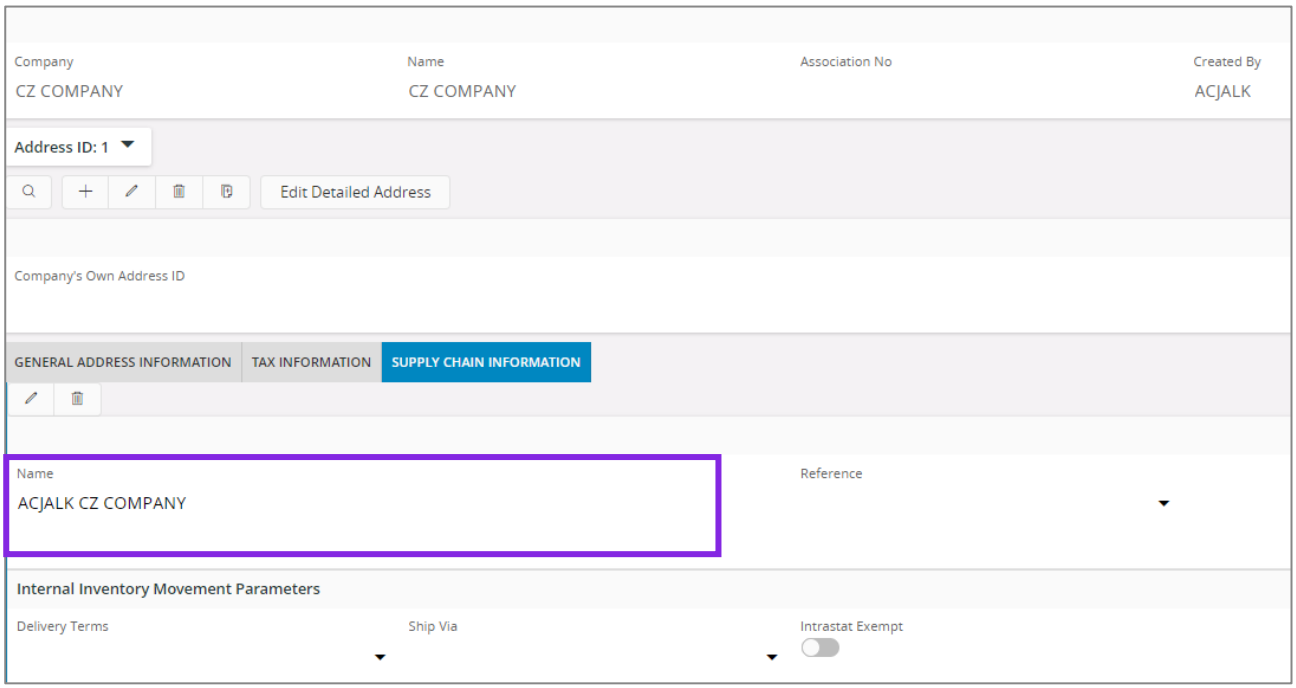
- The company must be set up to use Czech Republic localization, see the Company Setup chapter and the **VAT Reporting** parameter must be enabled.
- Use the **STD-CZ** company template for company creation or company update process to fetch the details of tax groups and subgroups from the company template.

5.4 DEFINE BASIC DATA

To be able to generate the VAT report, some basic data must be set up. The basic data is used both in the header section and in the sub sections of the report.

5.4.1 COMPANY NAME

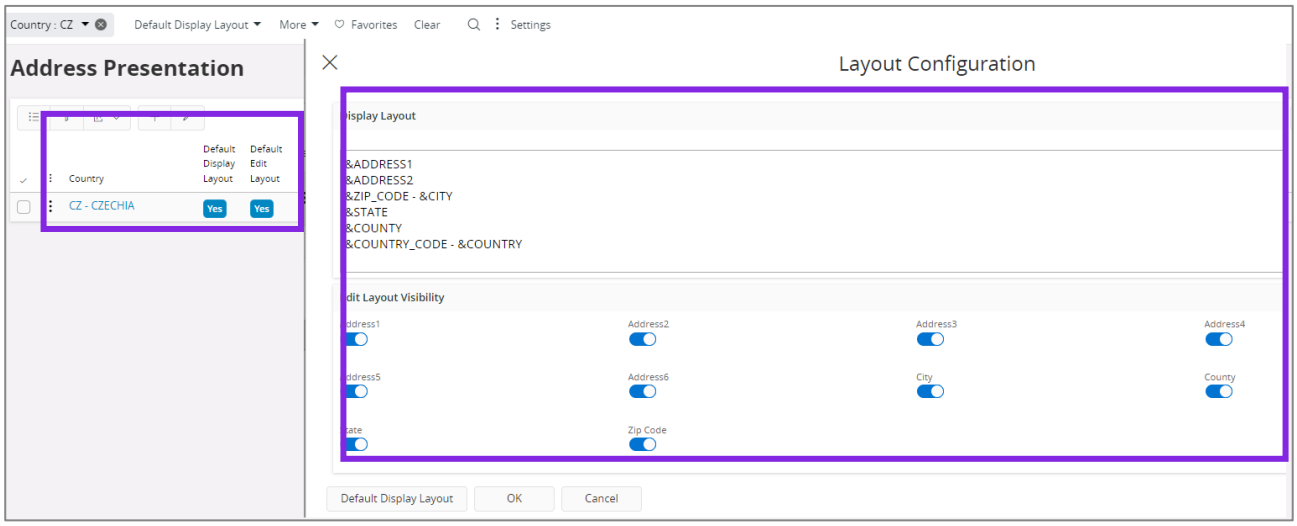
The company name given for an address identity will used in the header section. If an extended company name is requested, the name field on the ***Application Base Setup /Enterprise /Company /Company page Address/Distribution*** tab is being used. You can add up to 100 characters and the input in this field will overwrite the company name from the address identity.



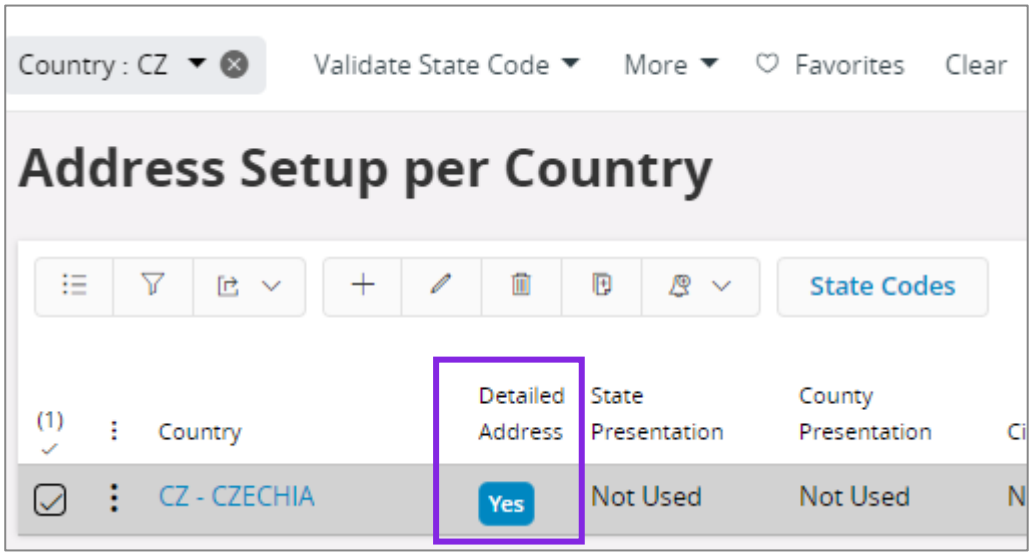
5.4.2 COMPANY ADDRESS

The company address is required in the header section and needs to be entered in a certain way to get the correct information into the correct field.

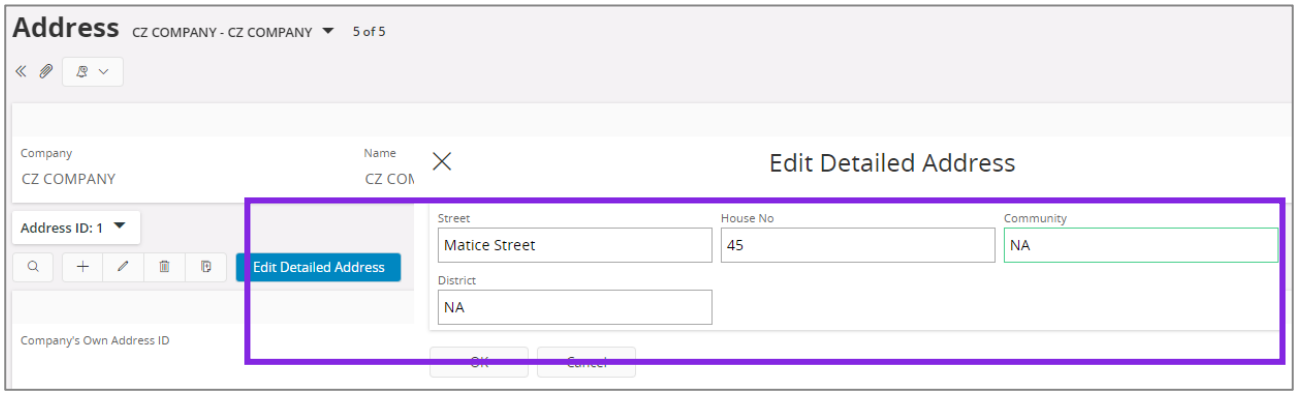
First, the fields for **City, Zip Code,** and **Country** must be enabled for the Czech Republic country code on the ***Application Base Setup/Enterprise/Company/Basic Data/Address Presentation*** page.



Second, the functionality for detailed address information must be enabled. On the ***Application Base Setup/Enterprise/Company/Basic Data/Address Setup per Country*** page, the check box for **Detailed Address** needs to be checked. The check box will enable dedicated fields for **Street** and **House number** when creating the company address.



Third, enter a company address on the ***Application Base Setup/Enterprise/Company/Company*** page ***Address*** tab. The dialog for address details will enable dedicated fields for **Street** and **House number** which is required in the tax report.

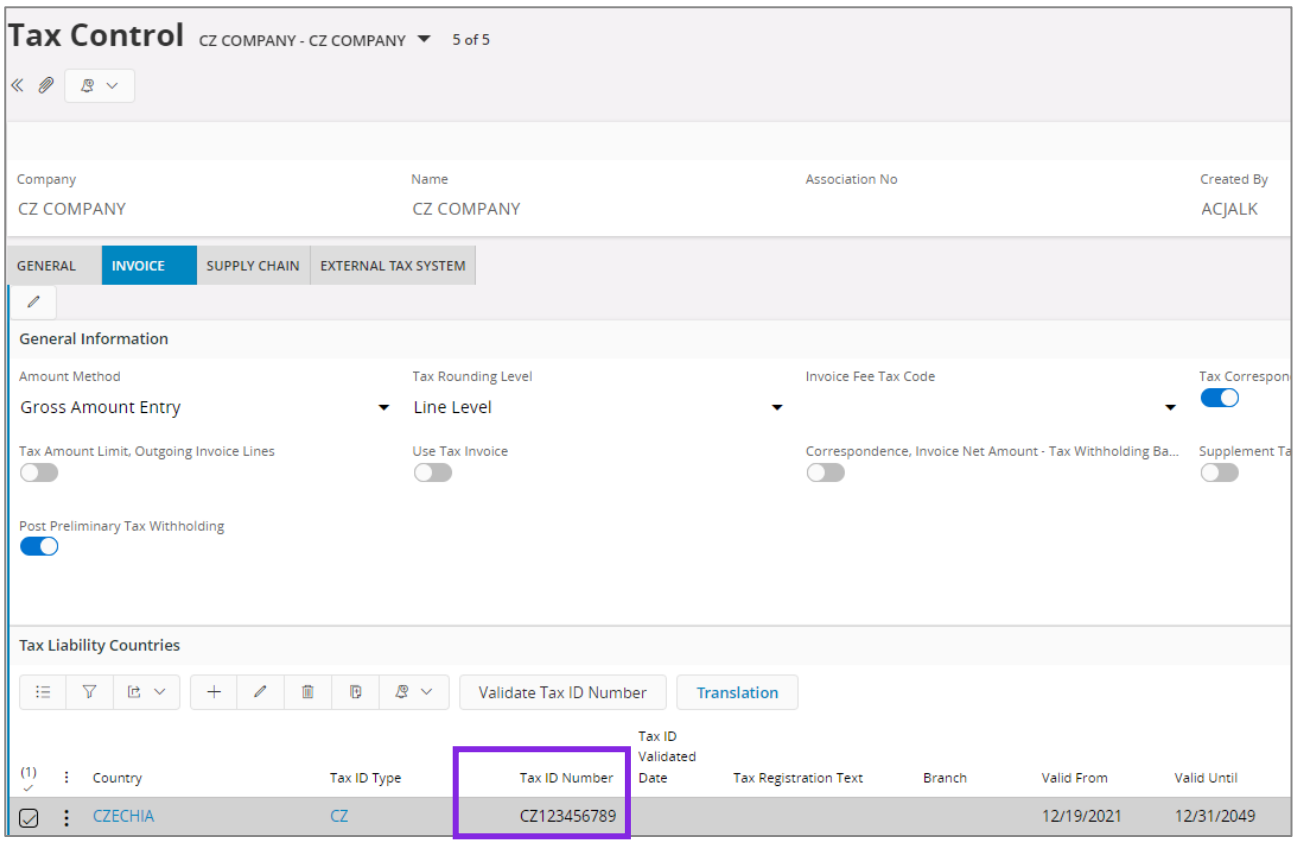


5.4.3 TAX ID NUMBER

Tax ID numbers are required for companies, suppliers, and customers and are used as references in the VAT reports.

5.4.3.1 Company Tax ID Number

Go to the ***Application Base Setup/Enterprise/Company*** page ***Tax Control/Invoice*** tab to enter the **Tax ID Number** for the company.



5.4.3.2 Supplier Tax ID Number

Go to the ***Application Base Setup/Enterprise/Supplier/Supplier*** *page* ***Address/Document Tax Information*** tab to enter the **Tax ID Number** for the supplier.

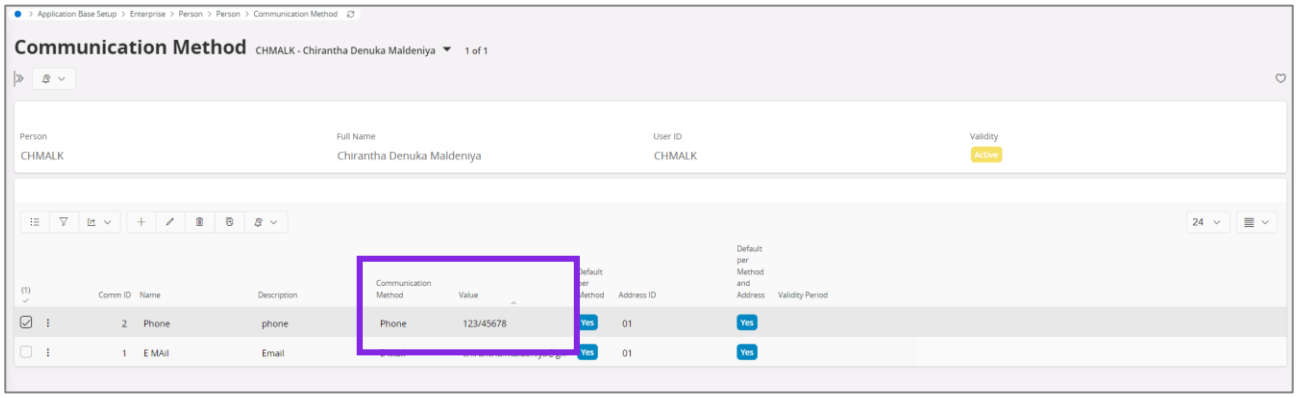
5.4.3.3 Customer Tax ID Number

Go to the ***Application Base Setup/Enterprise/Customer/Customer*** *page* ***Address/Document Tax Information*** tab to enter the **Tax ID Number** for the customer.

5.4.4 CREATE PERSON ID

The header section of the VAT report requires information about the **Contact Person, Tax Consultant, Authorized Person,** and **Issued By**. Use standard functionality in the ***Application Base Setup/Enterprise/Person*** page to enter person IDs which will be fetched via the list of values into the header dialog when printing the tax report.

Note: Phone number must be separated from regional code by using “/” sign.



5.4.5 CREATE TAX REPORT

A specific tax report must be created for the VAT summary report. Use standard functionality in the IFS Cloud to create the report on the ***Financials/Tax Ledger/Tax Report*** page.

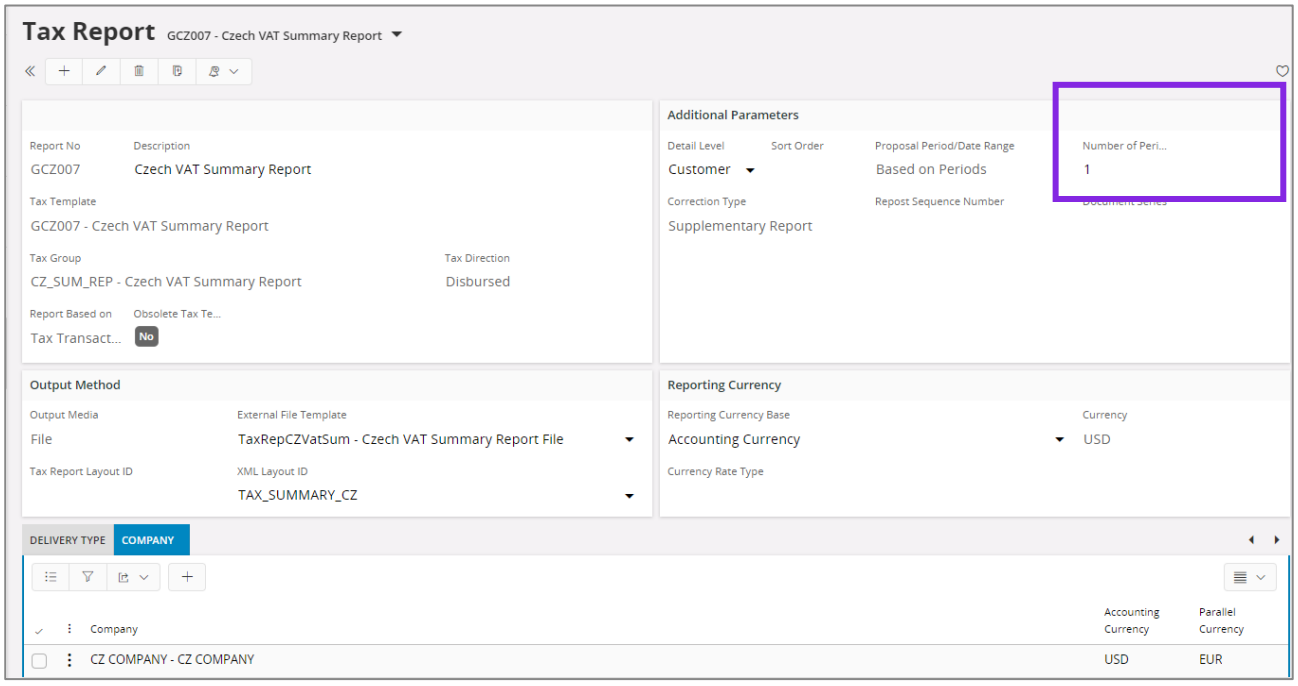
If the report is created for a quarter, then the number of periods must be set to 3.

A calculation is done to determine which quarter the report represents:

Last month in the period/3 = Quarter

Ex) Tax period April to June (6) → 6/3 = 2

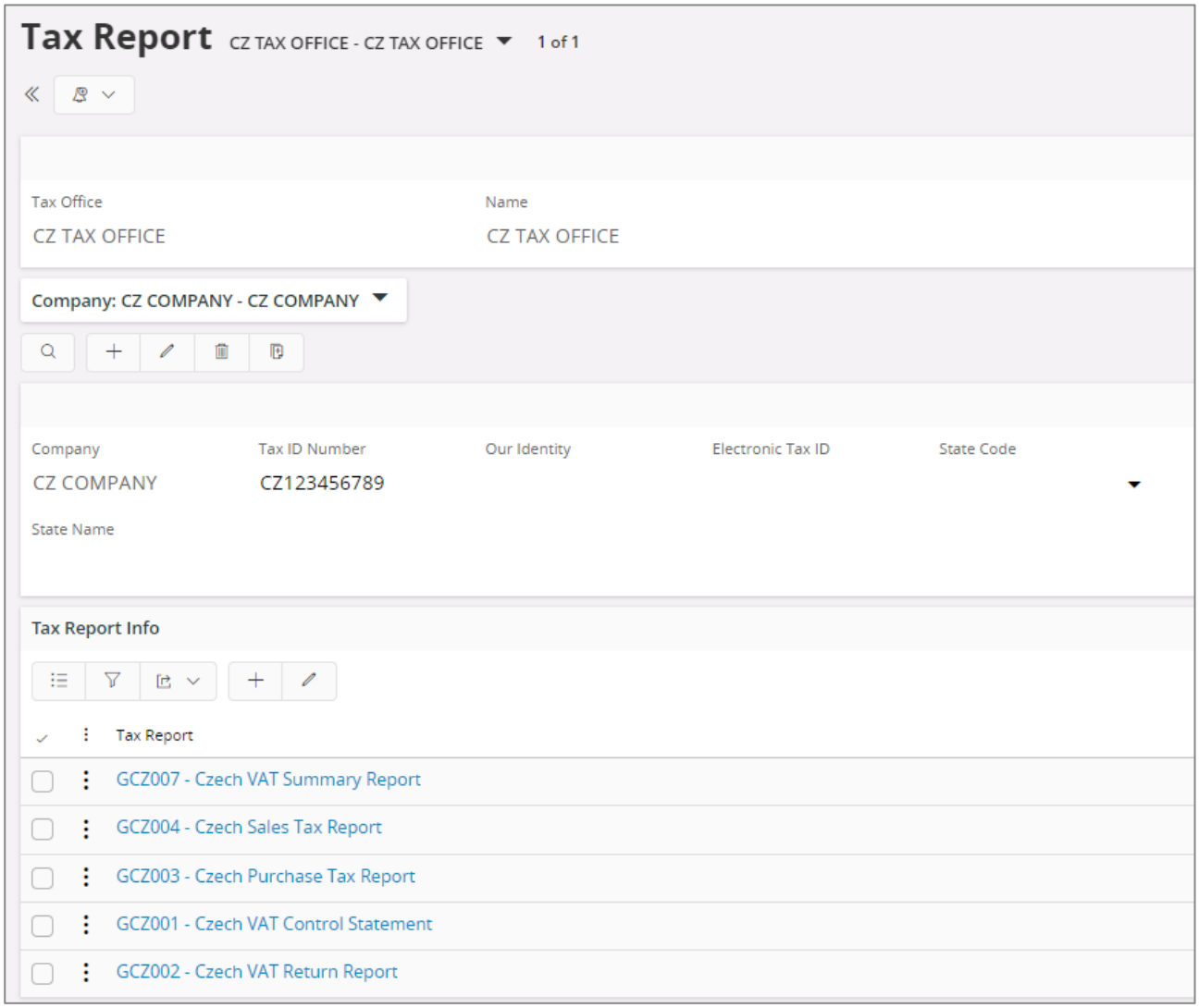
Note: It is required from the user to create the report according to the calendar year i.e., Q1 = period 1 to 3, Q2 = period 4 to 6, etc.



5.4.6 CREATE TAX OFFICE AND REGIONAL TAX OFFICE

For tax office and regional tax office, the standard functionality for adding tax office is used. Go to the ***Application Base Setup/Enterprise/Tax/Tax Office*** page and set up both the tax office and regional tax office.

Note: Make sure to add the tax report number to your tax office and regional tax office.



5.4.7 TAX CODES

A tax code is needed for each type of transaction, and it is the tax code that directs a certain transaction into a certain sub section of the statement. A tax code is being created according to the standard process on the ***Accounting Rules/Tax/Tax Codes*** page.

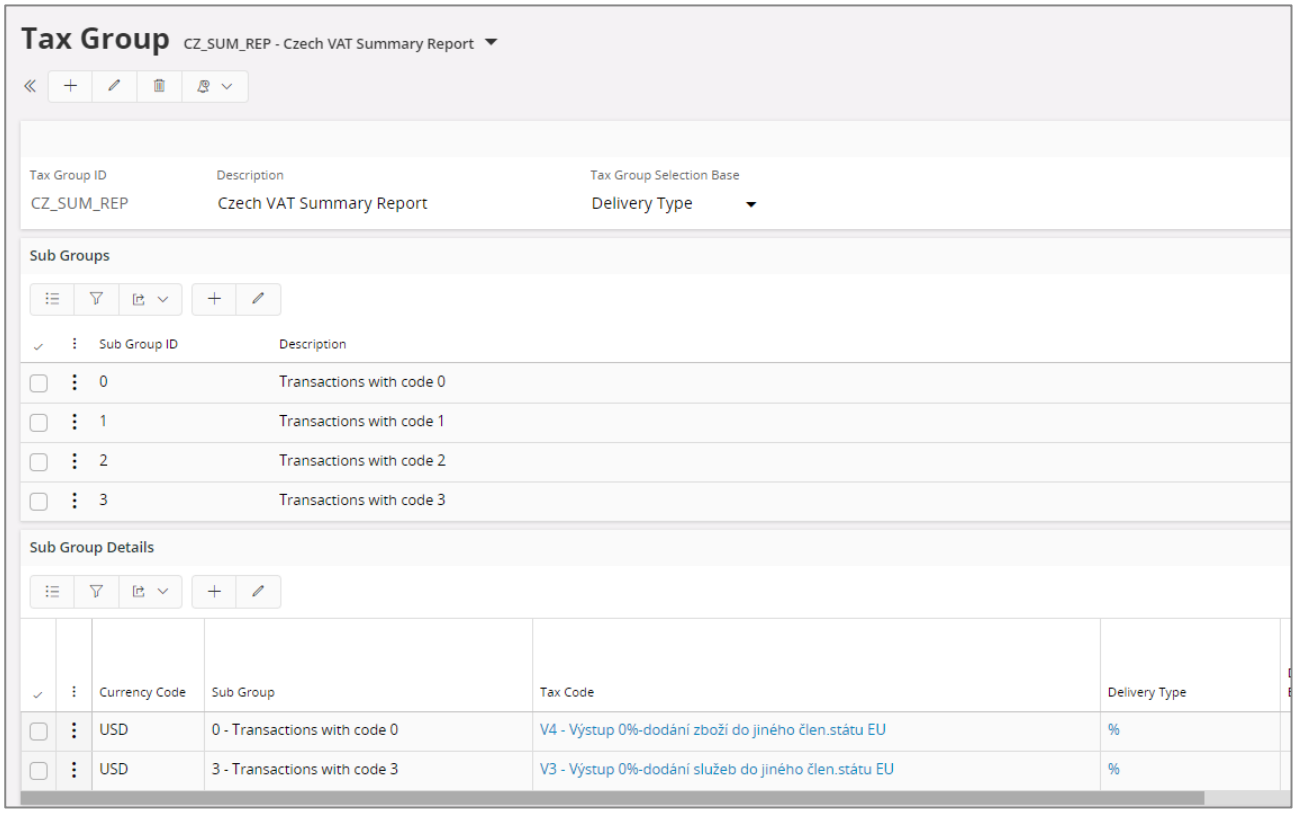
Note: A tax code can only be connected to one tax sub group, but it is possible to direct a transaction into another sub section by adding a delivery type i.e. for a credit or correction transaction.

5.4.8 SUB GROUP DETAILS

A tax sub group is where the user connects a tax code with a certain sub section in the statement. The tax group and sub groups are fetched from the company template, if the **STD-CZ** company template is used for company creation or company update process. The sub group details need to be set up by the user. Create a line for each tax code and delivery type that is required for the statement.

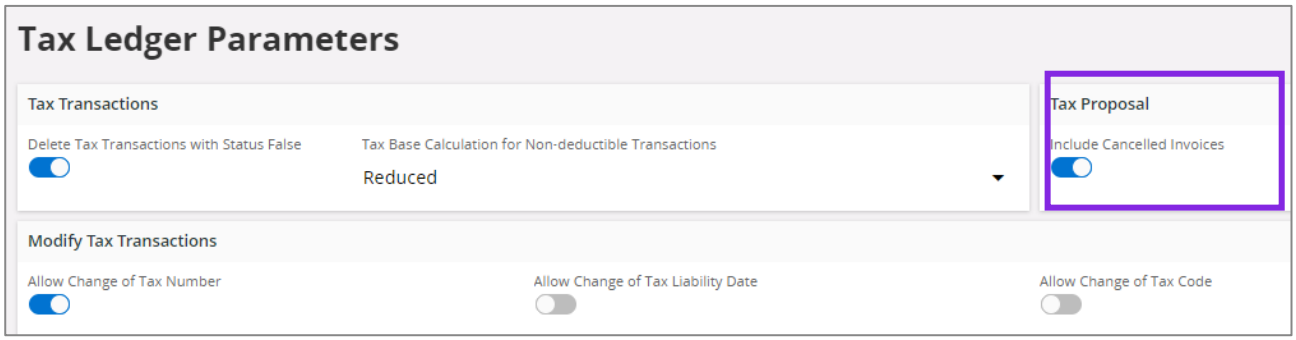
Go to *Financials/Tax Ledger/Basic Data/Tax Group* page Sub Group Details tab and search for the tax group id below and set up the sub group details. The subgroup ID will be displayed in the summary report.

- 0 – Delivery of goods to another EU state
- 1 – Transfer of business assets payer to another EU state
- 2 – Middle person of a triparty sell
- 3 – Provision of services with a place of supply in another EU state



5.4.9 EXCLUDE CANCELED INVOICES

If an invoice is canceled within the same tax period i.e., due to an internal mistake, then none of the original or the correction/credit invoice should be reported in the control statement. Use standard functionality in the ***Financials/Tax Ledger/Basic Data/Tax Ledger Parameter*** page to uncheck the check box for canceled invoices.



5.5 Create a tax proposal

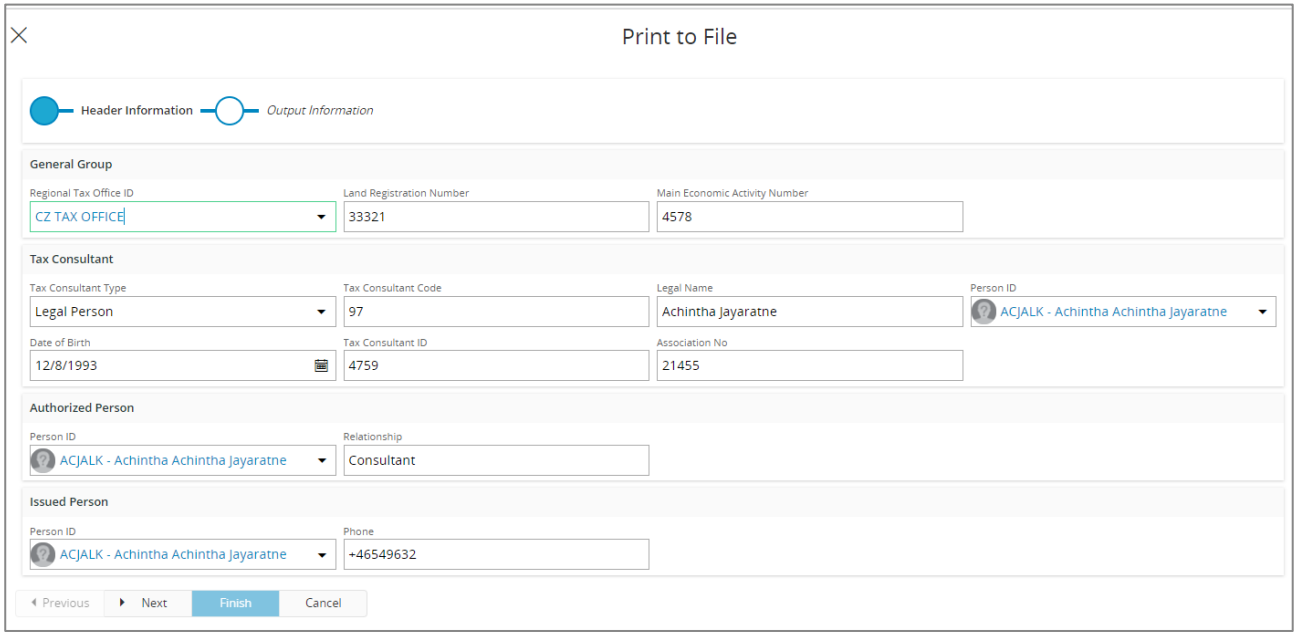
Use standard functionality in IFS Cloud to create the tax proposal for a certain tax report and connect the tax proposal to a Tax Office ID.

5.6 Print preliminary tax report

Use standard functionality in IFS Cloud to print the preliminary tax report.

5.6.1 ENTER HEADER INFORMATION

A country-specific dialog is displayed when you print the preliminary tax report. Enter the information or use the list of values, when applicable, to add the requested information.



5.6.2 HEADER INFORMATION

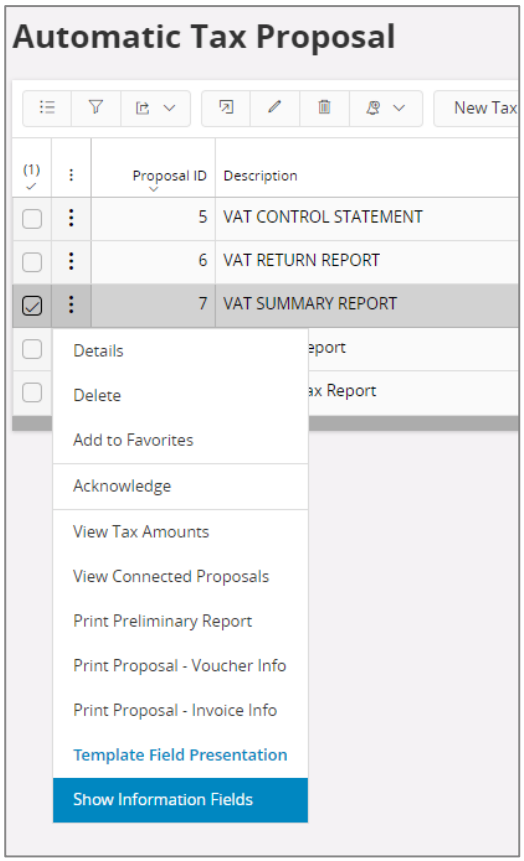
Some of the company-related information for the header section of the VAT control statement is taken from the information fields that have been added to the tax template.

Company Detailed Name - The extended company name defined field in the ***Application Base Setup/Enterprise/Company/Company*** page ***Address/Distribution*** tab is used.

Phone/E-mail of reporting company – The default phone no./E-mail connected to the default document address of the company is used. The value with default per method and address is selected.

House no, Street, Zip code, City, and **State** – All these address-related details are fetched from the default document address of the company.

Note that any of this information can still be modified after creating the tax proposal but before printing the tax report. Use IFS standard functionality to view and modify the information fields connected to a tax proposal through the **Show Information Fields** command on the ***Automatic Tax Proposal*** page.



Information Fields

Template Field	Data Type	String Value	Information Source
INFH1 - Company Detailed Name	STRING	ACJALK CZ COMPANY	TAX_PROPOSAL#COMPANY_DETAILED_NAME - Tax Proposal : Cor
INFH2 - Phone No of Company	STRING	+564964	TAX_PROPOSAL#COMPANY_TAX_PHONE - Tax Proposal : Compar
INFH3 - Email of Company	STRING	Achintha.jayaratne@ifs.com	TAX_PROPOSAL#COMPANY_TAX_EMAIL - Tax Proposal : Company
INFH4 - House No of Reporting Company	STRING	41,	COMPANY_ADDRESS#HOUSE_NO - Company Address : House Nc
INFH5 - Street of Reporting Company	STRING	160,	COMPANY_ADDRESS#STREET - Company Address : Street
INFH6 - Zip Code of Reporting Company	STRING	16041	COMPANY_ADDRESS#ZIP_CODE - Company Address : Zip Code
INFH7 - City of Reporting Company	STRING	Prague	COMPANY_ADDRESS#CITY - Company Address : City
INFH8 - State of reporting company	STRING		
INFH9 - Authorized Person ID	STRING	ACJALK	
INFH10 - Authorized Person Relationship	STRING	Consultant	
INFH11 - Tax Consultant Person ID	STRING	ACJALK	
INFH12 - Tax Consultant Type	STRING	LEGAL_PERSON	
INFH13 - Tax Consultant Code	STRING	97	
INFH14 - Tax Consultant Legal Name	STRING	Achintha Jayaratne	
INFH15 - Tax Consultant Date Of Birth	DATE		
INFH16 - Tax Consultant ID	STRING	4759	
INFH17 - Tax Consultant Association No	STRING	21455	
INFH18 - Issued Person ID	STRING	ACJALK	
INFH19 - Issued Person Phone	STRING	+46549632	
INFH20 - Regional Tax Office ID	STRING	CZ TAX OFFICE	
INFH21 - Land Registration Number	NUMBER		
INFH22 - Main Economic Activity Number	NUMBER		

5.7 Acknowledge tax proposal

Use standard functionality in IFS Cloud to acknowledge the tax proposal.

5.8 Print definitive tax report

Use standard functionality in IFS Cloud to print the definitive tax report by using the **Print Definitive Report** command. The dialog for header information is displayed and you have the possibility to update any company information before the definitive report is printed. An XML file is created which can be submitted to tax authorities.

5.9 Supplementary report and correction report

Use standard functionality in IFS Cloud to create a supplementary report.

5.10 Delimitation

Not defined.

6 Payment Formats

6.1 Overview Business Requirement

There are two different payment order files used in Czech, one for domestic payments and one for foreign payments. The format is called Multicash and contains general information and bank details for the payer and receiver.

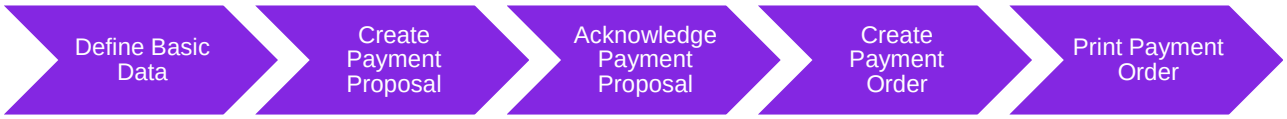
6.2 Solution

To meet the requirement for payment order files, two new payment formats have been added.

- CZMCDOM – Used for domestic payments.
- CZMCFOR – Used for foreign payments.

We have also introduced the possibility to group foreign payments per supplier when payment format and payment address is the same.

6.2.1 PROCESS OVERVIEW



6.2.2 ASSUMPTION

It´s an assumption that the user is familiar with the IFS Cloud standard process of creating payment proposals and payment orders.

6.3 Prerequisite

- The company must be set up to use Czech Republic localization, see the Company Setup chapter, and the **Czech Republic and Slovakia Payment Formats** parameter must be enabled.
- All payments are connected to a payment format and a payment address (valid for foreign payments with grouping functionality).

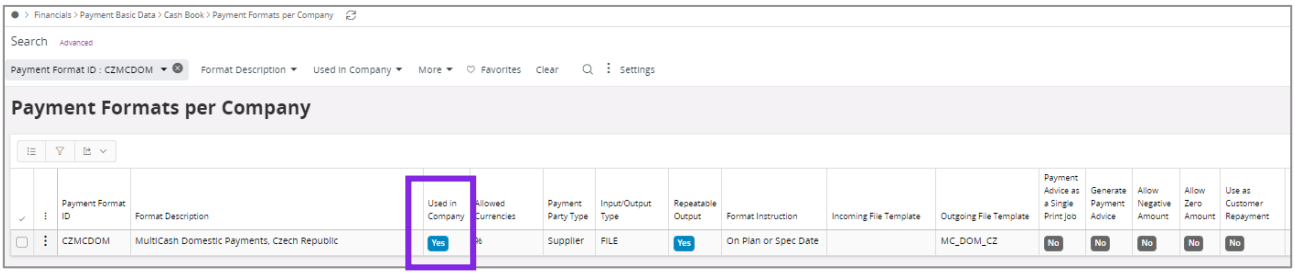
6.4 Domestic Payments

6.4.1 DEFINE BASIC DATA

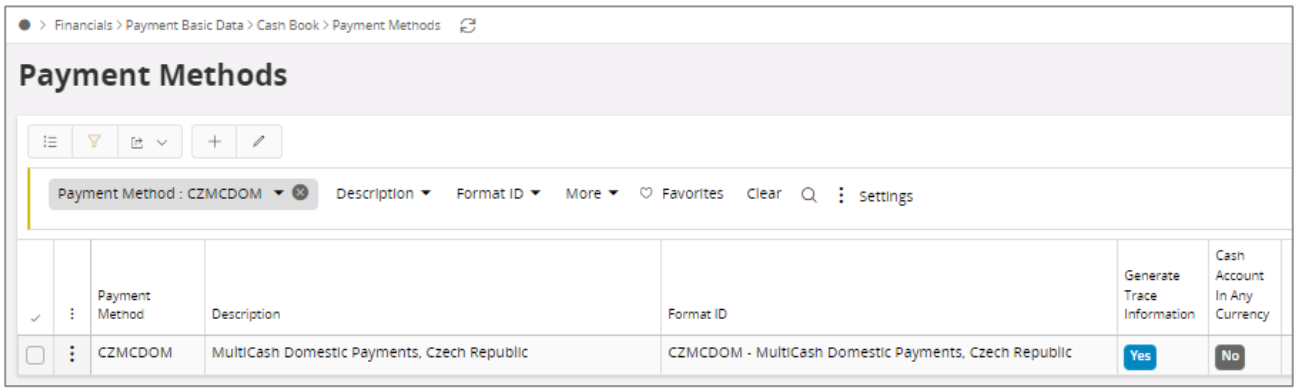
Setup of basic data is needed both to enable the payment format but also to enter the required information in the payment order file.

6.4.1.1 Create Payment Methods and Payment Institute

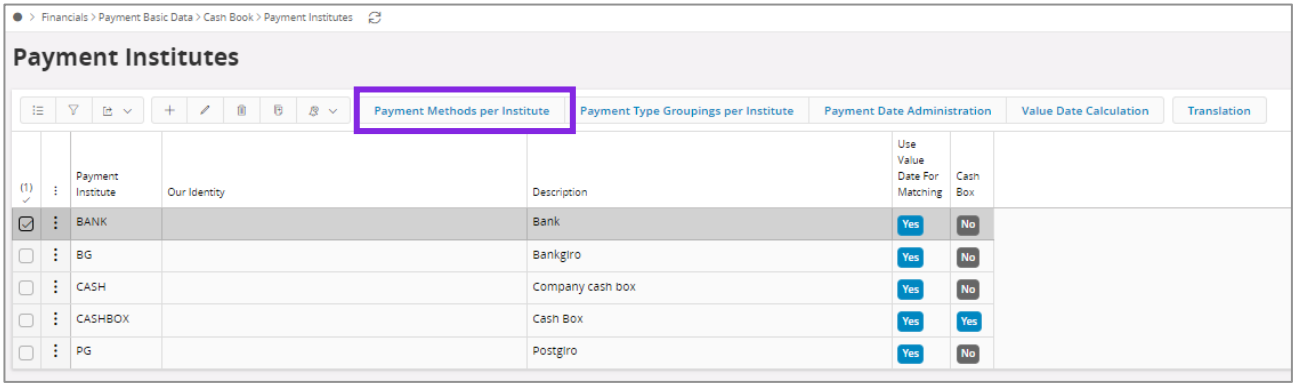
Enable the **CZMCDOM** payment format in ***Financials/Payment Basic Data/Cash Book/Payment Formats per Company*** page.



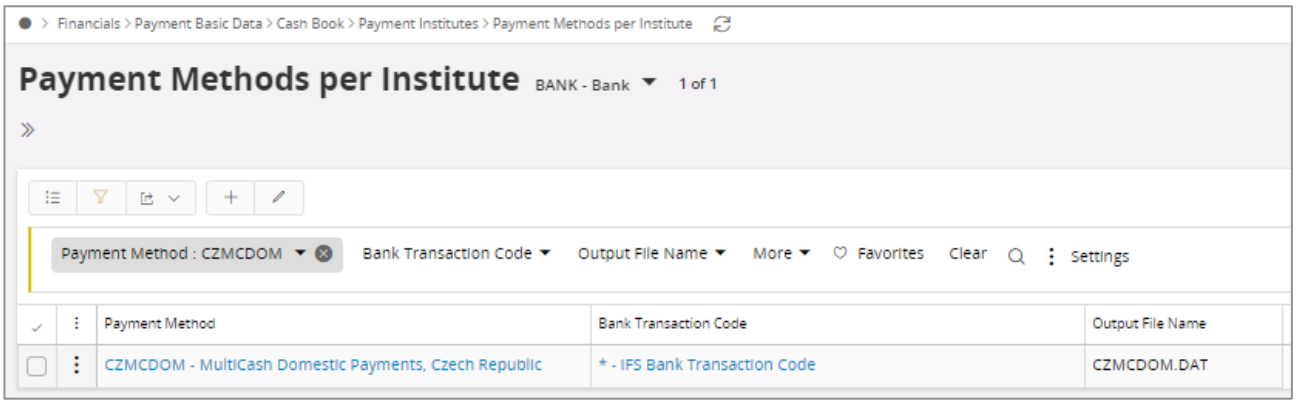
Create a payment method for MultiCash in the ***Financials/Payment Basic Data/Cash Book/Payment Methods*** page.



Create a payment institute for which the company is doing business within the ***Financials/Payment Basic Data/Cash Book/Payment Institute*** page.

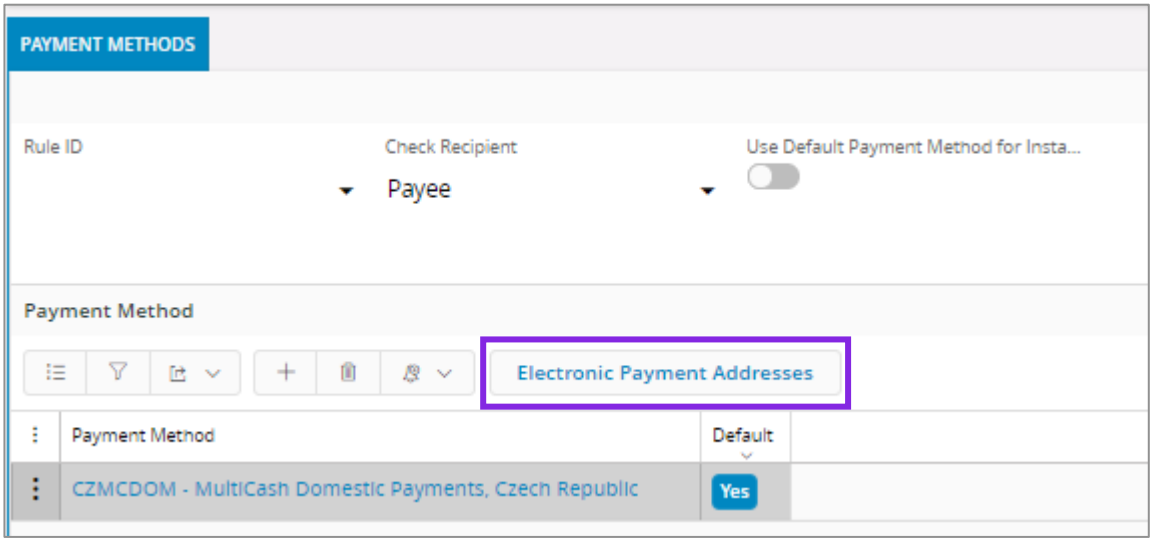


Use the command **Payment Methods per Institute** to define which payment methods should be used for each payment institute.



6.4.1.2 Electronic Payment Addresses

Go to the ***Application Base Setup/Enterprise/Supplier*** page ***Payment Methods*** tab in the Payment sub menu, and click on the command **Electronic Payment Addresses** to enter the external supplier bank address details used for the payment.



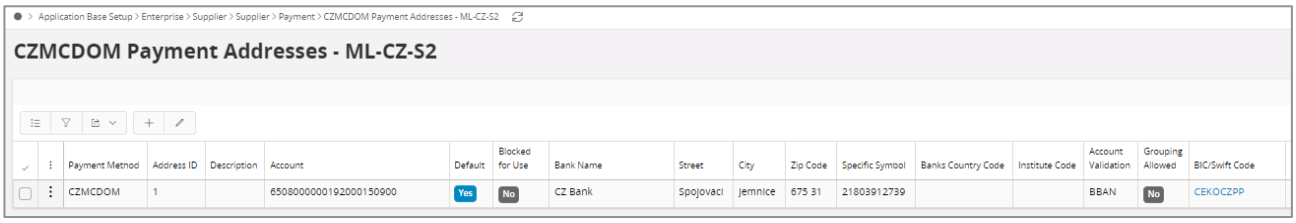
Enter the supplier bank details for the CZMCDOM payment method.

- **Account Validation**: This field is used to enable which fields related to the Supplier bank account are required. Options are **BBAN** and **IBAN**.

  If the **Account Validation** field is **BBAN**- It means that supplier bank address information is domestic, and then the system will allow the user to enter non-IBAN information in the field Account Number; In this case is mandatory to fill in the field **Institute Code** OR to fill the field **BIC/Swift Code**.

  If the **Account Validation** field is **IBAN**- It means that supplier bank address information is not domestic, and the system will keep validation that exists today for IBAN number. In this case, the field **BIC/Swift Code** is mandatory.

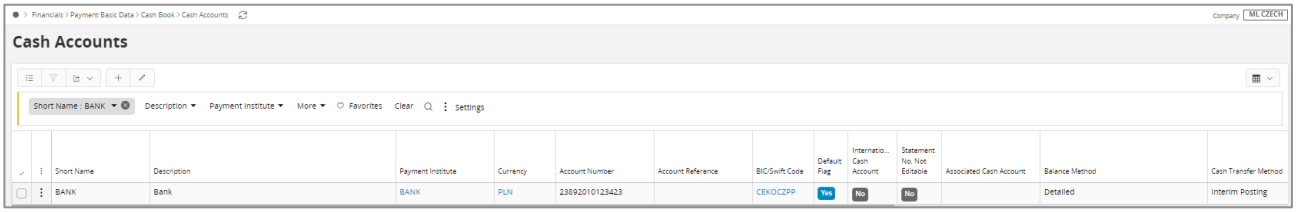
- **Account Number (UK)**: Enter the International Bank Account Number (IBAN)
- **Specific code (AK)**: Enter the specific code for the payment in the specific symbol field.



6.4.1.3 Company Cash Account

Go to the ***Financials/Payment Basic Data/Cash Book/Cash Account*** to enter the company cash account number for the payment institute.

- Cash account (UD): Enter the company cash account number.



6.4.2 CREATE A PAYMENT PROPOSAL

Use standard functionality in IFS Cloud to create a payment proposal via the command option.

Note: If a manual supplier invoice is being created, the **Payment Reference** field needs to be manually entered with numeric characters and fetched into the **ZK** field in the payment order file.

6.4.3 ACKNOWLEDGE PAYMENT PROPOSAL

Use standard functionality in IFS Cloud to acknowledge the payment proposal via the command option.

6.4.4 CREATE PAYMENT ORDER

Use standard functionality in IFS Cloud to create the payment order via the command option.

6.4.5 PRINT PAYMENT ORDER

Use standard functionality in IFS Cloud to print the payment order via the command option.

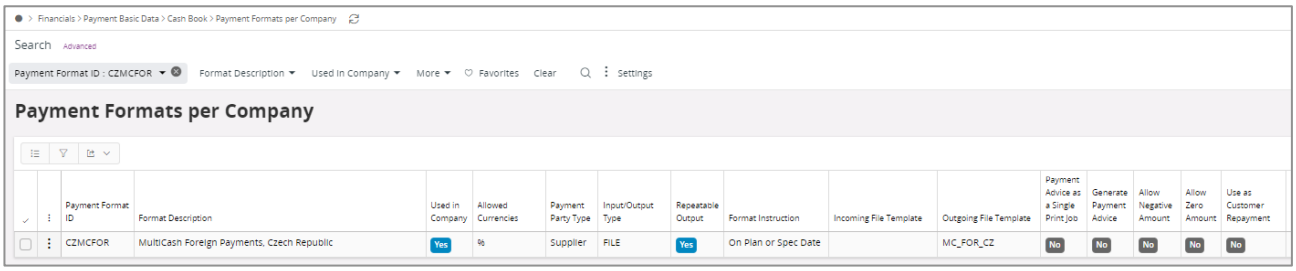
6.5 Foreign payments

6.5.1 DEFINE BASIC DATA

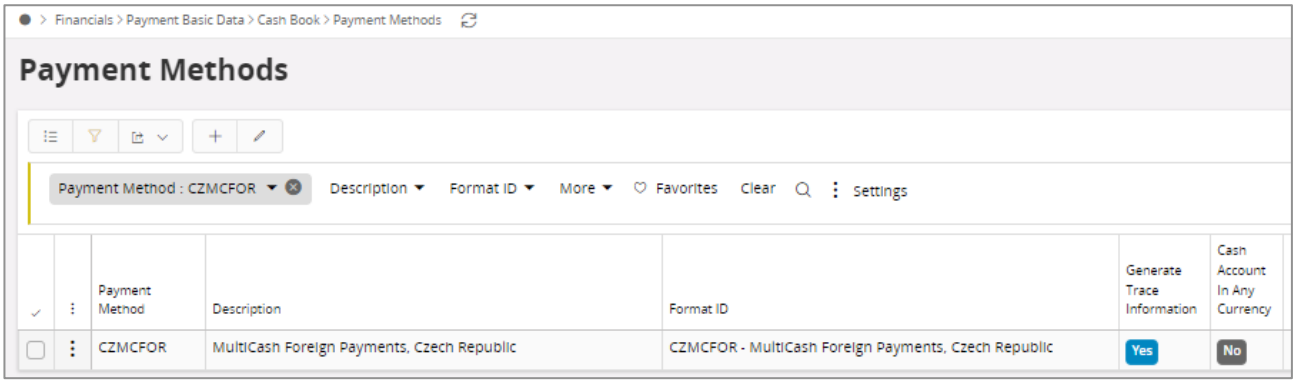
Set up of basic data is needed both to enable the payment format but also to enter the required information in the payment order file.

6.5.1.1 Create Payment Methods and Payment Institute

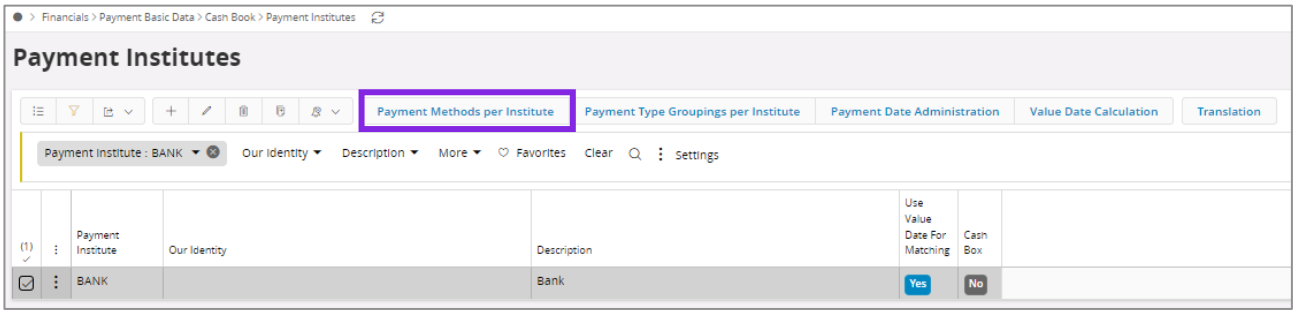
Enable the **CZMCFOR** payment format in ***Financials/Payment Basic Data/Cash Book/Payment Formats per Company*** page.



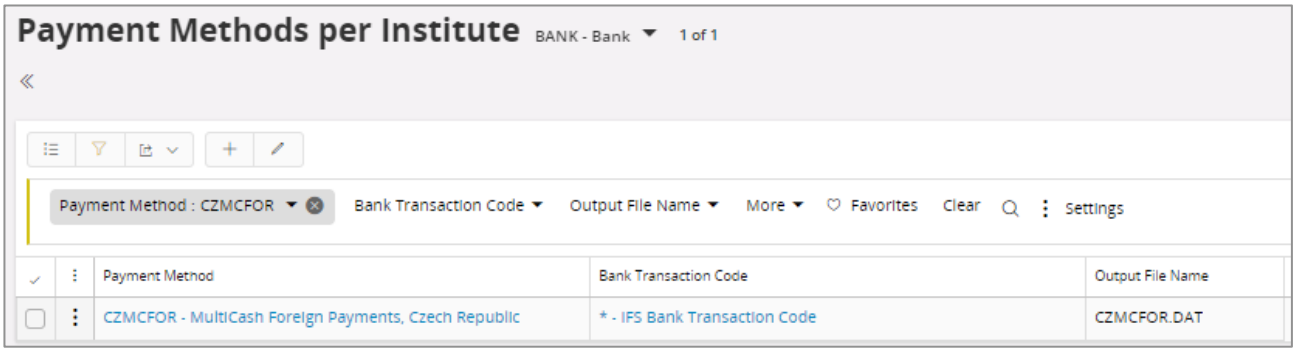
Create a payment method for Multicash in the ***Financials/Payment Basic Data/Cash Book/Payment Methods*** page.



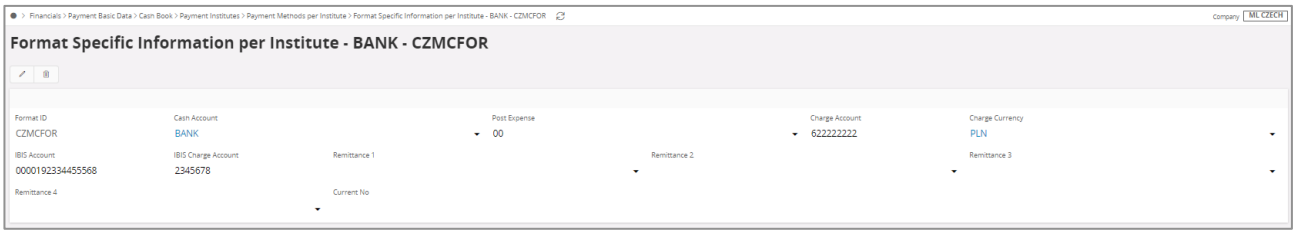
Create a payment institute for which the company is doing business on the ***Financials/Payment Basic Data/Cash Book/Payment Institute*** page.



Use the command **Payment Methods per Institute** to define which payment methods should be used for each payment institute.

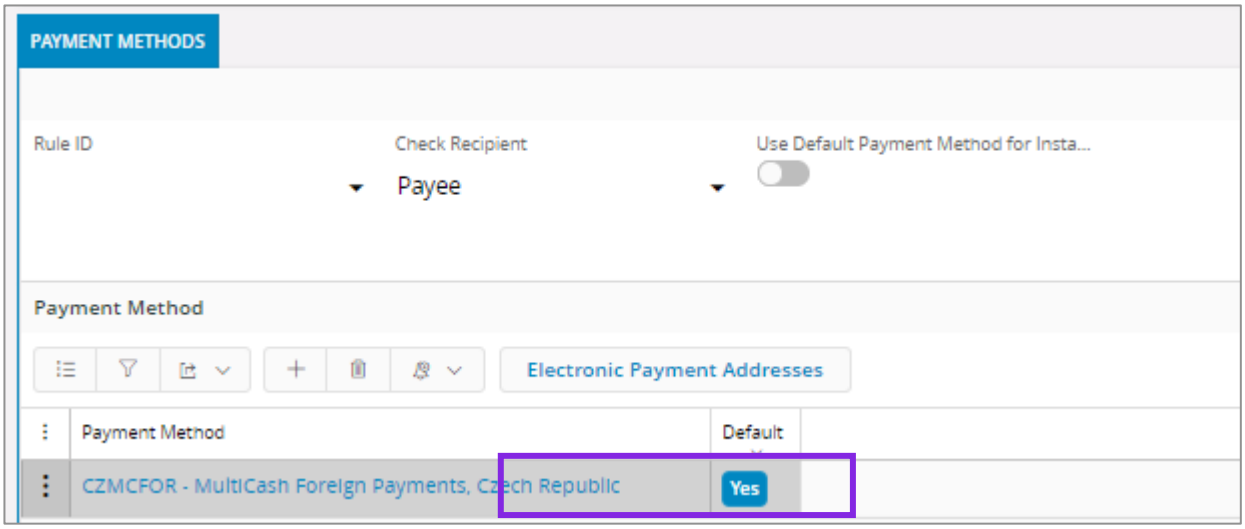


Use the command option **Format Specific Info per Institute** to define the required information.



Note: Columns are based on the mapping done in ***Application Base Setup/Enterprise/Company /System Manager Functions/Client Mapping***.

6.5.1.2 Electronic Payment Addresses



Go to the ***Application Base Setup/Enterprise/Supplier*** page ***Payment Methods*** tab in the ***Payment*** sub menu, command option **Electronic Payment Addresses** to enter the external supplier bank address details used for the payment.

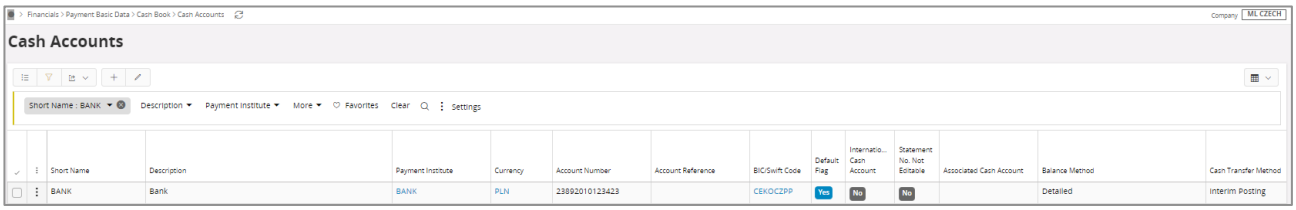
Enter the supplier bank details for the CZMCFOR payment method.

- **Swift code (57A)**: Enter supplier Swift code.
- **Supplier bank details (57D)**: Enter the name and address of the supplier bank.
- **Account Number (59)**: Enter the bank account number for the supplier. Any bank account number format can be entered.

6.5.1.3 Company Cash Account

Go to ***Financials/Payment Basic Data/Cash Book/Cash Account*** to enter the company cash account number for the payment institute.

- **Cash account (52D)**: Enter the company cash account number.
- **Swift Code (04)**: Enter company Swift code.



Note: If a manual supplier invoice is being created, the **Payment Reference** field needs to be manually entered with numeric characters and fetch into **70** fields in the payment order file.

6.5.1.4 Grouping of Payments

Foreign payments can be grouped into one transaction in the order file if the single payments have the same payment format and payment address.

Enable the functionality in the ***Application Base Setup/Enterprise/Supplier*** page ***Payment Methods*** tab, command option **Electronic Payment Addresses**.

6.5.2 CREATE A PAYMENT PROPOSAL

Use standard functionality in IFS Cloud to create the payment proposal via the command option.

6.5.3 ACKNOWLEDGE PAYMENT PROPOSAL

Use standard functionality in IFS Cloud to acknowledge the payment proposal via the command option.

6.5.4 CREATE PAYMENT ORDER

Use standard functionality in IFS Cloud to create the payment order via the command option.

6.5.5 PRINT PAYMENT ORDER

Use standard functionality in IFS Cloud to print the payment order via the command option.

6.6 Delimitation

Not defined.

7 Non-Supplier Payment

7.1 Overview Business Requirement

It is a common business practice in the Czech Republic to create payments to non-suppliers e.g. employees. The payment order file for non-suppliers must contain the same information about the payer and receiver as a regular supplier payment.

7.2 Solution

To meet this business requirement the payment formats **CZMCDOM** and **CZMCFOR** for MultiCash have been enabled for the IFS Cloud standard **Non-Supplier Payments** functionality.

7.2.1 PROCESS OVERVIEW

7.2.2 ASSUMPTION

It´s an assumption that the user is familiar with the IFS Cloud standard process of creating payment proposals and payment orders for non-suppliers.

7.3 Prerequisite

The company must be set up to use Czech Republic localization, see the chapter and the Company Setup **Czech Republic and Slovakia Payment Formats** parameter must be enabled.

7.4 Define basic data

Set up of basic data is needed both to enable the payment format but also to enter the required information in the payment order file.

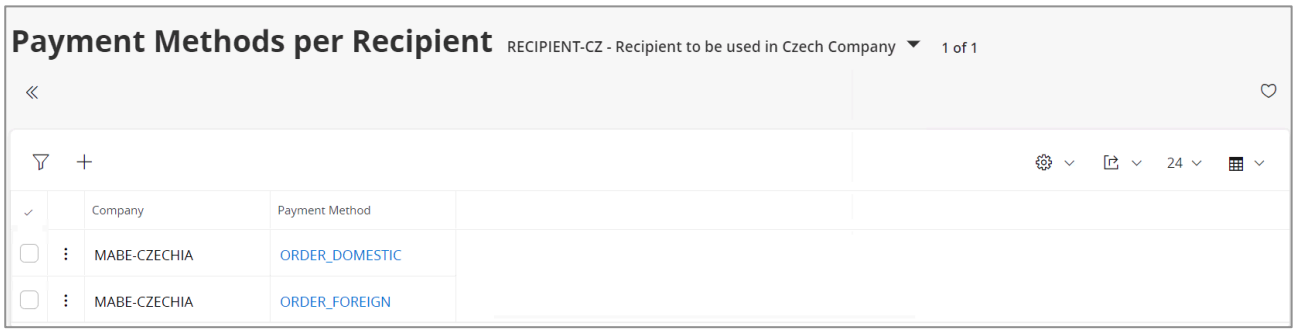
7.4.1 ENTER EXTERNAL PAYMENT RECIPIENT

Using standard functionality enter new recipient on the ***Financials/Payment Basic Data/Cash Book/External Payment Recipients*** page.

7.4.2 ENTER PAYMENT METHODS PER RECIPIENT

Using standard functionality, select the **Payment Methods per Recipient** command option on the ***Financials/Payment Basic Data/Cash Book/External Payment Recipients*** page.

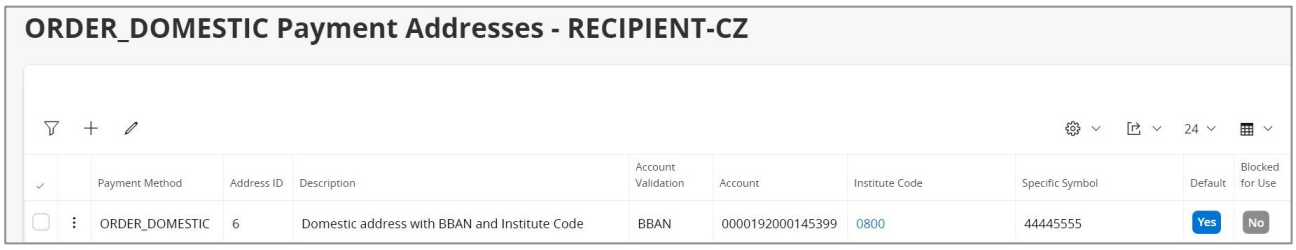
Using standard functionality enhanced to handle **CZMCDOM** and **CZMCFOR** formats, connect the recipient to company and payment methods in the ***Payment Methods per Recipient*** page.

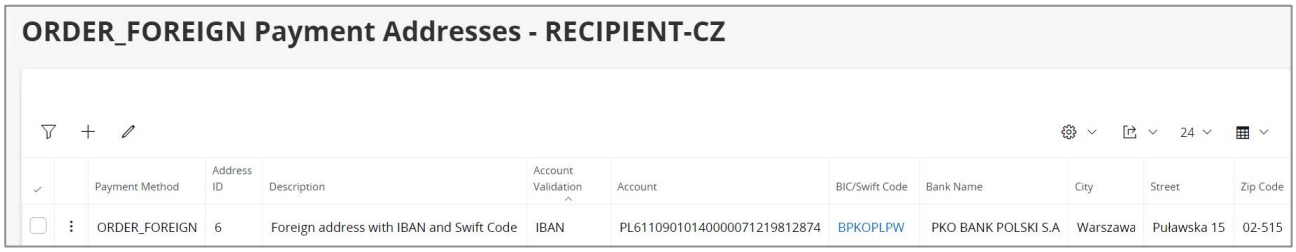


7.4.3 ENTER NON-SUPPLIER PAYMENT ADDRESS

Using standard functionality, select the **Electronic Payment Address** command option on the ***Financials/Payment Basic Data/Cash Book/External Payment Recipients/Payment Methods per Recipient*** page.

Using standard functionality enhanced to handle **CZMCDOM** and **CZMCFOR** formats, enter the bank details for the recipient and payment method, in a similar way as for the supplier.





7.5 Create and authorize payment

Use standard functionality in IFS Cloud to create a non-supplier payment. Enter **the Payment Reference** manually and authorize the payment.

7.6 Create a payment proposal

Use standard functionality in IFS Cloud to create the payment proposal via the command option.

7.7 Acknowledge Payment Proposal

Use standard functionality in IFS Cloud to acknowledge the payment proposal via the command option.

7.8 Create Payment Order

Use standard functionality in IFS Cloud to create the payment order via the command option.

7.9 Print Payment Order

Use standard functionality in IFS Cloud to print the payment order via the command option.

7.10 Delimitation

Not defined.

8 Access Control Inventory Transactions and Reservations

8.1 Overview Legal Requirements

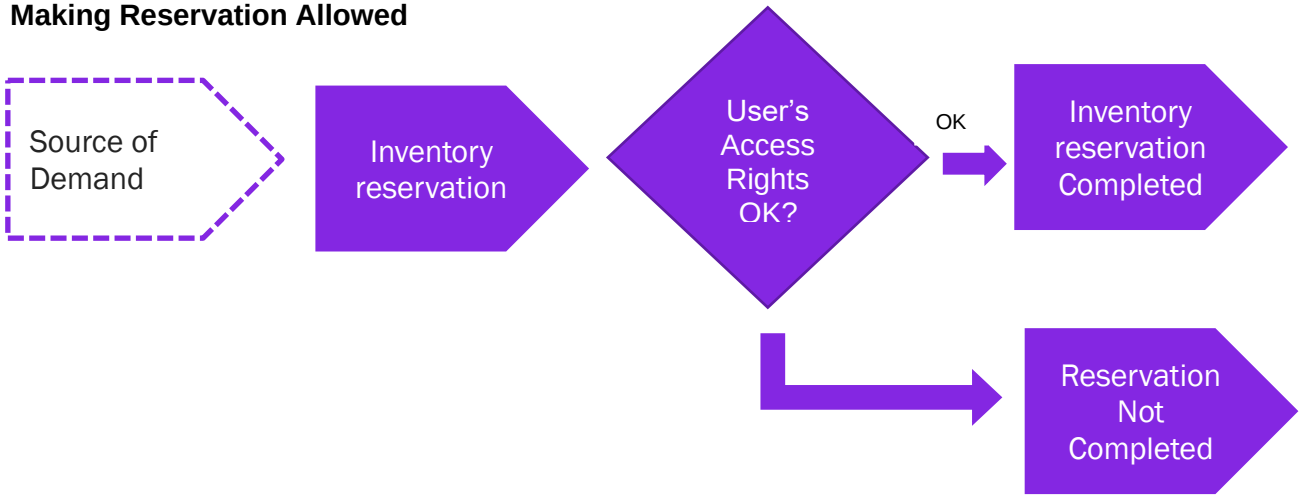
In Czech, warehouse managers or other personnel must be appointed by management as acting authority for material located in warehouses. This is a legal requirement. Due to this requirement only, authorized personnel may change quantity and/or value of material in warehouses. Warehouse access authorization is required to prevent any inventory transactions or reservations to be executed by unauthorized personnel.

8.2 Solution

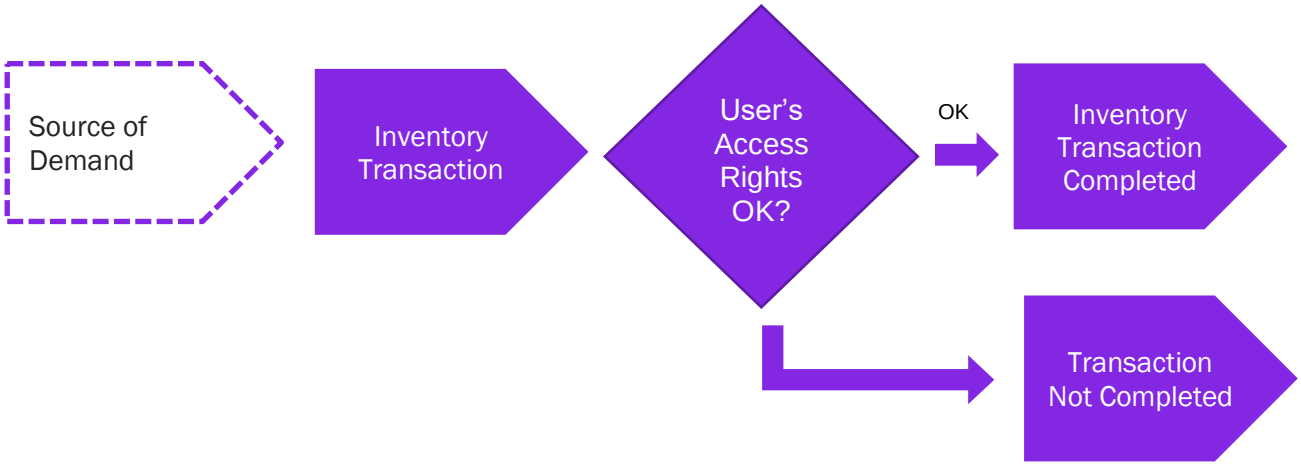
In IFS Cloud standard version IFS Cloud users are connected to sites and this connection determines the possibility to reserve inventory parts or conduct operations resulting in inventory transactions.

For IFS Czech Localization an additional level of authority is added where IFS Cloud users are connected to warehouses and given the authority to perform inventory transactions and make reservations.

Making Reservation Allowed



Perform Transaction Allowed



Basic Data: A basic data page is added where the authority is set up per user over warehouses in a site. This page is Warehouse Access.

Inventory transactions: Controls are added when a user is saving inventory operations (e.g., receipt, scrap, pick, move, transfer between warehouses, revaluation, etc.):

- If access has been granted the user can register the operation.
- If access has not been defined or not granted an error message is displayed and the user cannot proceed.

Reservations: Controls are added when a user is reserving inventory parts (e.g., customer order, work order, shop order, material requisition):

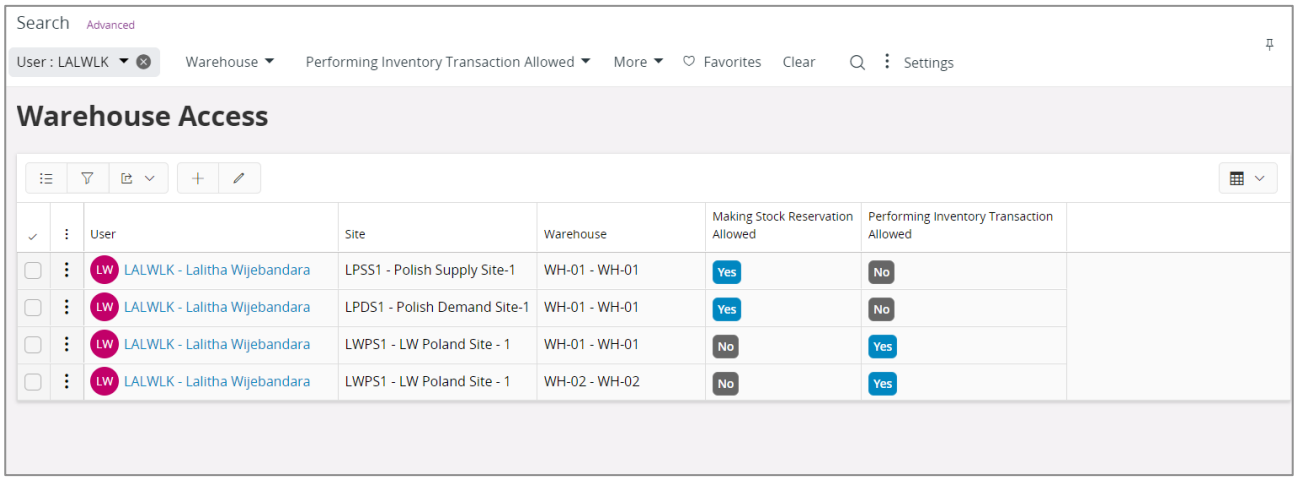
- If access has been granted the user can reserve the quantity.
- If access has not been defined or not granted an error message is displayed and the user cannot proceed.

8.3 Prerequisites

The company must be set up to use Czech localization.

Warehouse Access

Use the ***Warehouse Access*** page to give users access to make reservations and/or transactions. Users can be added to this page and the access can be controlled over inventory reservation and transaction as required. To control an inventory transaction, enable/disable the option in the column **Making Stock Reservation Allowed**. To control an inventory reservation, enable/disable the option in the column, **Making Stock Reservation Allowed**.

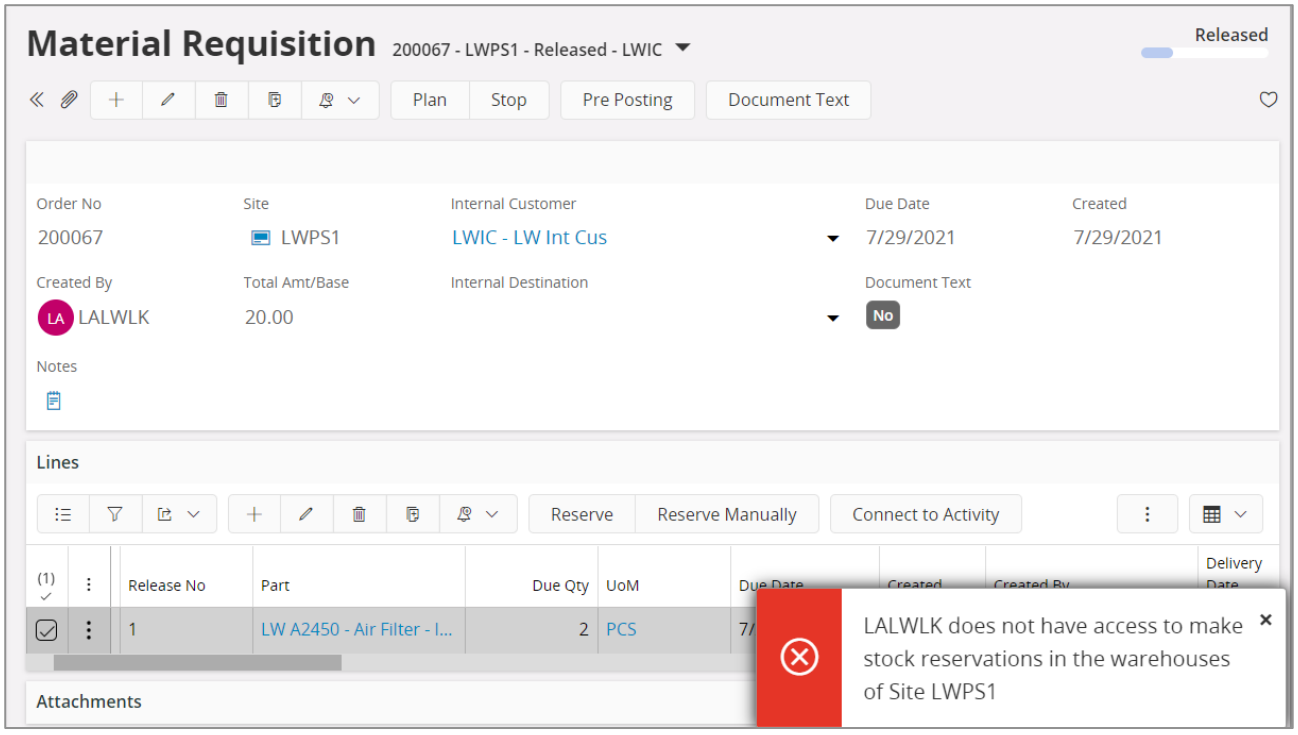


To save a record in the ***Warehouse Access*** page a user must have at least one option enabled out of the 2 controls, reservation, and transaction. A record with a user whose both **Making Stock Reservations Allowed** and **Performing Inventory Transactions Allowed** are disabled, is considered an invalid record that cannot be saved.

8.3.1 INVENTORY RESERVATION CONTROL

Controls are added when a user is reserving inventory parts (e.g., Customer Order, Work Order, Shop Order, Material Requisition, Pick by Choice:

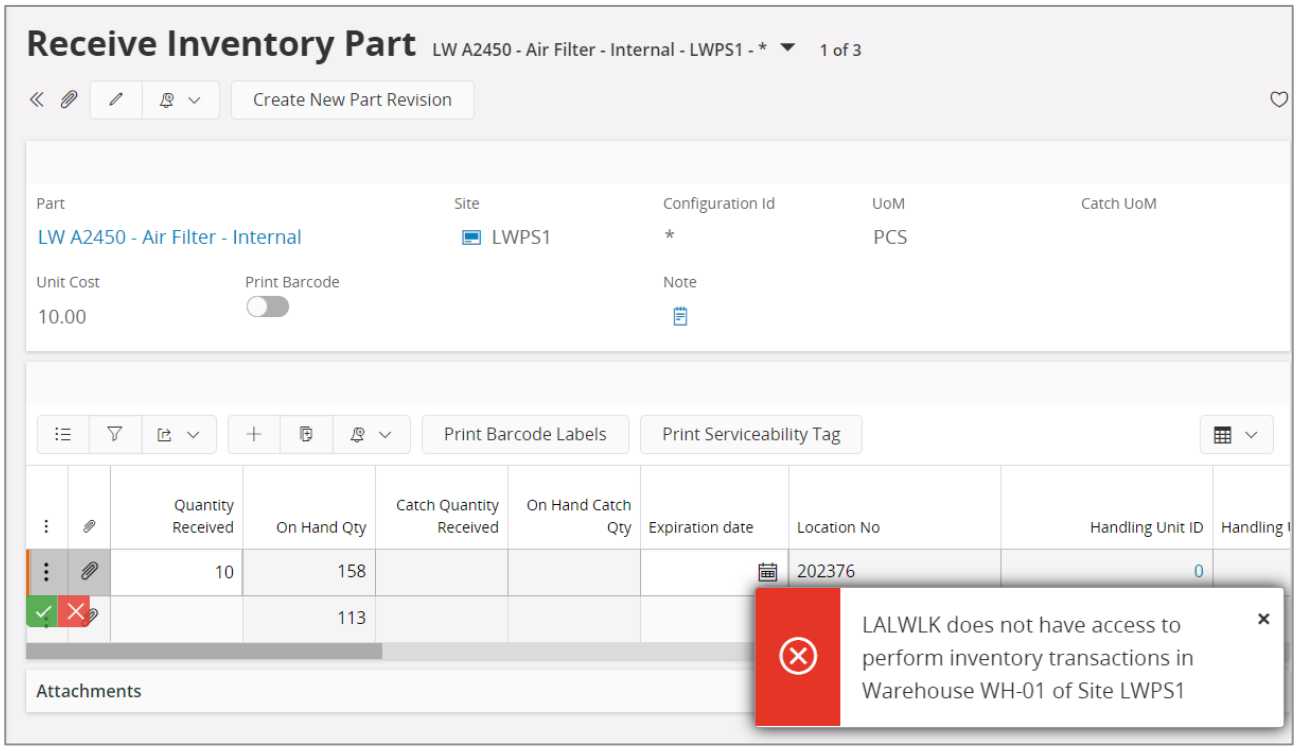
- If access has been granted the user can reserve the quantity
- If access has not been defined or not granted an error message is displayed and the user cannot proceed.



8.3.2 INVENTORY TRANSACTION CONTROL

Controls are added when a user is saving inventory operations (e.g., Receipt, Scrap, Pick, Move, Move Reserved Materials, Transfer between Warehouses, Revaluation, Attach to Handling Unit, Unattached from Handling Units, Pack According to Pack Instructions, Pack According to Handling Unit Capacity, etc...):

- If access has been granted the user can register the operation
- If access has not been defined or not granted an error message is displayed and the user cannot proceed.



When moving parts directly into the new inventory, you should have access to both warehouses, on each site. If access is not authorized, you will receive an error message.

When moving into transit at first (i.e., the goods are under transportation) you can put the material into transit, but you can move them from transit into the target location only if you have access to that target warehouse. If access is not authorized, you will receive an error message.

Note:

- You may grant a user access to a warehouse but not connect him to the site. In this case, the user cannot perform any transactions and/or reservations.
- If the user does not have warehouse access defined or the access is set to **No**, the user cannot perform Inventory transactions and/or reservations.
- If the company's parameter is not enabled, the effect is that no access control will occur.

8.4 Automatic reservation

With the automatic reservation, the system decides under IFS Cloud standard logic from which locations and in what order inventory parts are reserved. During automatic reservation, the Cloud will only reserve material from locations from/to which the user has access according to the Access Rights enabled in the ***Warehouse Access*** Page.

8.5 Exceptions in access rights

For changing inventory part locations between two sites, the user must be authorized to perform transactions in the warehouses of both sites. During the transportation of Parts to another site, two transactions are generated: **INVM-OUT** (direction -) and **INVM-TRIN** (direction 0). The second transaction, **INVM-TRIN**, refers to a target location. But, if the user is not granted access to the

Warehouse in the destination Site the Part cannot be moved to a destination location, so transactions cannot be completed.

8.6 Delimitations

None.

9 Detailed Cash Receipt Printout for Cash Box

9.1 Overview Legal Requirement

It is a legal requirement in the Czech Republic to provide a printed receipt for all cash transactions. The content of such a receipt is defined by accounting law.

The reference to the legal provisions can be found in the below link.

https://www.zakonyprolidi.cz/cs/2004-235

ACT 235/2004 VALUE ADDED TAX ACT

§ 30 Simplified tax document

(1) The tax document may be issued as a simplified tax document if the total amount for fulfillment on the tax document is not higher than CZK 10000.

§ 29 The tax document must contain the following data following with § 30a:

(1) The tax document shall contain the following information:

a) the designation of the person performing the services,
b) the tax identification number of the person performing the transaction,
c) the name of the person to whom the performance is affected,
d) the tax identification number of the person for whom the transaction is carried out.
e) the registration number of the tax document,
f) scope and subject matter of performance,
g) the date of issue of the tax document,
h) the date of performance of the performance or the date of receipt of the payment if, prior to the performance of the transaction, a duty arises on the date of receipt of the consideration to grant the tax or to recognize the transaction if it differs from the date of issue of the tax document,
i) the unit price, exclusive of tax and discount, if not included in the unit price,
j) (j) the tax base,
k) (k) the rate of tax,
l) (l) the amount of the tax; this tax is given in the Czech currency.

9.2 Solution

IFS Cloud standard report **Cash Receipt** is extended to handle the following additional information, and these are added to the Report Definition Format (RDF).

- Tax identity number and association number for the company.
- Full address and Tax identity number of the customer or supplier
- Tax summary for “Direct Cash Payments”
- Posting information

9.3 Pre-Requisite

- The company must be set up to use Czech localization, see the Company Setup chapter, and the **Detailed Cash Receipt Printout for Cash Box** parameter must be enabled.

- Tax ID Number in Cash Box - To support this functionality, two new columns are supported in the cash box for **Tax ID Number** and **Tax ID Number Validated Date**. Further, the command, **Tax ID Number Validation** is added to validate the tax ID number entered.

  Note: When the Tax ID number and Tax ID Number Validated Date is present in a direct cash transaction it will be fetched to the tax ledger when ***Fetch Tax Ledger Information*** is executed after updating the relevant voucher to the general ledger.

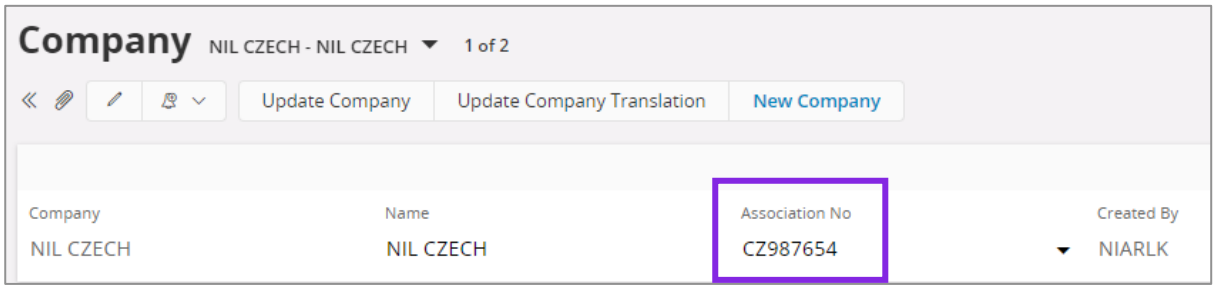
9.4 Printing receipt for direct cash transactions

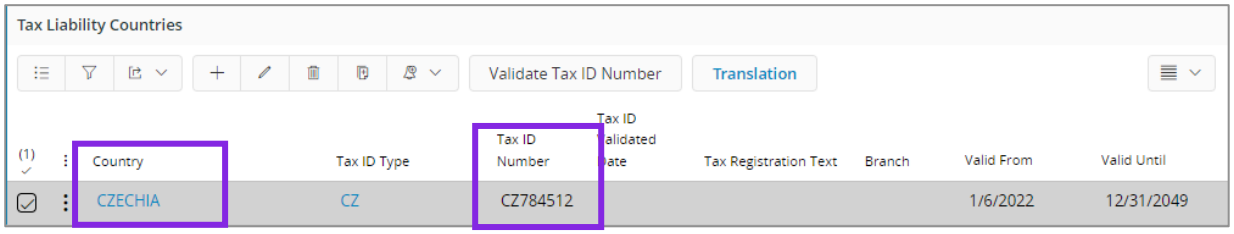
As per the IFS Cloud standard process, enter a “Direct Cash Payment” in *Financials/Cash Book/Cash Box,* including the manual postings, and print the cash receipt.

To generate the XML output, navigate to the ***Print Manager*** page in IFS Cloud after printing the cash receipt.

9.4.1 COMPANY INFORMATION

The tax identity number and association number of the company are added to the report. The **Tax ID Number** relevant to the country of the company is fetched from the ***Application Base Setup/Enterprise/Company*** page ***Tax Control/ Invoice*** tab Tax Liability Countries.

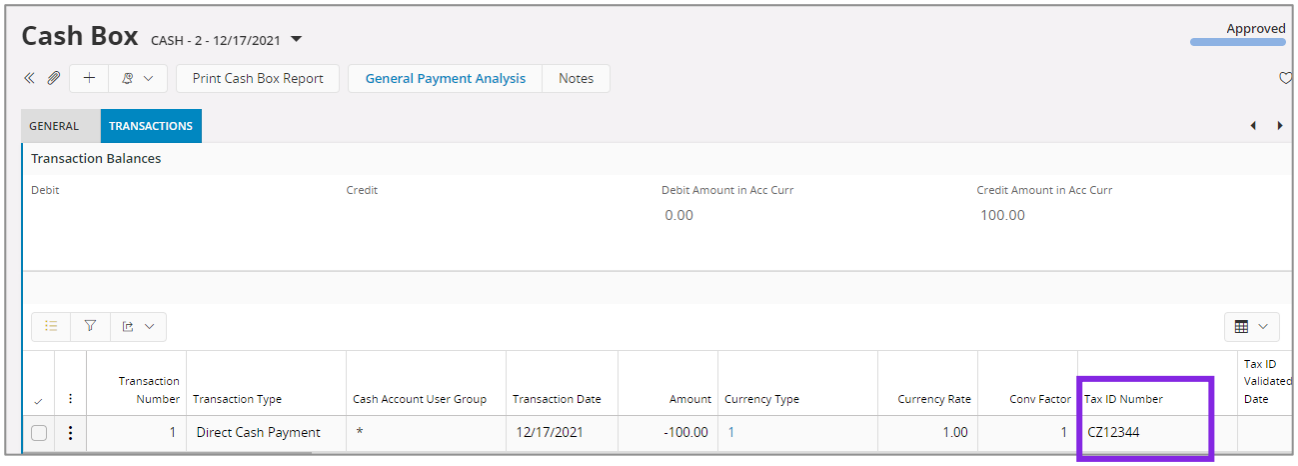


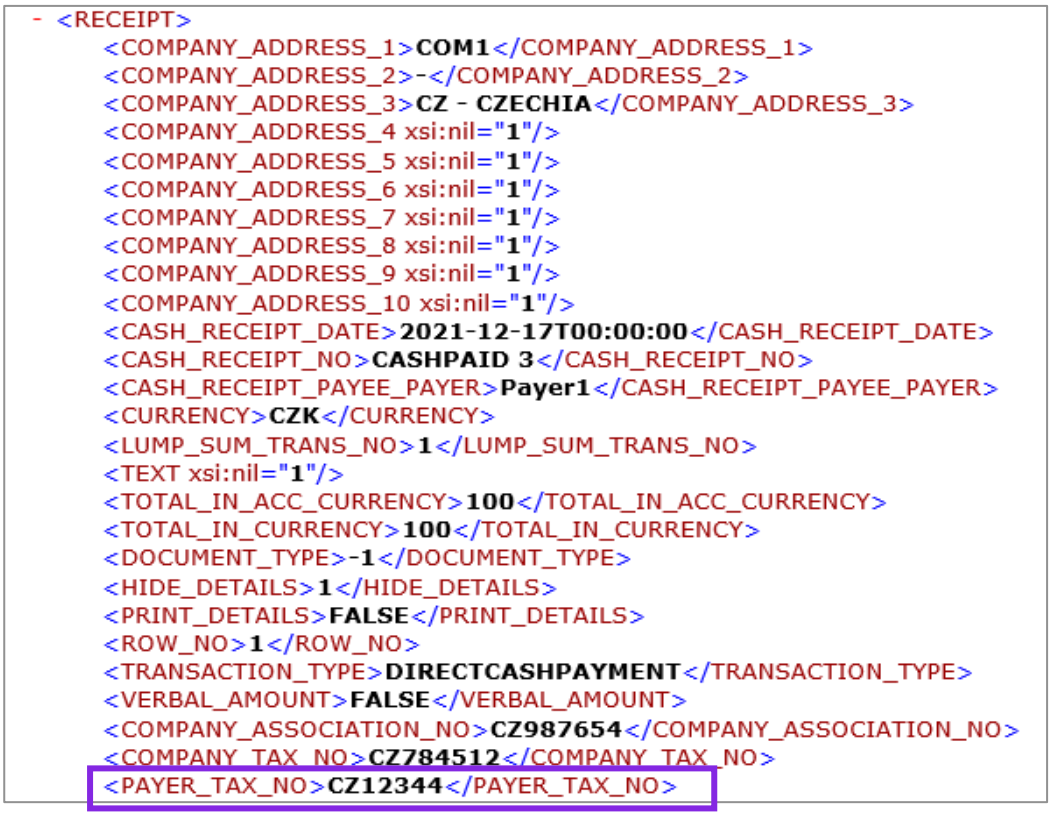


```
- <RECEIPT>
    <COMPANY_ADDRESS_1>COM1</COMPANY_ADDRESS_1>
    <COMPANY_ADDRESS_2>-</COMPANY_ADDRESS_2>
    <COMPANY_ADDRESS_3>CZ - CZECHIA</COMPANY_ADDRESS_3>
    <COMPANY_ADDRESS_4 xsi:nil="1"/>
    <COMPANY_ADDRESS_5 xsi:nil="1"/>
    <COMPANY_ADDRESS_6 xsi:nil="1"/>
    <COMPANY_ADDRESS_7 xsi:nil="1"/>
    <COMPANY_ADDRESS_8 xsi:nil="1"/>
    <COMPANY_ADDRESS_9 xsi:nil="1"/>
    <COMPANY_ADDRESS_10 xsi:nil="1"/>
    <CASH_RECEIPT_DATE>2021-12-17T00:00:00</CASH_RECEIPT_DATE>
    <CASH_RECEIPT_NO>CASHPAID 3</CASH_RECEIPT_NO>
    <CASH_RECEIPT_PAYEE_PAYER>Payer1</CASH_RECEIPT_PAYEE_PAYER>
    <CURRENCY>CZK</CURRENCY>
    <LUMP_SUM_TRANS_NO>1</LUMP_SUM_TRANS_NO>
    <TEXT xsi:nil="1"/>
    <TOTAL_IN_ACC_CURRENCY>100</TOTAL_IN_ACC_CURRENCY>
    <TOTAL_IN_CURRENCY>100</TOTAL_IN_CURRENCY>
    <DOCUMENT_TYPE>-1</DOCUMENT_TYPE>
    <HIDE_DETAILS>1</HIDE_DETAILS>
    <PRINT_DETAILS>FALSE</PRINT_DETAILS>
    <ROW_NO>1</ROW_NO>
    <TRANSACTION_TYPE>DIRECTCASHPAYMENT</TRANSACTION_TYPE>
    <VERBAL_AMOUNT>FALSE</VERBAL_AMOUNT>
    <COMPANY_ASSOCIATION_NO>CZ987654</COMPANY_ASSOCIATION_NO>
    <COMPANY_TAX_NO>CZ784512</COMPANY_TAX_NO>
    <PAYER_TAX_NO>CZ12344</PAYER_TAX_NO>
```

9.4.2 PAYER/PAYEE TAX INFORMATION

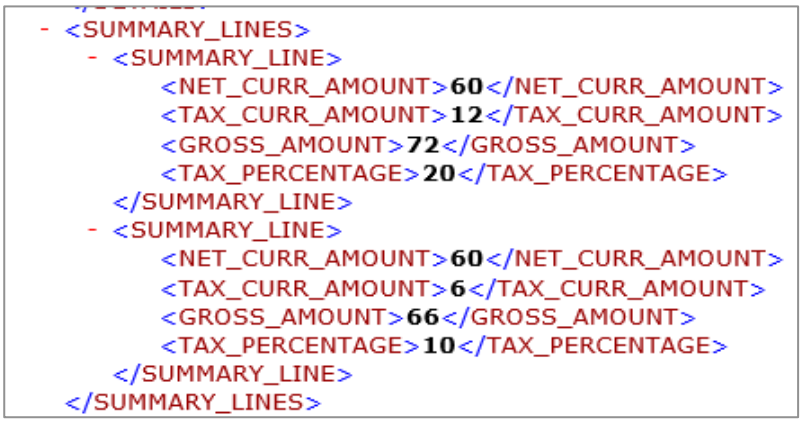
For a direct cash transaction, the tax identity number is fetched from the **Tax ID Numbe**r field in cash box lines.





9.4.3. TAX SUMMARY

A summary including net, tax, and gross amount per tax percentage is presented in the report based on the amounts entered in the manual postings.



9.4.4. POSTING INFORMATION

When the cash receipt is printed for the first time, if manual postings are available those postings will be printed. To get the tax postings relevant to manual postings the receipt should be printed again after approval of the cash box.

If it is required to print postings based on the **Print Details** check box available for **Cash Received Document** and **Cash Paid Document** in the ***Financials/Payment Basic Data/Payment Documents*** page, handle it in the report layout.

```
- <DETAIL>
    <TRANS_NO>1</TRANS_NO>
    <AMOUNT>100</AMOUNT>
    <AMOUNT_IN_ACC_CURRENCY>100</AMOUNT_IN_ACC_CURRENCY>
    <INVOICE_NO xsi:nil="1"/>
    <TEXT_ON_MATCHING xsi:nil="1"/>
    <ACCOUNT_NO>501114</ACCOUNT_NO>
    <CREDIT_AMOUNT>100</CREDIT_AMOUNT>
    <TAX_PERCENTAGE>10</TAX_PERCENTAGE>
```

Before Approving Cash Box

```
- <DETAIL>
    <TRANS_NO>1</TRANS_NO>
    <AMOUNT>100</AMOUNT>
    <AMOUNT_IN_ACC_CURRENCY>100</AMOUNT_IN_ACC_CURRENCY>
    <INVOICE_NO xsi:nil="1"/>
    <TEXT_ON_MATCHING xsi:nil="1"/>
    <ACCOUNT_NO>501114</ACCOUNT_NO>
    <CREDIT_AMOUNT>100</CREDIT_AMOUNT>
    <TAX_PERCENTAGE>10</TAX_PERCENTAGE>
  </DETAIL>
- <DETAIL>
    <TRANS_NO>2</TRANS_NO>
    <AMOUNT>10</AMOUNT>
    <AMOUNT_IN_ACC_CURRENCY>10</AMOUNT_IN_ACC_CURRENCY>
    <INVOICE_NO xsi:nil="1"/>
    <TEXT_ON_MATCHING xsi:nil="1"/>
    <ACCOUNT_NO>221100</ACCOUNT_NO>
    <CREDIT_AMOUNT>10</CREDIT_AMOUNT>
    <TAX_PERCENTAGE>10</TAX_PERCENTAGE>
  </DETAIL>
```

After Approving Cash Box

Note: Cash account posting is not shown as it is not mandatory information.

9.5 Printing receipt for customer/supplier payments

As per the IFS Cloud standard process, enter a customer/supplier payment in the *Cash Box* and print the cash receipt as per the IFS Cloud standard process.

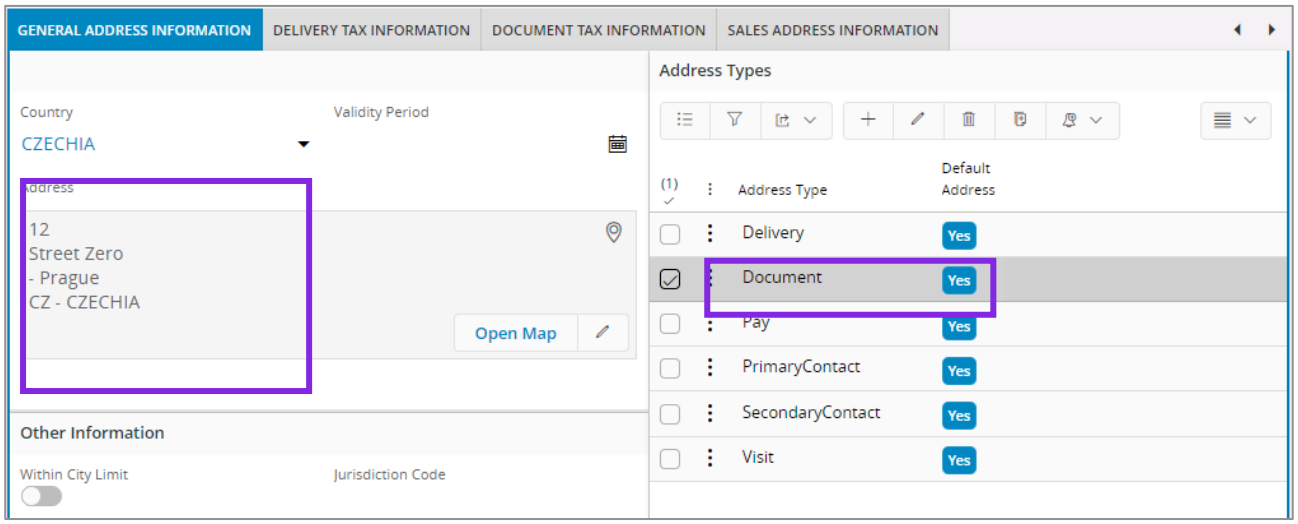
To generate the XML output, navigate to the ***Print Manager*** page in IFS Cloud after printing the cash receipt.

9.5.1 COMPANY INFORMATION

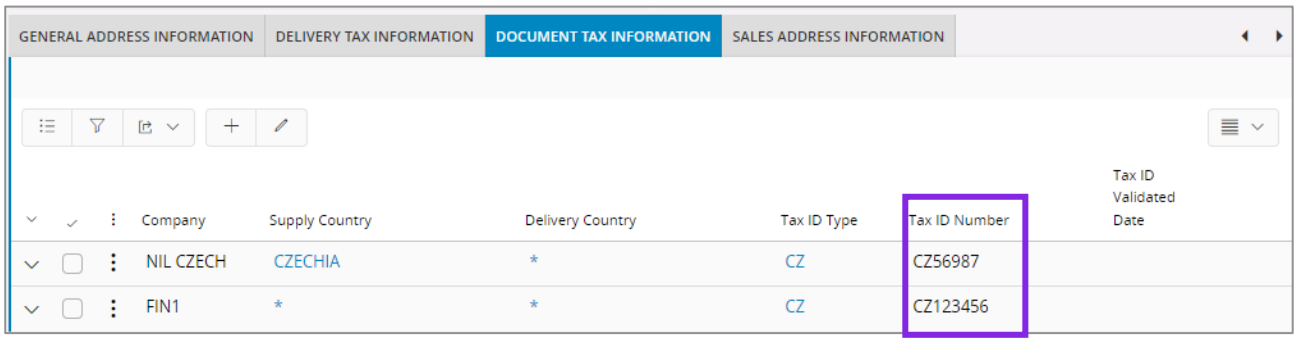
The tax identity Number and association number of the company are added to the report. The **Tax ID Number** relevant to the country of the company is fetched from the ***Application Base Setup/Enterprise/Company*** page ***Tax Control/ Invoice*** tab Tax Liability Countries.

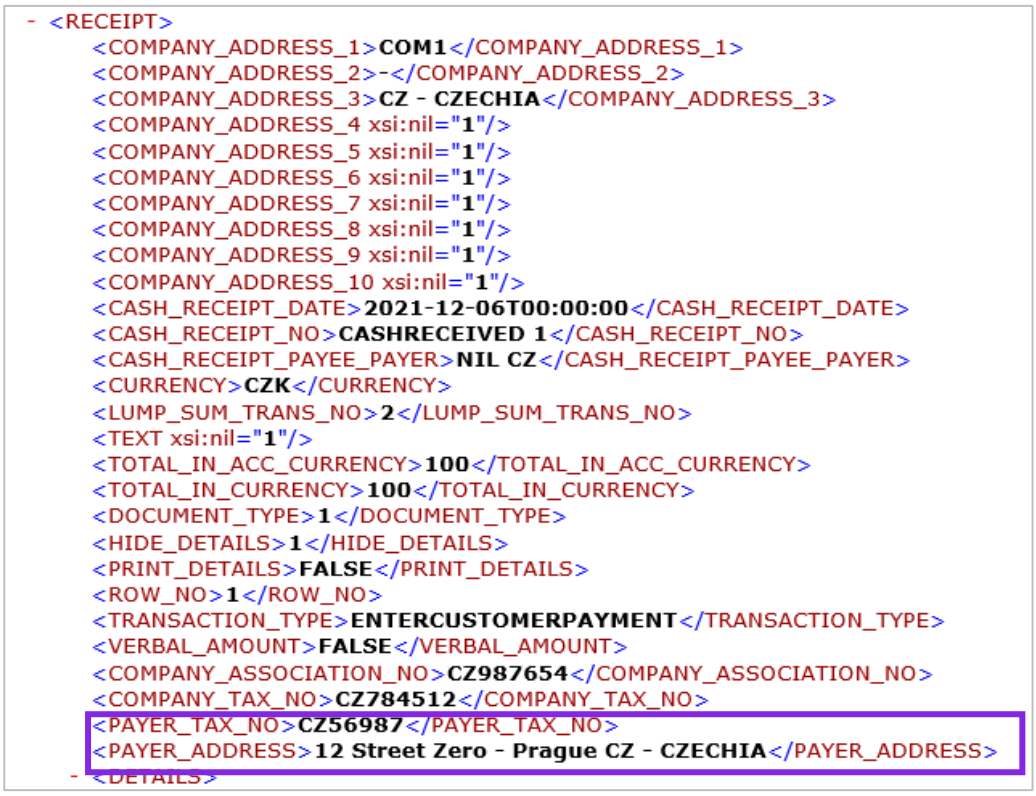
9.5.2 CUSTOMER/SUPPLIER INFORMATION

The full address of the customer/supplier is fetched based on the address setup of the relevant supplier/customer. The default document address is used as the receipt address.



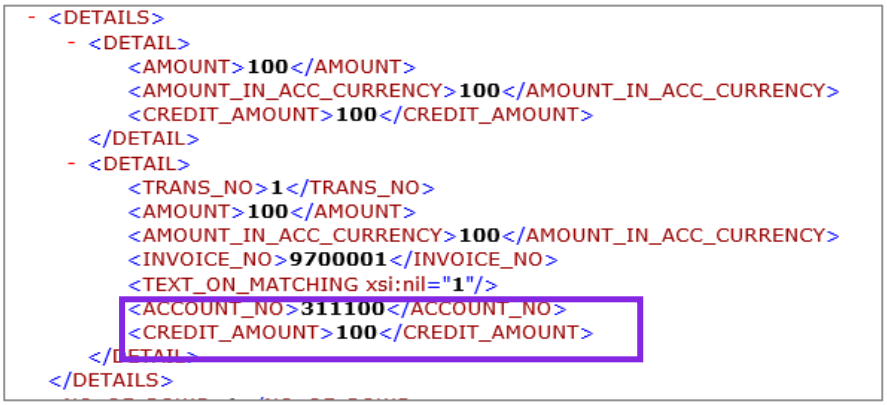
The tax identity number is fetched based on the tax setup of the relevant customer/supplier, using the default document address.





9.5.3 POSTING INFORMATION

The postings for the payable or receivable account is printed for customer and supplier payments.



If it is required to print postings based on the **Print Details** check box available for **Cash Received Document** and **Cash Paid Document** in ***Financials/Payment Basic Data/Payment Documents***, handle it in the report layout.

Note: Cash account posting is not shown as it is not mandatory information.

9.6 Delimitations

Not defined.

10 Currency Rate Date Extended Capabilities for Incoming Invoices

10.1 Overview legal requirement

The Czech Republic accounting act and tax law describe different rules for translating foreign currency amounts to accounting currency in different scenarios. For supplier invoices, based on different scenarios, the user selects the accounting date for the transactions. When translating foreign currency amounts to accounting currency there can be multiple scenarios.

For example,

- For domestic purchases, the amounts in accounting currency are available in supplier invoices.
- For foreign purchases, the amounts in accounting currency are not available in supplier invoices. The net amount is translated using the currency rate on the invoice arrival date. The tax amount is translated using the currency rate on the invoice date.
- Other scenarios exist where different combinations are used.

The reference to the legal provisions can be found in below links.

Vat Act No. 235/2004 Coll.

http://www.financnisprava.cz/en/taxes/tax-obligation

Accounting Act No 563/1991 Coll. §24

http://www.czechlegislation.com/en/563-1991-sb

10.2 Solution

- Define basic data.
  - Define currency rate date option for the company. Two options are added to the **Incoming Invoice Currency Rate Base** parameter in the ***Application Base Setup/ Enterprise/ Company/ Company/ Invoice*** sub menu ***General*** tab.
  - Define tax currency rate date option for the company. A parameter is introduced in the ***Application Base Setup/ Enterprise/ Company/ Company/ Accounting Rules*** sub menu ***Currency Rate Type Information*** tab, to set tax buy currency rate base when specific tax currency rates are used.
  - Define currency rate date options for suppliers. Two parameters are introduced in the ***Application Base Setup/ Enterprise/ Supplier/ Invoice*** sub menu ***General*** tab, to set invoice currency rate base and tax currency rate base per supplier.
- Enter manual supplier invoice.
  - Based on selected options for the supplier and company, the currency rate is fetched to the Manual Supplier Invoice.

- Post supplier invoice.

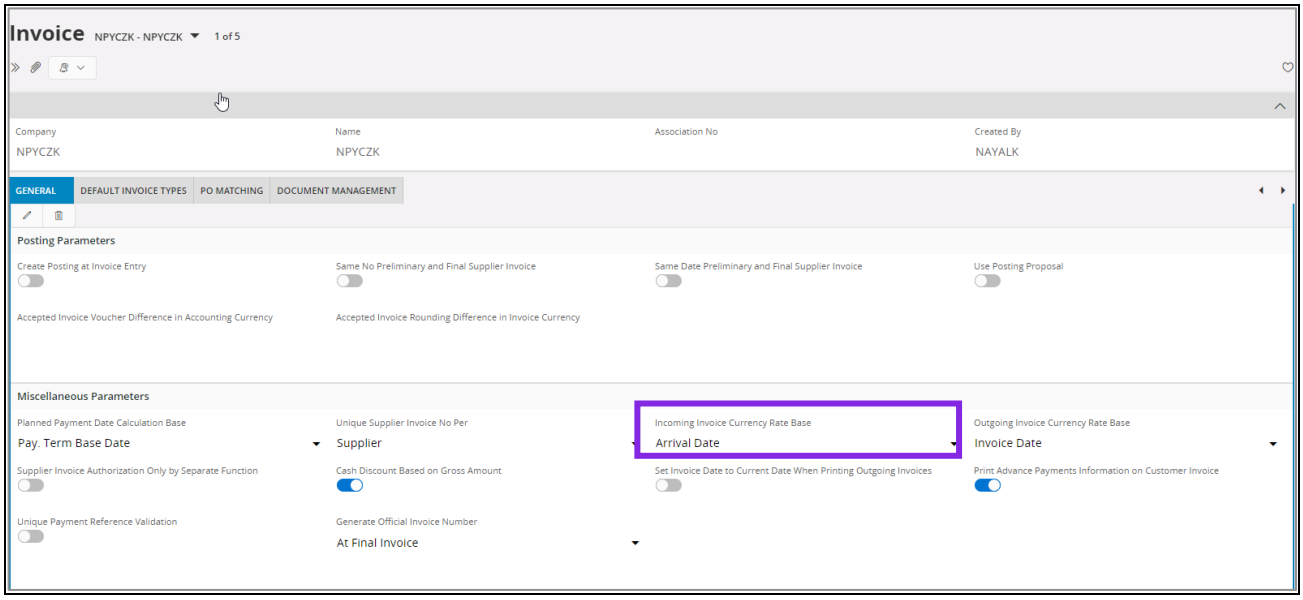
10.3 Prerequisites

- The company must be set up to use Czech Republic localization, see chapter Company Setup and the parameter **Currency Rate Date Extended Capabilities for Incoming Invoices** must be enabled.

10.4 Define basic Data

10.4.1 COMPANY

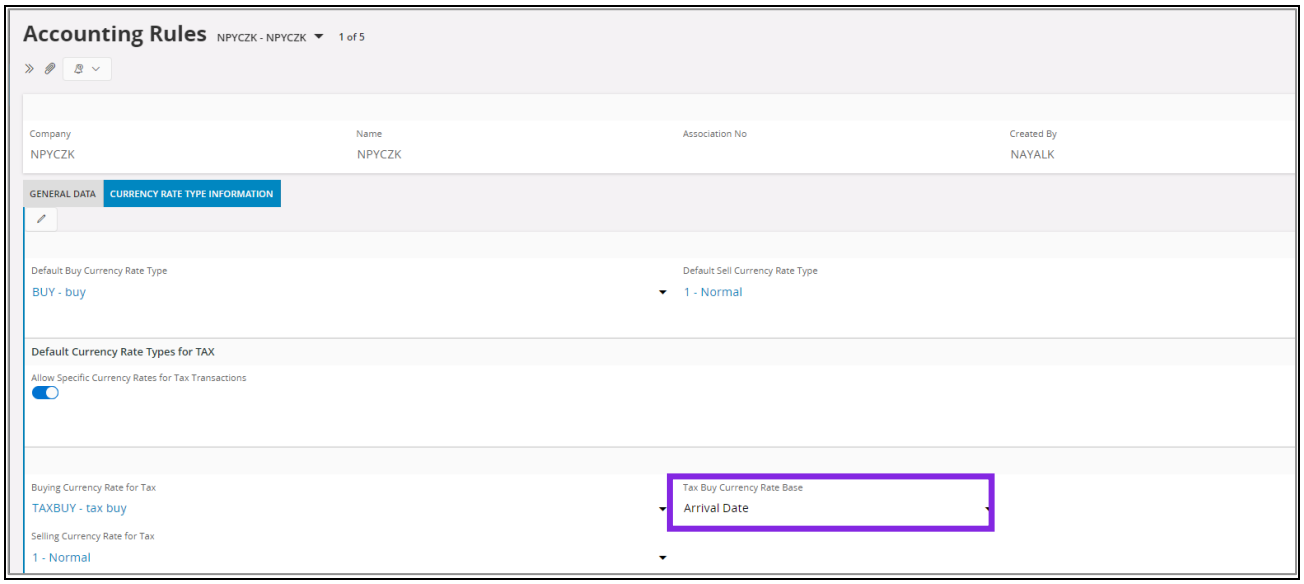
In the ***Application Base Setup/ Enterprise/ Company/ Company/ Invoice*** sub menu ***General*** tab select **Incoming Invoice Currency Rate Base**.



Currency rate base options of **Voucher Date**, **Invoice Date,** and **Customs Declaration Date** exist in the IFS Cloud standard. Additional two options are added.

- Delivery Date – Fetch currency rate based on the delivery date specified on the supplier invoice.
- Arrival Date – Fetch currency rate based on the arrival date specified on the supplier invoice.

In the ***Application Base Setup/ Company/ Company/ Accounting Rules*** sub menu ***Currency Rate Type Information*** tab, set buying tax currency rate base when specific tax currency rates are used.

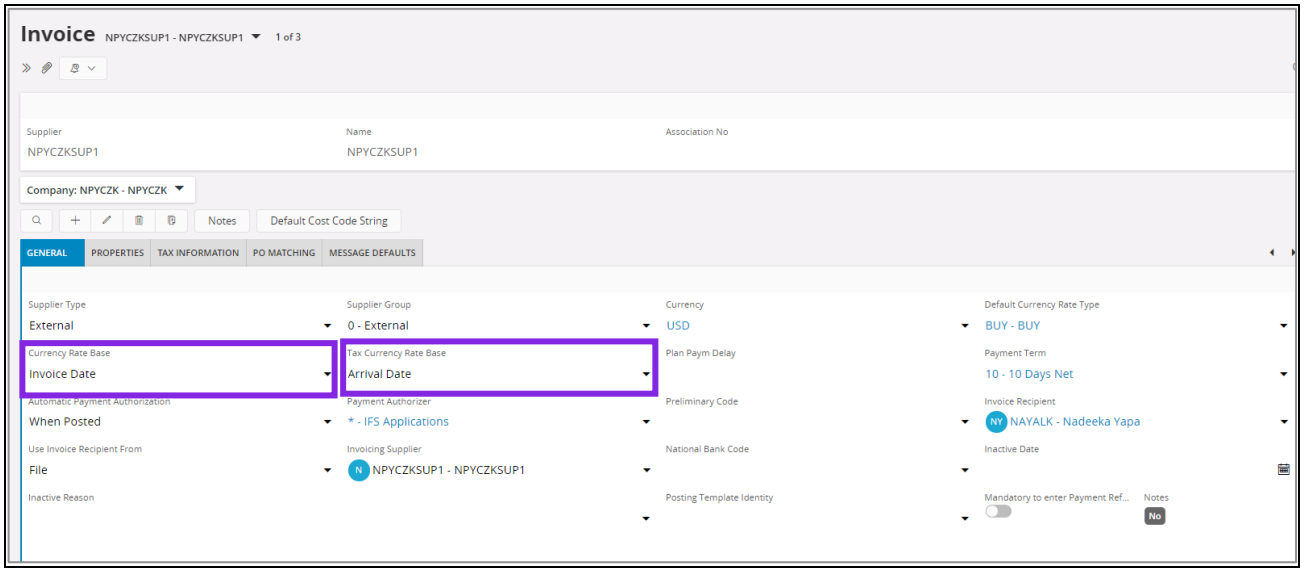


When enabling **Allow Specific Currency Rates for Tax Transactions**, the default option is set as the same option in the **Incoming Invoice Currency Rate Base**.

10.4.2 SUPPLIER

In the ***Application Base Setup/ Enterprise/ Supplier/ Invoice*** sub menu ***General*** tab, select invoice currency rate base and tax currency rate base per supplier. This overrides the currency rate base set for **Incoming Invoice Currency Rate Base** in company.

Tax Currency Rate Base can only be set when **Allow Specific Currency Rates for Tax Transactions** is enabled.



10.5 Enter manual supplier Invoice

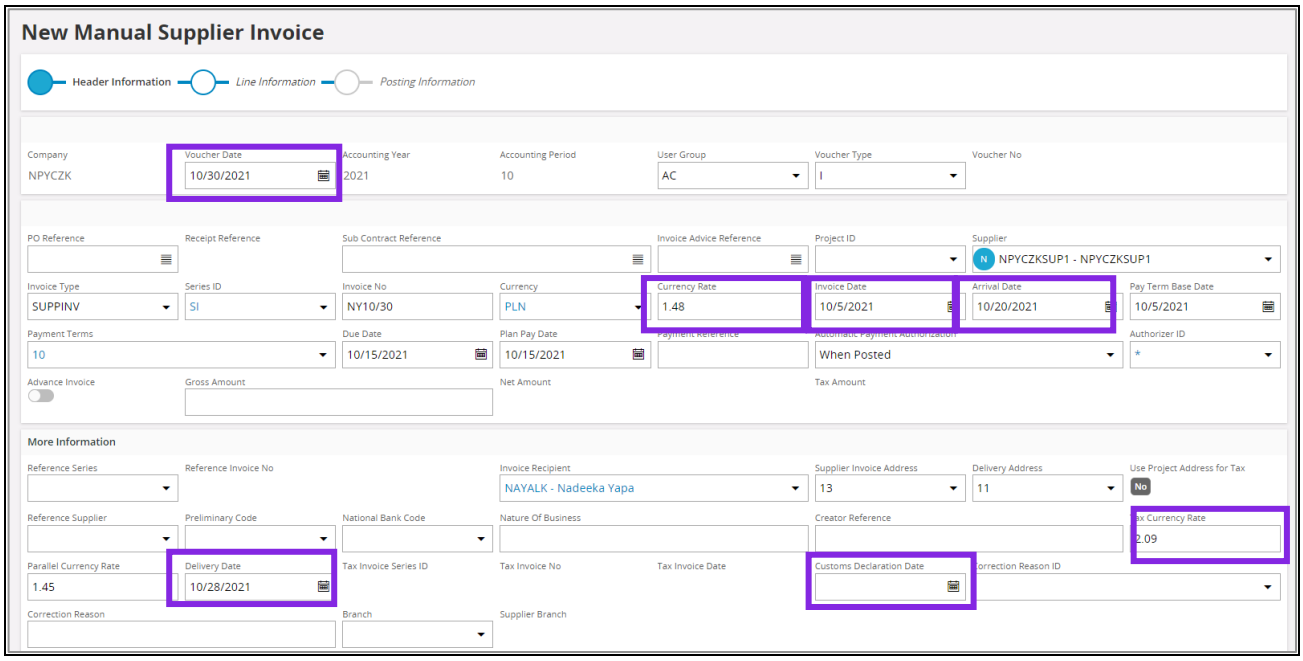
The currency rates for supplier invoices are fetched as per the company and supplier setup. For example,

Company Setup			Supplier Setup		Currency Rate Fetching in Manual Supplier Invoice	
Incoming Invoice Currency Rate Base	**Allow Specific Currency Rates for Tax Transactions**	**Tax Buy Currency Rate Base**	**Currency Rate Base**	**Tax Currency Rate Base**	**Currency Rate**	**Tax Currency Rate**
Delivery Date	Disabled	Disabled	Specified on company	Disabled	Based on the Delivery Date	Based on the Delivery Date
Delivery Date	Enabled	Delivery Date	Specified on company	Delivery Date	Based on the Delivery Date	Based on the Delivery Date
Delivery Date	Enabled	Delivery Date	Specified on company	Invoice Date	Based on the Delivery Date	Based on the Invoice Date
Delivery Date	Enabled	Invoice Date	Specified on company	Specified on company	Based on the Delivery Date	Based on the Invoice Date
Delivery Date	Enabled	Invoice Date	Arrival Date	Invoice Date	Based on the Arrival Date	Based on the Invoice Date

Note: Currency rates for prepayment tax documents are always fetched based on prepayment date and this functionality is not impacting prepayment tax documents. In order to get further details about prepayment tax documents, refer to the chapter Handle Prepayment Tax Documents.

10.5.1 ENTER MANUAL SUPPLIER INVOICE

Go to New Manual Supplier Invoice Assistant as per the IFS Cloud standard process.



The currency rates are fetched as per the supplier and company setup.

10.5.2 POST MANUAL SUPPLIER INVOICE

Post the invoice as per the IFS Cloud standard functionality. The amounts in accounting currency are calculated based on the available currency rates on the invoice.

10.6 **Delimitations**

- External supplier invoices are not handled.

11 Currency Rate Date and Voucher Date Extended Capabilities for Outgoing Invoices

11.1 Overview Legal Requirements

According to legal regulations in countries like Hungary, Czech Republic, Slovakia, or Poland, the date of posting of debit sales invoices, as well as currency rates used for posting, should be based either on invoice date or on delivery date, depending on the type of transaction.

Also, according to legal regulations in Poland, prepayment-based invoices should be posted with the date of the payment which is the base for the invoice.

11.2 Solution Overview

Process Overview

Standard invoicing flow is used in the solution:

Solution Summary

A new field **Delivery Date** is added to handle delivery dates on project invoices.

Handling of default value of the **Latest Ship Date** field on prepayment-based invoices is modified, so that the payment date could be the base for posting of the invoice.

New fields **Voucher Date Base**, **Currency Rate Base,** and **Tax Currency Rate Base** are added to define the base for voucher date, currency rate, and tax currency rate for invoices. The fields are added to customer order invoices, instant invoices, and project invoices. Either invoice date or delivery date can be the base for voucher date and currency rates.

New fields are added on company and customer levels as sources of default values for new fields on invoices mentioned above.

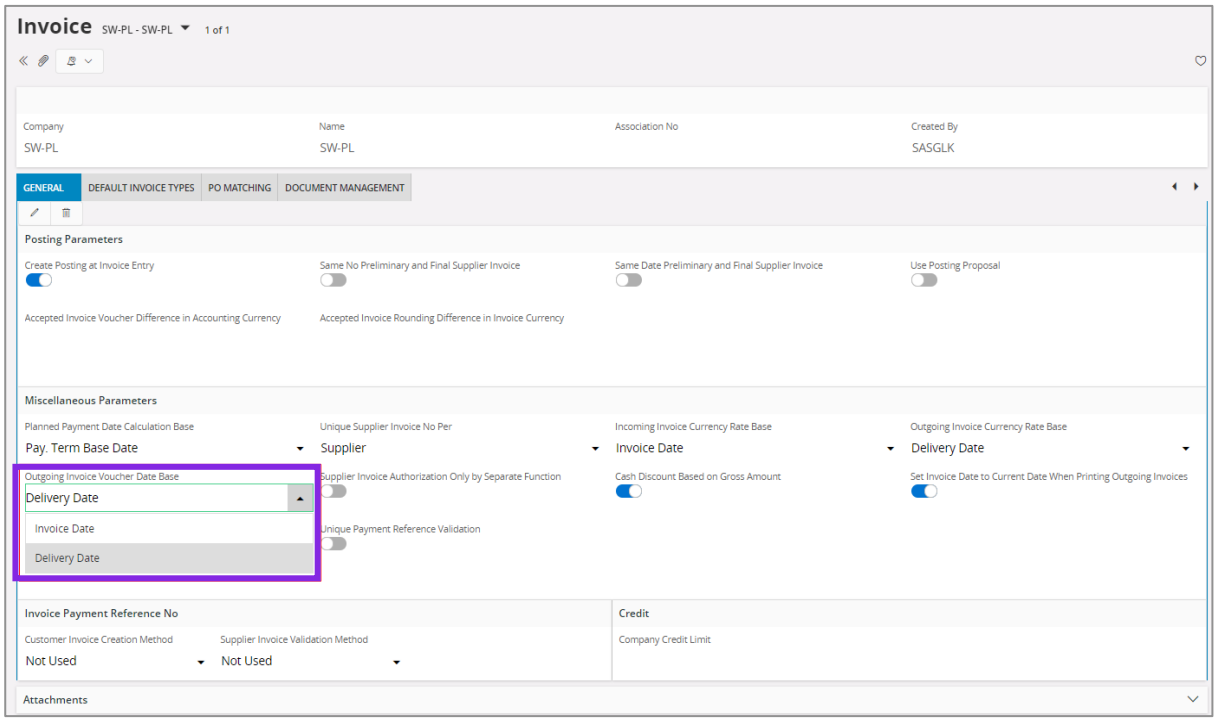
11.3 Prerequisites

The company must be set up to use Polish localization, see the Company Set up chapter, and the **Currency Rate Date and Voucher Date Extended Capabilities for Outgoing Invoices** parameter must be enabled on the ***Company/Localization Control Center*** tab.

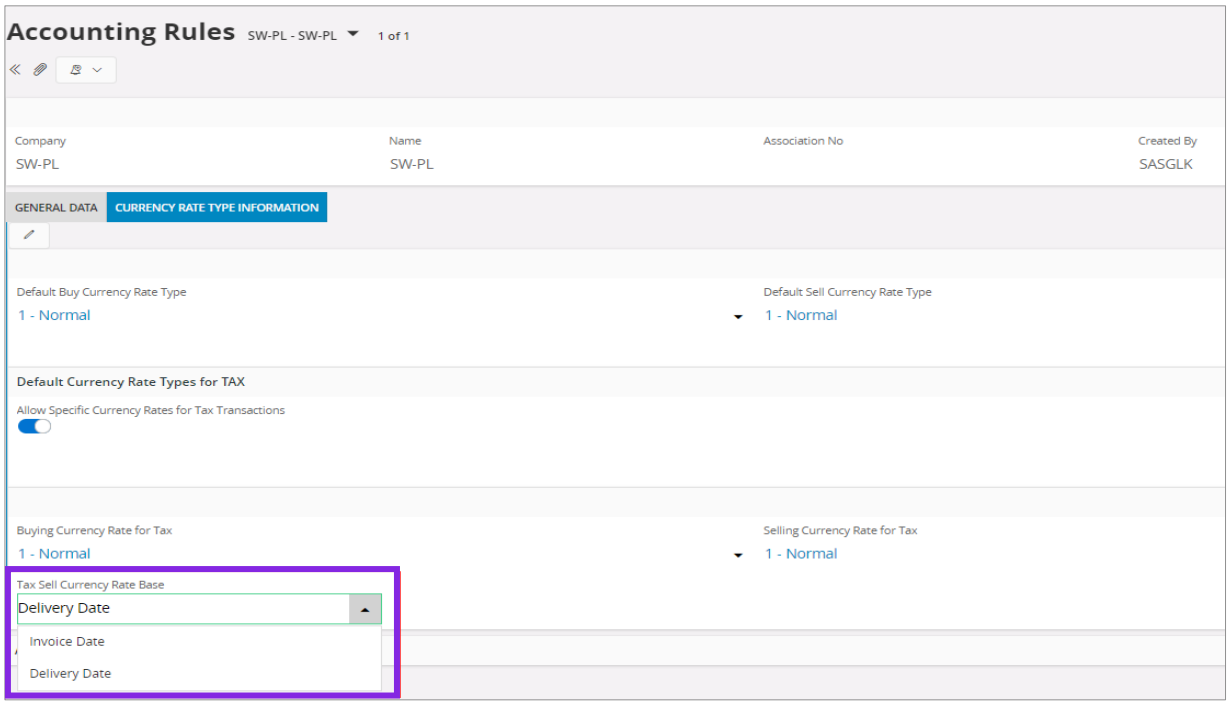
11.4 Set up Basic Data

Settings on Company level

A new field **Outgoing Invoice Voucher Date Base** is added in the ***Company/Invoice/General*** tab. Available values are **Invoice Date** and **Delivery Date.**



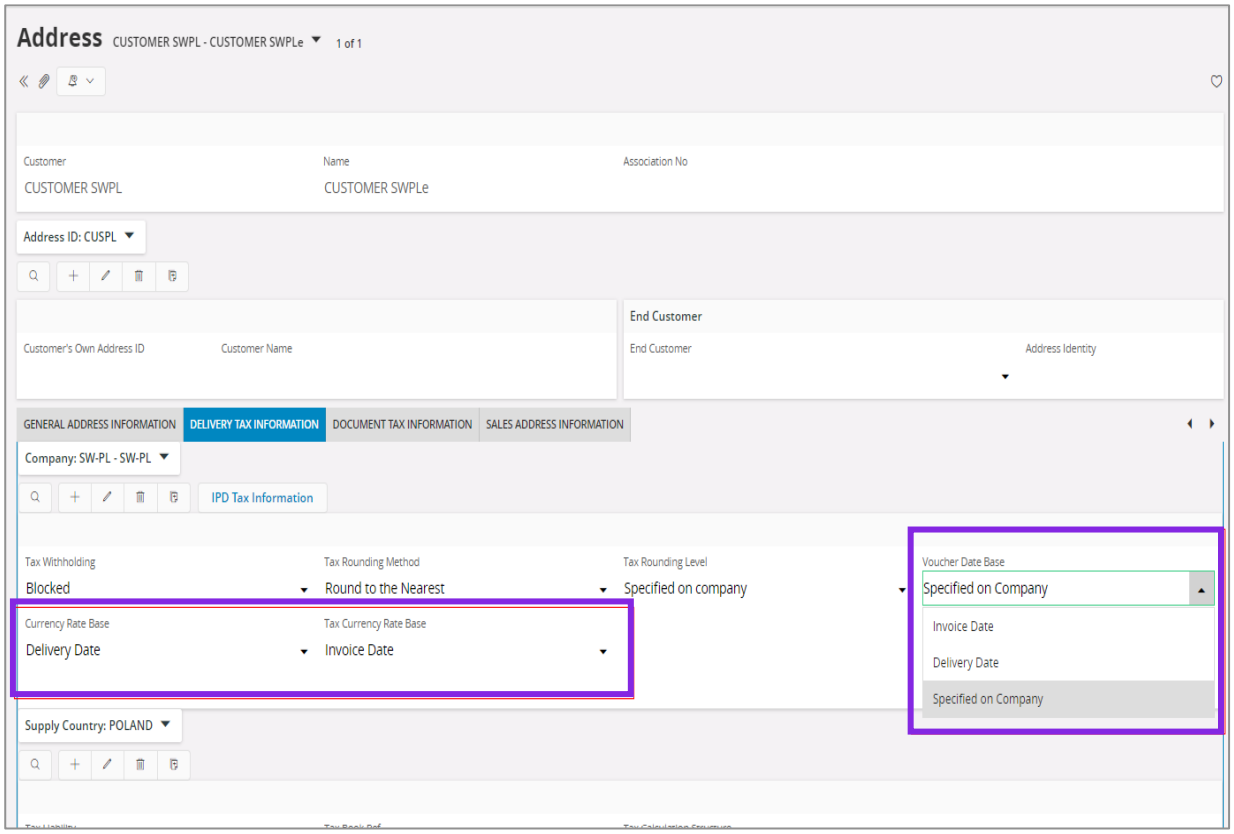
New field **Tax Sell Currency Rate Base** is added in the ***Company/Accounting Rules/Currency Rate Type Information*** tab. The field is enabled when the **Allow Specific Currency Rates for Tax Transactions** option is enabled. Available values are **Invoice Date** and **Delivery Date.**



Note: Apart from the new fields mentioned above, the standard **Outgoing Invoice Currency Rate Base** field on the ***Company/Invoice/General*** tab is used in this solution and it has to be set according to the needs.

Settings on Customer level

The following fields are added on the ***Customer/Address/Delivery Tax Information*** tab: **Voucher Date Base**, **Currency Rate Base**, **Tax Currency Rate Base**. Available values for these fields are **Invoice Date**, **Delivery Date,** and **Specified on Company**.



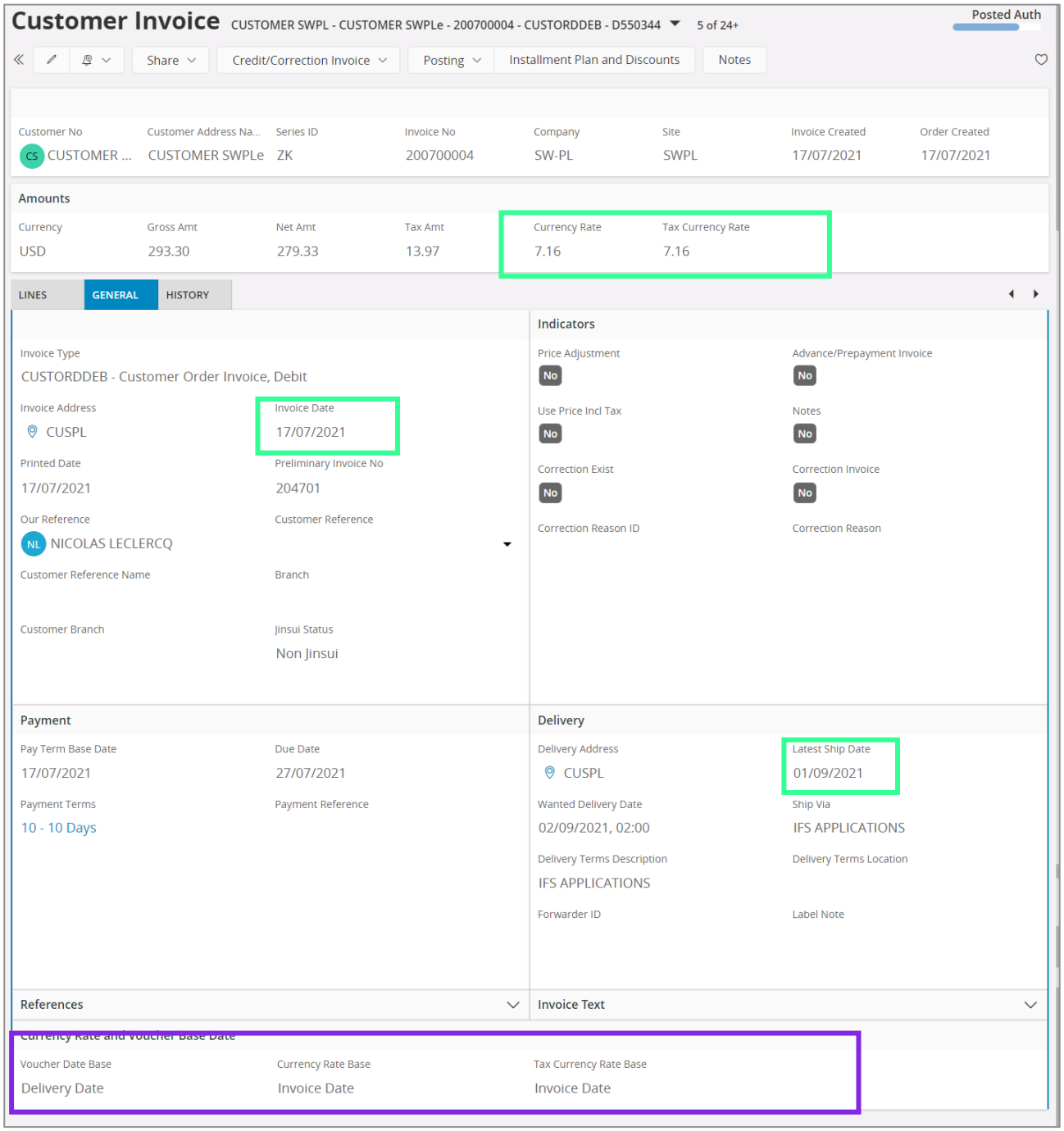
11.5 **New Fields on Invoices**

Customer Order Invoice

New fields: **Voucher Date Base**, **Currency Rate Base,** and **Tax Currency Rate Base** are added on the ***Customer Invoice/General*** tab. Available values for these fields are **Invoice Date** and **Delivery Date**.

Note: In customer order invoices the **Latest Ship Date** field plays the role of delivery date. The "Delivery Date" setting means that the value of the **Latest Ship Date** field will be taken as a base for the voucher date or currency rate.

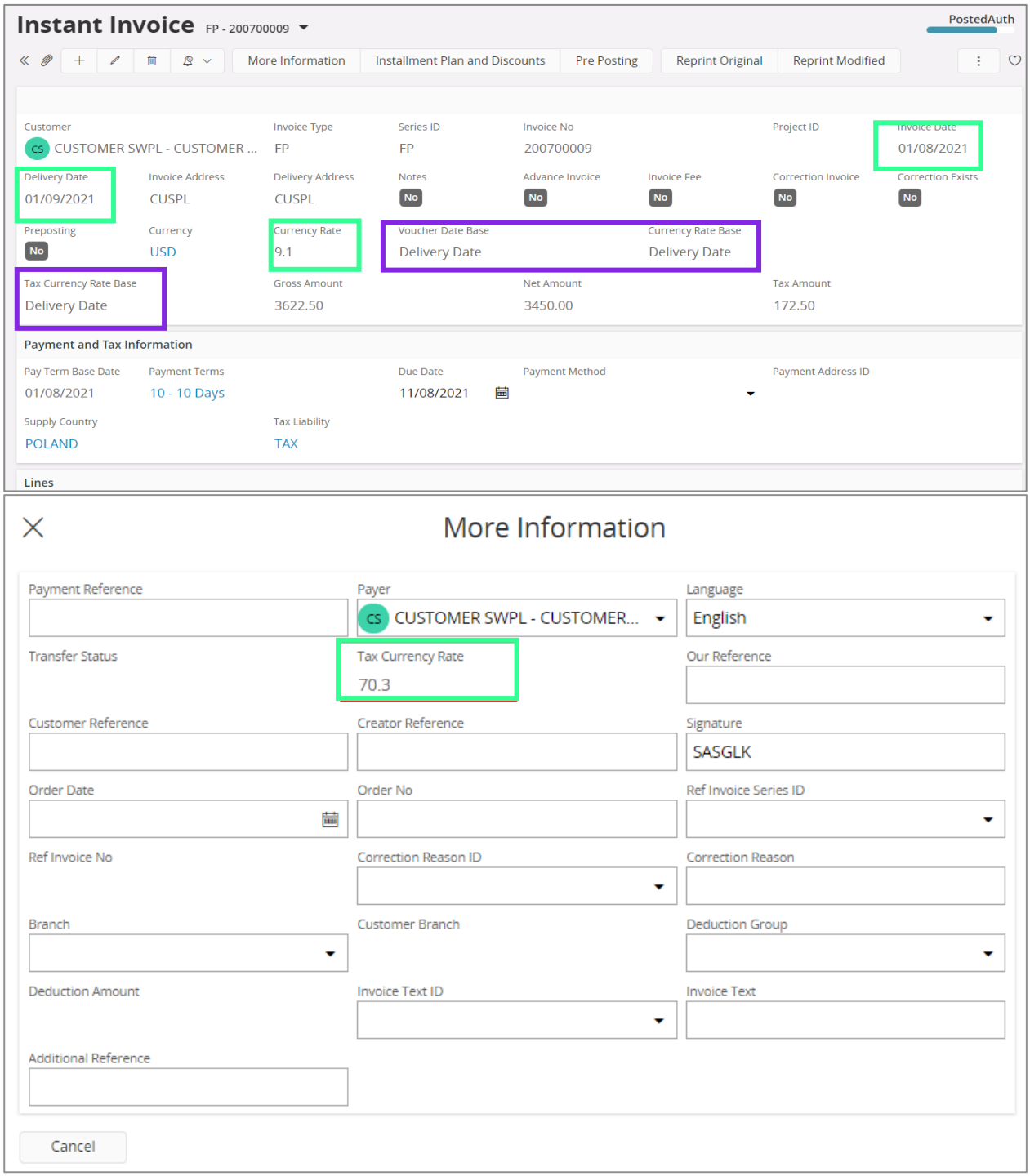
The **Currency Rate** and **Tax Currency Rate** fields are based on the value of either the **Invoice Date** or **Latest Ship Date** fields, depending on the setting of the **Currency Rate Base** and **Tax Currency Rate Base** fields**.**



Instant Invoice

New fields **Voucher Date Base**, **Currency Rate Base,** and **Tax Currency Rate Base** are added on the *Instant Invoice/General* tab. Available values for these fields are “Invoice Date” and “Delivery Date”.

The **Currency Rate** and **Tax Currency Rate** fields are based on the value of either the **Invoice Date** or **Delivery Date** fields, depending on the setting of the **Currency Rate Base** and **Tax Currency Rate Base** fields**.**

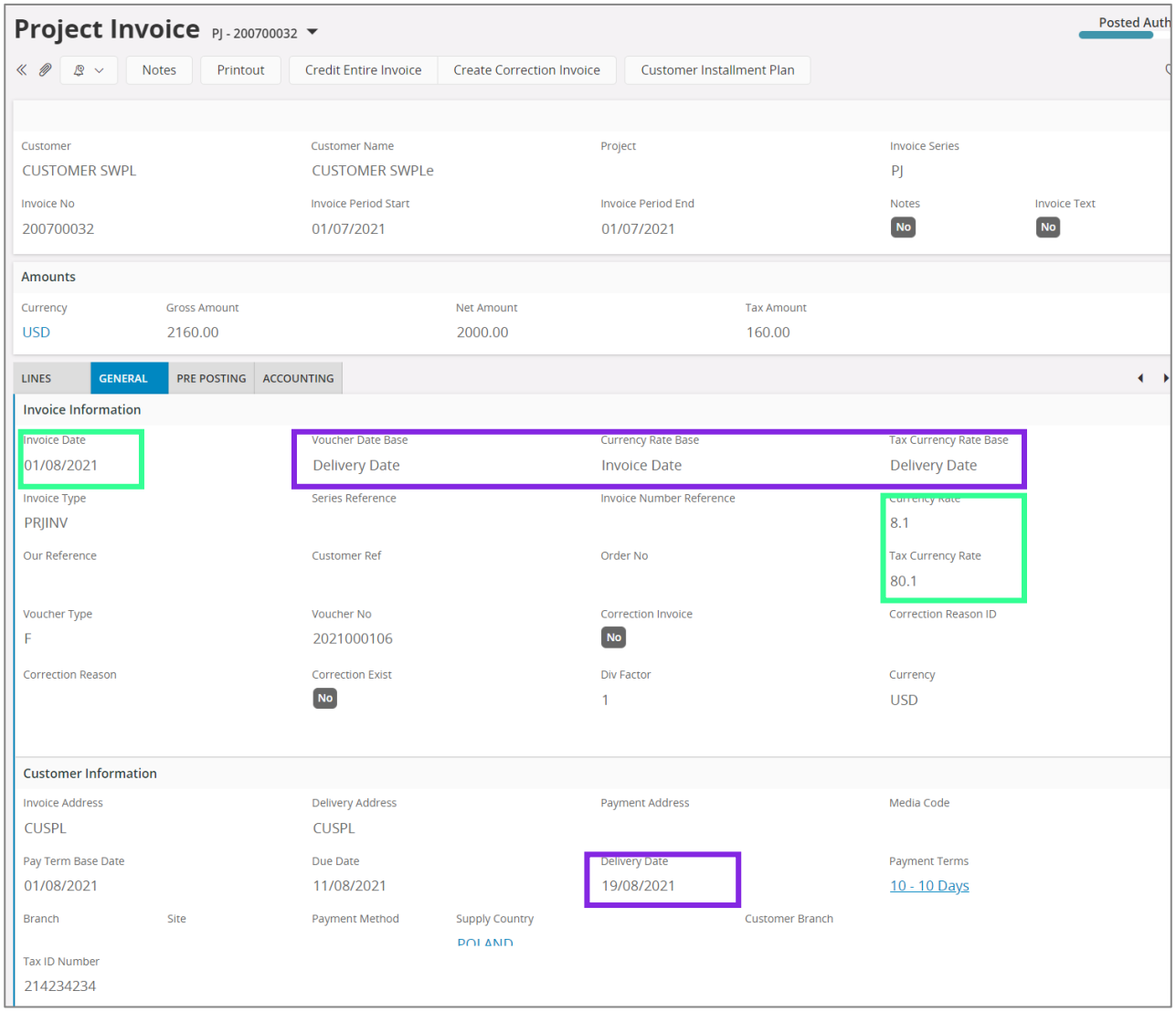


Project Invoice

A new field **Delivery Date** is added to *the **Project Invoice/General*** tab. When an invoice is created the field gets the same value as Invoice Date. It can be modified when the invoice is in state **Preliminary**.

New fields: **Voucher Date Base**, **Currency Rate Base,** and **Tax Currency Rate Base** are added on the ***Project Invoice/General*** tab. Available values for these fields are **Invoice Date** and **Delivery Date**.

The **Currency Rate** and **Tax Currency Rate** fields are based on the value of either the **Invoice Date** or **Delivery Date** fields, depending on the setting of the **Currency Rate Base** and **Tax Currency Rate Base** fields**.**



11.6 **Process Invoices**

General

New functionality to define the base for voucher date and currency rates is added for the following types of invoices:

- Customer order invoices – normal debit invoices (invoice type CUSTORDDEB), collective debit invoices (invoice type CUSTCOLDEB) and prepayment-based debit invoices.
- Instant invoices – normal instant debit invoices (invoice type INSTINV).
- Project invoices – debit invoices (invoice type PRJINV).

For all other invoices currency rates and voucher dates are handled in a standard way. In particular for correction invoices, as well as for credit customer order and project invoices, the **Voucher Date Base**, **Currency Rate Base** and **Tax Currency Rate Base** fields are always set to hidden.

Create Invoice

When a debit customer invoice (customer order invoice, instant invoice, and project invoice) is created then the **Voucher Date Base**, **Currency Rate Base,** and **Tax Currency Rate Base** fields get default values based on settings on the customer level. Fields that are set to **Specified on Company** on customer level get values based on settings on company level.

Note: When the **Currency Rate Base** field on the customer level is set to **Specified on Company** then the **Currency Rate Base** field on invoices for this customer will get default value based on the setting of the standard **Outgoing Invoice Currency Rate Base** field for company.

When prepayment-based invoice is created then the **Latest Ship Date** field gets a default value equal to the date of payment. In standard solution, this field is empty when an invoice is created.

Modify Invoice

Values of the **Voucher Date Base**, **Currency Rate Base,** and **Tax Currency Rate Base** fields can be modified when the debit invoice is in the "Preliminary" state with the following exceptions:

- The **Tax Currency Rate Base** field can be modified only when the **Allow Specific Currency Rates for Tax Transactions** option for the company is enabled.
- On instant invoice the **Currency Rate Base** and the **Tax Currency Rate Base** fields can be modified only before the invoice line is entered.

Whenever the **Currency Rate Base** or the **Tax Currency Rate Base** fields get modified, values in the **Currency Rate** or the **Tax Currency Rate** fields are updated accordingly.

Print and Post Invoice

When the invoice gets printed then it will be posted with the voucher date based on the value in the **Voucher Date Base** field. If the **Voucher Date Base** field is set to **Invoice Date** then the voucher date will be equal to the value of the **Invoice Date** field. If the **Voucher Date Base** field is set to **Delivery Date** then the voucher date will be equal to the value of the **Delivery Date** field (or the **Latest Ship Date** field in the customer order invoice).

Note: The value of the **Voucher Date Base** field has no impact on the voucher date of invoices in the following cases:

- When the invoice is printed from the ***Print Invoice*** page with the **Use Voucher Date** option enabled.
- When the invoice is processed from the ***Customer Invoices with Errors*** page with the **Use Voucher Date** option enabled.
- When invoices are processed from the *Create Collective Vouchers* page.

11.7 **Delimitations**

- Manual customer invoices are not handled.
- Outgoing supplier invoices are not handled.

12 Internal Numbering of Supplier Invoices

12.1 Overview Legal Requirement

This is a common business requirement in the Czech Republic to assign sequential numbers to all supplier invoices. Invoices should be numbered in the same order as they arrive at the company.

For example, when entering an invoice into the application, the invoice consists of two numbers.

1. Supplier invoice number (Numbering by supplier)

2. Internal invoice number (Assigned for internal purposes)

Supplier invoice number is used for tax reporting and the internal invoice number is used for internal reference and during tax authority inspections.

12.2 Solution Overview

- Define basic data.
    - Create an invoice series to be used as internal invoice numbering.
    - Assign the invoice series to the relevant supplier invoice type. A column is added to *Supplier Invoice Types*, to define number series for the internal invoice numbering.
- Register supplier invoice. A field is introduced in *Manual Supplier Invoice* to enter or view the internal invoice number.
- Create supplier invoices from external invoice functionality.
- Query supplier invoice. Columns are added to *Supplier Invoices Analysis and Supplier Invoice Analysis*, to query based on internal invoice numbers.

12.3 Prerequisites

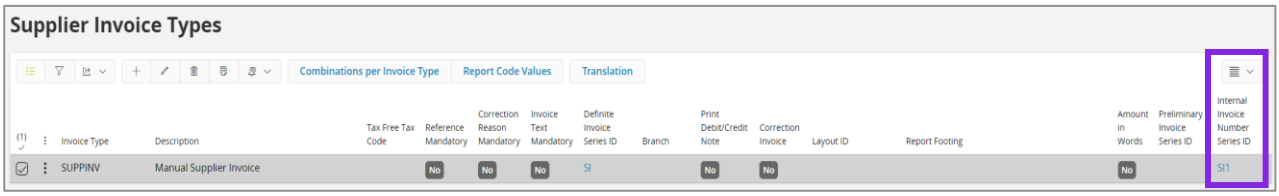
- The company must be set up to use Czech Republic localization, see chapter Company Setup, and the parameter **Internal Numbering of Supplier Invoices** must be enabled.

12.4 Define Basic Data

Define invoice series for internal numbering of supplier invoices in **the *Financials/Supplier Invoice/Basic Data/Invoice Series***. If internal invoice numbers should be generated automatically use the **Invoice Number Series** command to define data for automatic numbering.

Note that automatic numbering will use invoice date for identifying valid invoice number series.

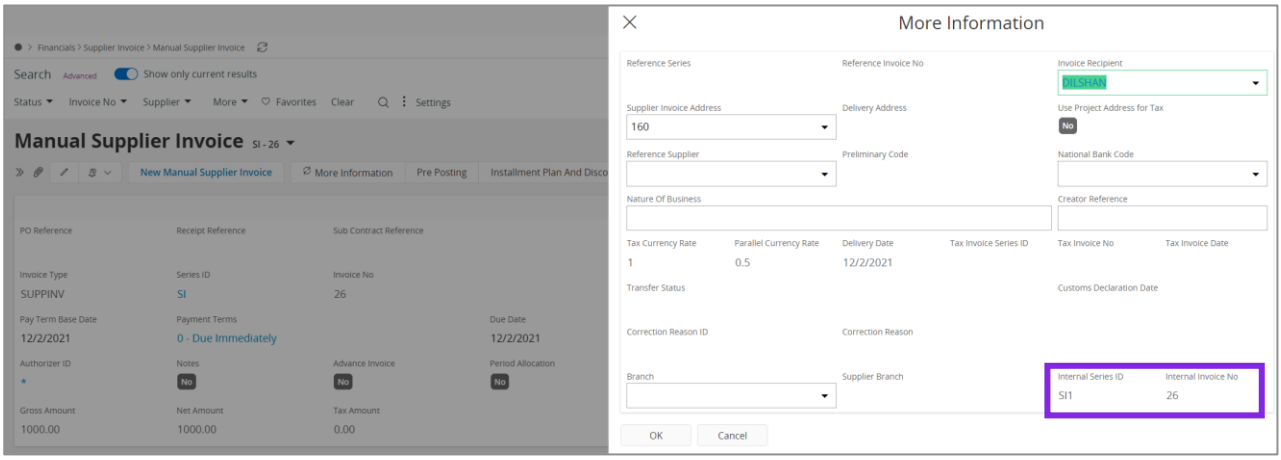
Connect internal invoice series with supplier invoice type in the ***Financials/Supplier Invoice/ Basic Data/Supplier Invoice Types*** page.



12.5 Register Supplier Invoice

When registering supplier invoice **Internal Series ID** will be filled automatically based on settings for invoice type. If the internal invoice series is numbered automatically **Internal Invoice No** will be filled with the generated number. Otherwise, **Internal Invoice No** is not filled automatically, and it can be entered manually when needed, or left empty.

In the ***Financials/ Supplier Invoice/ Manual Supplier Invoice/ More Info*** dialog box, two fields are added for internal invoice series ID and No.



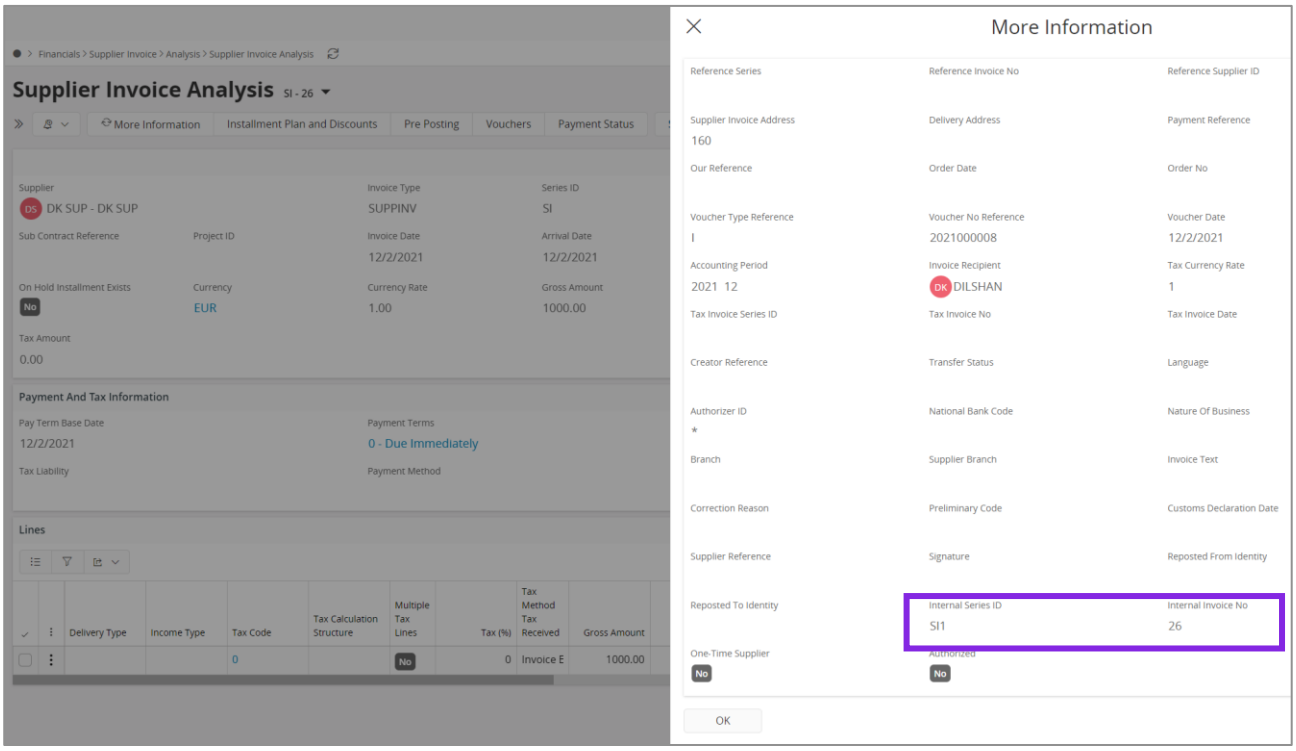
Follow the IFS Cloud standard process to post the supplier invoice.

12.6 Create Supplier Invoice from External Invoice

When a supplier invoice is created automatically using the functionality of *External Invoice,* the **Internal Series ID** is filled based on settings for invoice type. If the internal series is numbered automatically then internal invoice no will be generated.

12.7 Querying supplier invoice

In the ***Financials/Supplier Invoice/Analysis/Supplier Invoice Analysis*** page, new columns for Internal Series ID and Internal Invoice No are added.



12.8 **Delimitations**

Not defined.

13 Handle Prepayment Tax Documents

13.1 Overview of Legal Requirement

The sales process in the Czech Republic commonly includes prepayments done by the buyer before goods or services are delivered. The prepayment can be either based on an advance invoice received from the seller or based on the agreement between the buyer and seller. At the time of prepayment, tax is not reported by either buyer or seller.

According to legal regulations, if the goods or services are not delivered within 15 days after prepayment or not delivered within the same month of the prepayment, tax should be reported on the prepayment. For reporting tax on the prepayment, a separate document is issued by the seller to the buyer. The law does not define a layout for the document but specifies the information to be included in the document. Based on the document issued by the seller, the buyer records the tax on prepayment.

When the goods or services are delivered, the prepayments and the tax reported on the prepayment are matched with the delivery invoice. The information about the matched prepayments and the tax on matched prepayments are printed on the delivery invoice. The buyer receives the delivery invoice including prepayment matching information.

If the goods are not delivered or partially delivered, any remaining prepayments are refunded to the buyer. When refunding the prepayments, any tax reported on the prepayment is reversed.

The reference to the legal provisions can be found in the below link.

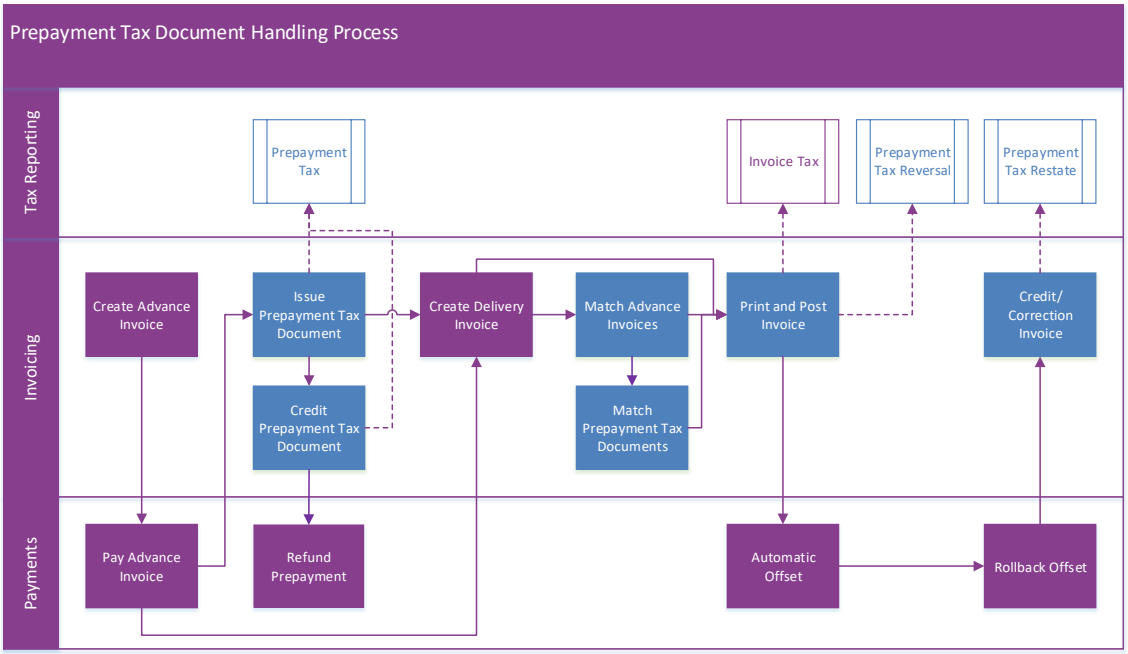
https://business.center.cz/business/pravo/zakony/dph/

13.2 Prerequisites

- The company must be set up to use Czech Republic localization, see chapter Company Setup and the parameter ***Handle Prepayment Tax Documents*** must be enabled.
- In the ***Application Base Setup/ Enterprise/ Company/ Company*** page ***Invoice/General*** tab **Create Postings at Invoice Entry** option should be disabled.
- In order to handle credit invoices in instant invoice flow, the parameter **Credit Instant Invoice** must be enabled.
- If it is required to post prepayment tax documents based on prepayment types, the parameter ***Posting Prepayments Based on Prepayment Type*** must be enabled.
- If posting proposal is used for the company, enable the option **Zero Invoices Posted According to Posting Control**, in the ***Application Base Setup/ Enterprise/ Company/ Company*** page ***Invoice/Supplier Invoice Workflow*** tab (This setup is optional, and if this option is not enabled, a zero-posting line need to be manually entered in posting proposal).

13.3 Handling Customer Prepayment Tax Document

13.3.1 SOLUTION



- Set up basic data.
  - Define default invoice types for prepayment tax documents. Four default customer invoice types are introduced to handle prepayment tax documents.
- Create and pay advance invoices.
- Issue prepayment tax documents.
  - A page is introduced to see not-matched customer prepayments. Prepayment tax documents are created from this page.
  - Two columns are introduced to show the prepayment tax document base amount and tax amount on invoicing pages.
  - The prepayment tax document information is added to invoice report definitions.
  - The invoice posting is modified to generate entries for prepayment tax documents.
  - When prepayment type is selected, the prepayment tax documents will be posted based on defined posting control.
- Create delivery invoice.
- Match advance invoices and prepayment tax documents with delivery invoices.
  - Advance invoice matching option is enabled in customer invoices, which is the same as in instant invoices.
  - Prepayment tax document matching is linked to the advance invoice matching.
- Print and post the delivery invoice.
  - The prepayment tax document information is added to invoice report definitions.
  - The invoice posting is modified to generate entries for prepayment tax documents.
- Automatic offset of prepayments with delivery invoice.
- Rollback of offset transactions.
  - The credit/correction invoice creation is modified to create credit/correction invoices with prepayment tax document lines.
- Credit prepayment tax documents due to errors or refund of prepayment.

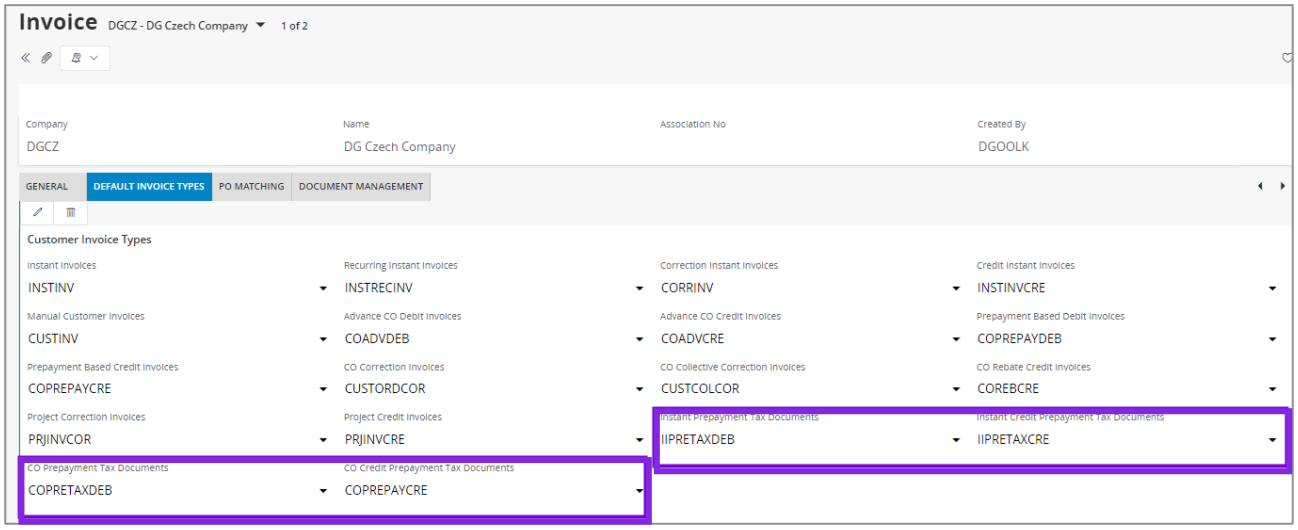
13.3.2 ASSUMPTIONS

- Advance invoices are used as a request for advance payment and the process is initiated with advance invoice.
- Tax calculation structures or multiple taxes are not used.
- Only one credit prepayment tax document could be created for the same debit prepayment tax document.

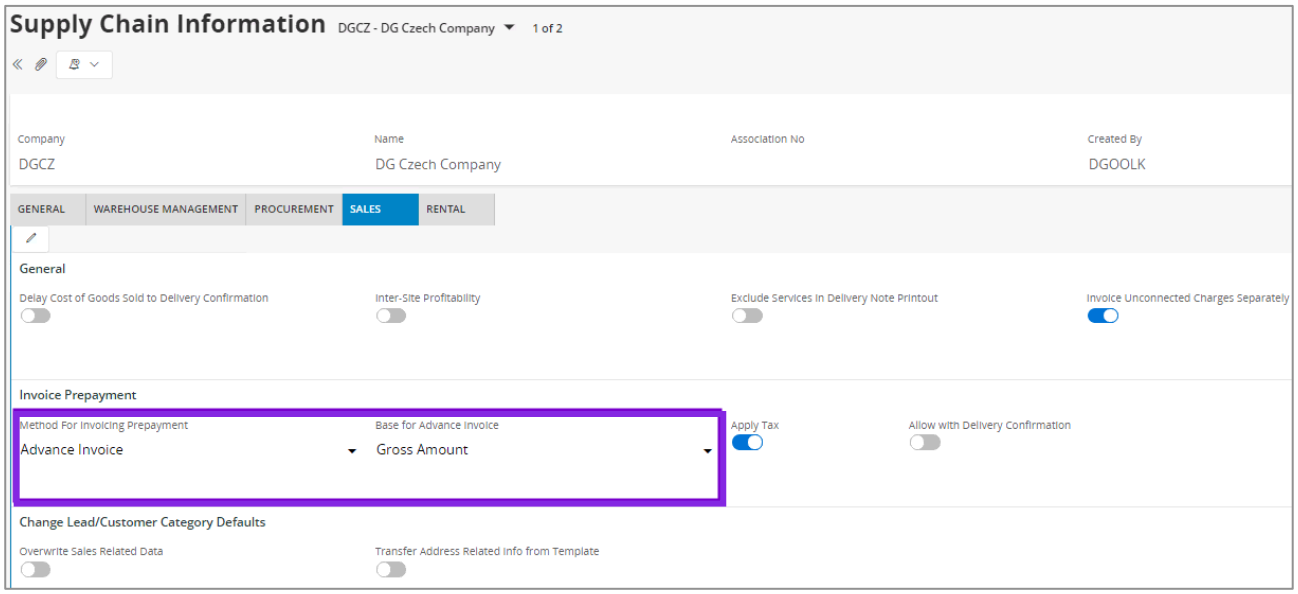
13.3.3 SET UP BASIC DATA

The ***Financials/ Customer Invoice/ Basic Data/Customer Invoice Types*** page defines new invoice types to handle prepayment tax documents.

In the ***Application Base Setup/ Enterprise/ Company/ Company*** page ***Invoice/ Default Invoice Types*** tab, define the default invoice types to handle prepayment tax documents.



Note: In the ***Application Base Setup/ Enterprise/ Company/ Company*** page ***Supply Chain Information/ Sales*** tab, the **Method for Invoicing Prepayment** should be **Advance Invoice** and It is recommended to use **Gross Amount** as the **Base for Advance Invoice**.



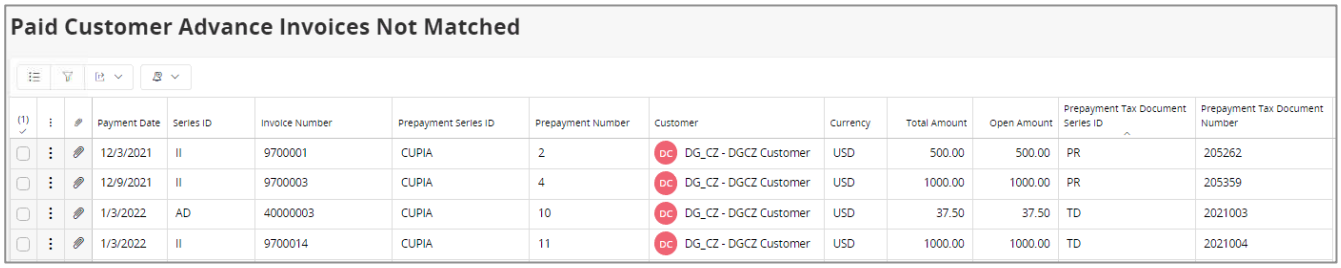
13.3.4 CREATE AND PAY ADVANCE INVOICE

Use the IFS Cloud standard customer order flow or instant invoice flow to create an advance invoice and receive payment. The advance invoice can have multiple payments received. The currency of the advance invoice is considered as prepayment tax document currency, if payment is made in a currency other than advance invoice currency.

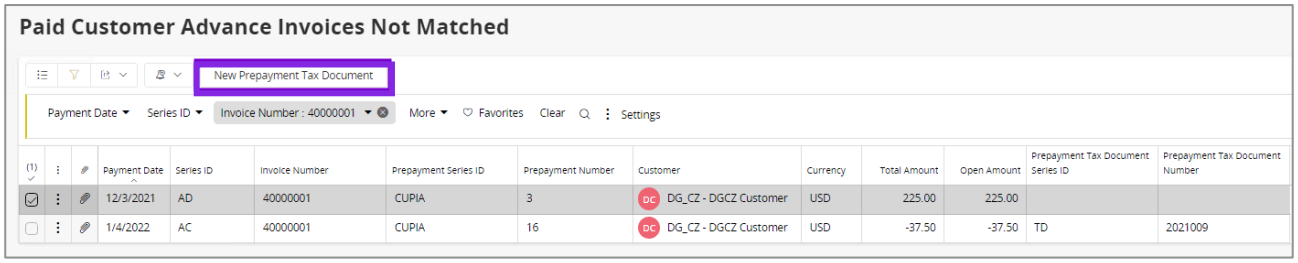
13.3.5 ISSUE PREPAYMENT TAX DOCUMENT

13.3.5.1 Create

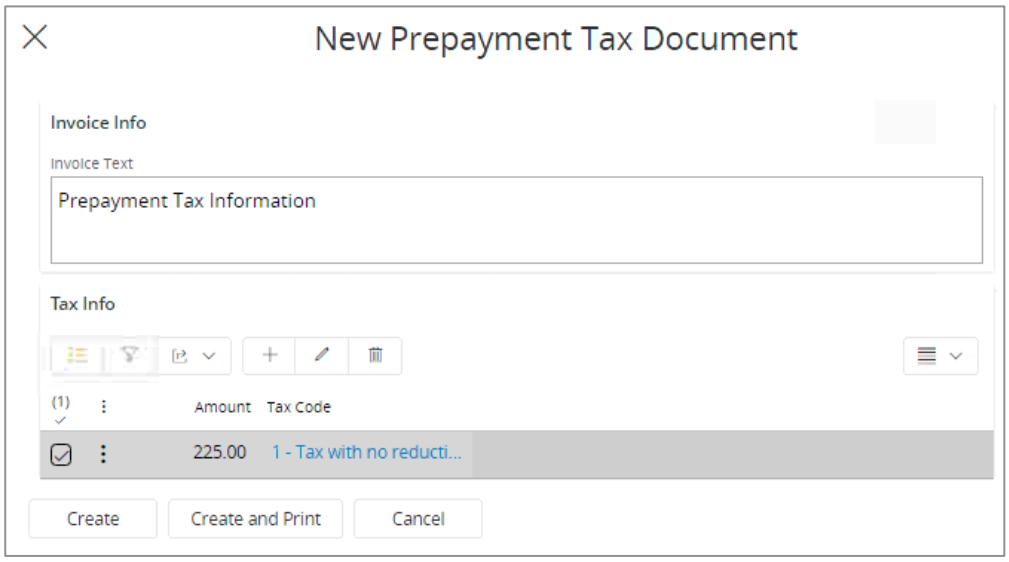
Go to ***Financials/Customer Invoice/Paid Advances Not Matched*** and search for the prepayment. This page shows the paid advance invoices that are not matched with the delivery invoice. There can be multiple payments for a single advance invoice.



Select one prepayment and click on the context menu option, **New Prepayment Tax Document** to create the prepayment tax document.

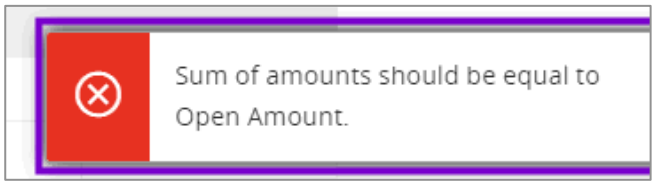


In the dialog box enter the required line text to be shown in the prepayment tax document and enter tax details.

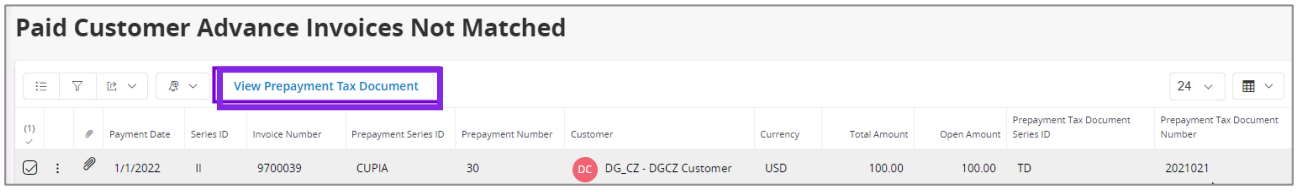


Click on **Create** or **Create and Print,** in order to create the prepayment tax document. When it is created, the prepayment will be updated with the series ID and document number of the created prepayment tax document. When creating the prepayment tax document, the application validates whether there are not matched prepayments with an earlier date without the prepayment tax document, and an error message is given.

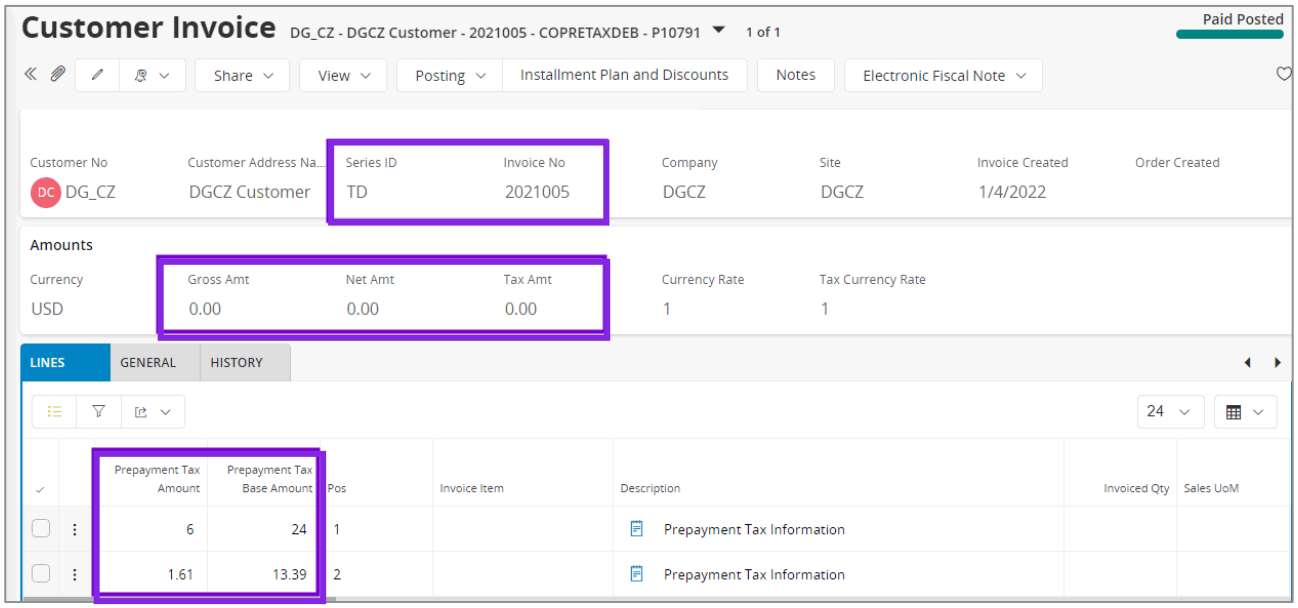
Also, the application validates whether the sum of the amounts entered to create a tax document is equal to the open amount of the prepayment.



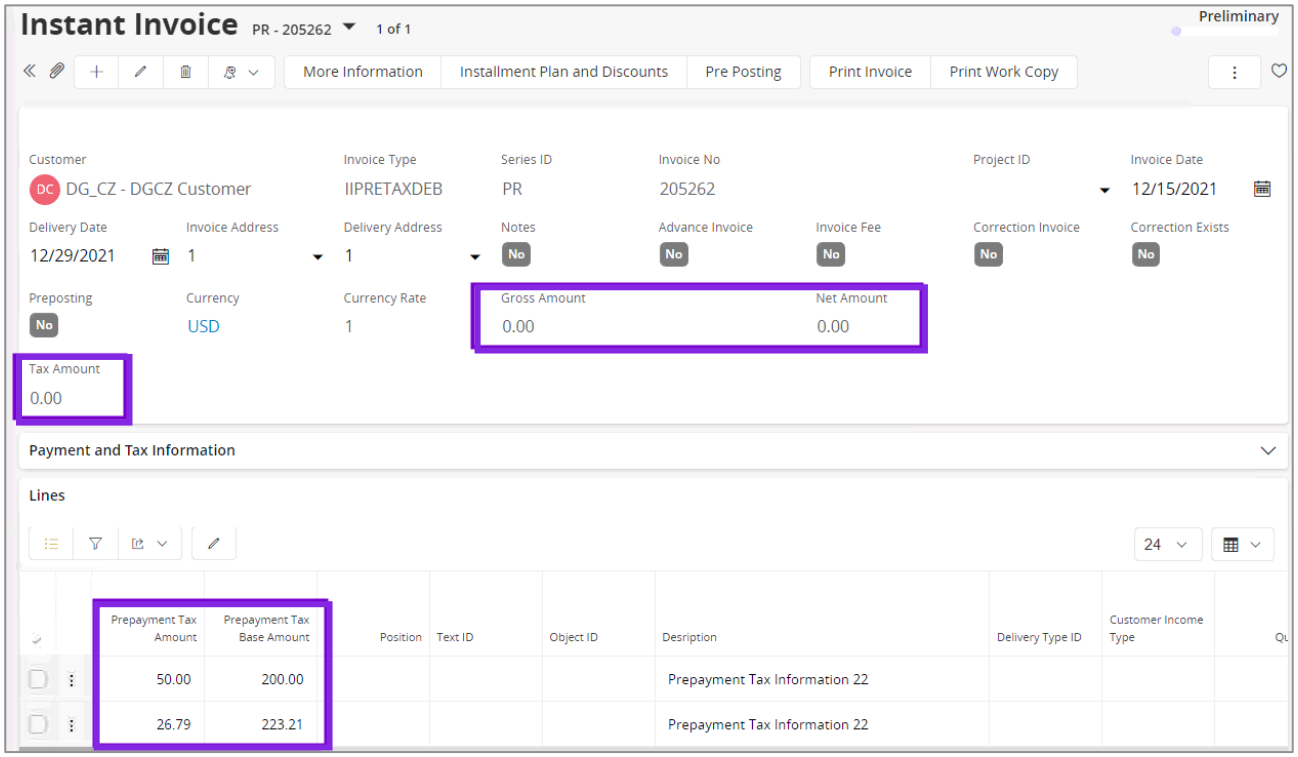
Use the context menu option, **View Prepayment Tax Document** to view the created prepayment tax documents.



If the advance invoice is handled through customer order flow, the created prepayment tax document can be viewed on the ***Sales/Invoicing/Customer Invoice*** page. **Debit/Corr Invoice Ref** can be used to search for prepayment tax documents.



If the advance invoice is handled in instant invoice flow, the created prepayment tax document can be viewed on the ***Financials/Customer Invoice/Instant Invoice*** page. **Invoice Reference** can be used to search for prepayment tax documents.



The prepayment tax document contains the following characteristics.

- Header details such as invoice date are editable.
- The **Gross Amount, Net Amount,** and **Tax Amount** are zero.
- Invoice lines cannot be added.
- Only **Description** and **Delivery Type ID** are editable at the line level.
- The prepayment tax document tax amount and base amount are shown in two new columns, **Prepayment Tax Amount** and **Prepayment Tax Base.**

- The prepayment tax document can be canceled (Customer order flow) or deleted (Instant invoice flow) in the preliminary state.
- The currency rate is fetched to the prepayment tax document from prepayment.
- The advance invoice payment date is updated to the **Delivery Date** in the Instant invoice and the **Latest Ship Date** in the customer order invoice.

13.3.5.2 Print

The prepayment tax document is printed using the IFS Cloud standard context menu option on the ***invoicing*** page. Following new data were added to the Report Data Format(RDF) of the customer order invoice (CUSTOMER_ORDER_IVC_REP) and instant invoice (INSTANT_INVOICE_REP).

- A tag is introduced to distinguish a prepayment tax document. This is recognized based on the default invoice type for prepayment tax documents.

```
<IS_TAX_DOC>TRUE</IS_TAX_DOC>
```

- The reference to the advance invoice is available in the header of the standard report.

```
<SERIES_REFERENCE>II9700064</SERIES_REFERENCE>
<NUMBER_REFERENCE>9700064</NUMBER_REFERENCE>
```

- The prepayment tax document line details are added to <INVOICE_LINE> section in CUSTOMER_ORDER_IVC_REP and <INSTANT_INVOICE_ITEM> section in INSTANT_INVOICE_REP.

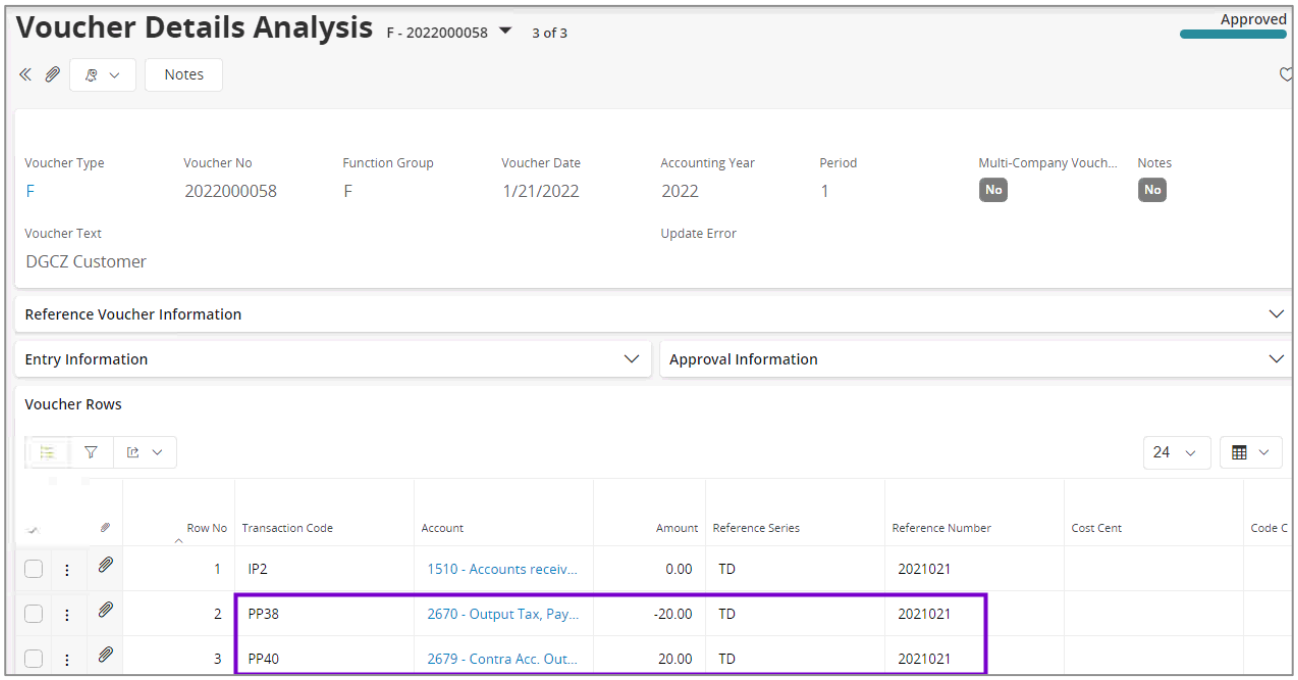
```
<TAX_DOC_BASE>198.35</TAX_DOC_BASE>
<TAX_DOC_TAX>41.65</TAX_DOC_TAX>
<TAX_DOC_BASE_ACC_CURR>198.35</TAX_DOC_BASE_ACC_CURR>
<TAX_DOC_TAX_ACC_CURR>41.65</TAX_DOC_TAX_ACC_CURR>
```

Note: In the RDL, the IFS standard description and tax percentage tags in invoice lines should be used with the above tags.

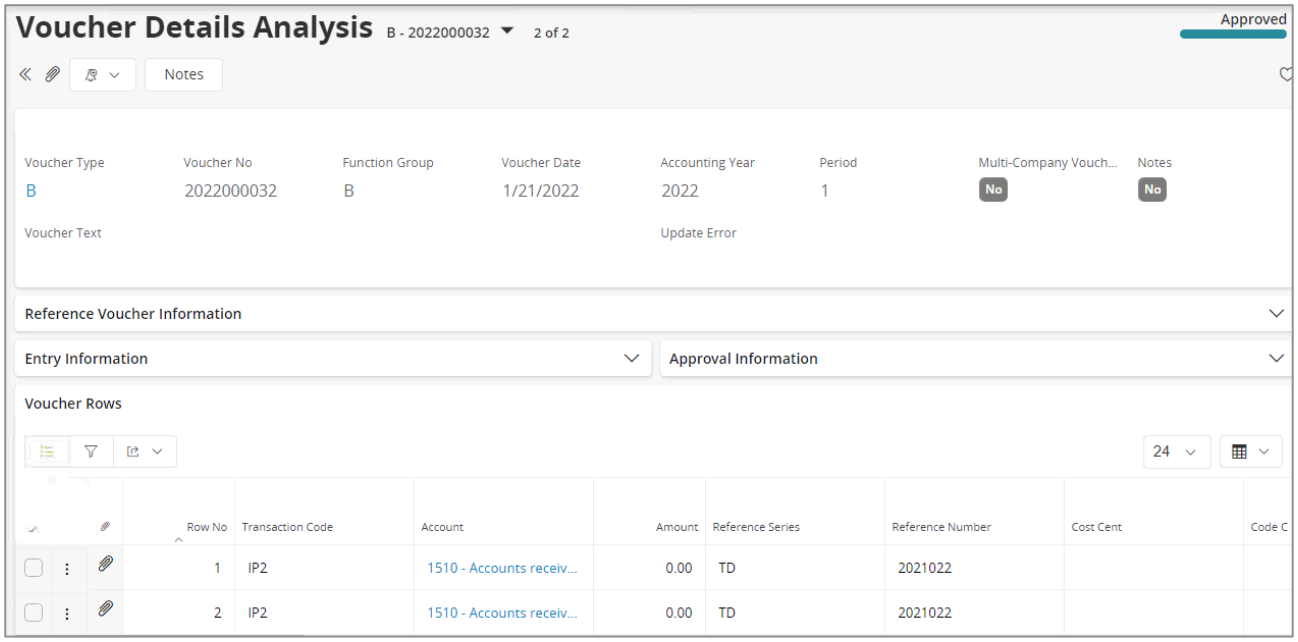
13.3.5.3 Post

The prepayment tax document is posted at the time of printing. The following IFS Cloud standard postings are used for posting the tax amounts of the prepayment tax document.

PP38	Disbursed Tax, Payments in Advance	Credit
PP40	Contra Acc. Disbursed Tax, Adv Paym.	Debit



Note: Additionally, the “IP2 – Customer Claims, Invoice” entry is created with zero amount in the “F” voucher. Also, a “B” voucher is created for the payment of invoices with zero amounts using the posting type, “IP2 – Customer Claims, Invoice”. This is the IFS Cloud standard functionality for zero invoices.



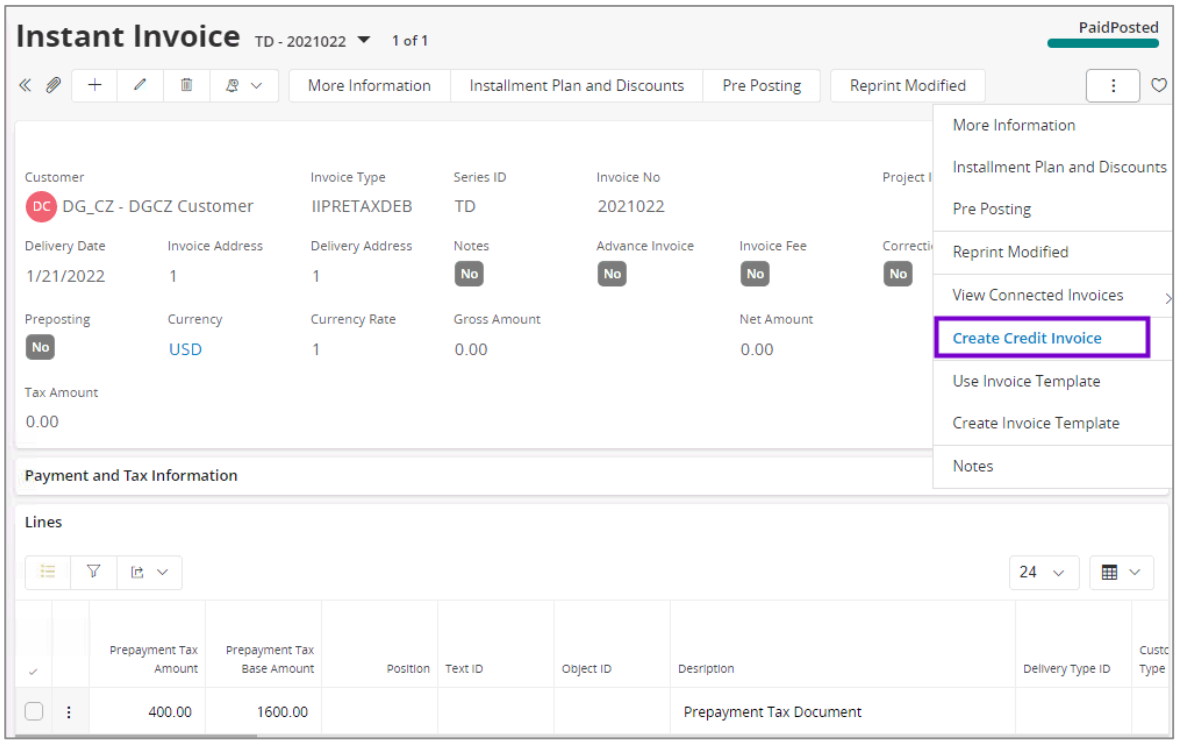
The tax transactions are transferred to the tax ledger under the new invoice type with the relevant information. The tax liability date for the transaction is fetched based on the ***Accounting Rules/ Tax/ Tax Liability Date Control*** setup.

Note: If specific currency rates are used for tax transactions, the amounts are calculated and posted based on the tax currency rate.

13.3.6 CREDITING PREPAYMENT TAX DOCUMENT

In order to create a credit prepayment tax document, go to the ***Financials/Customer Invoice/Paid Advances Not Matched*** and select the prepayment. Go to the relevant prepayment tax document.

Click on the context menu option **Create Credit Invoice** to create a credit prepayment tax document.



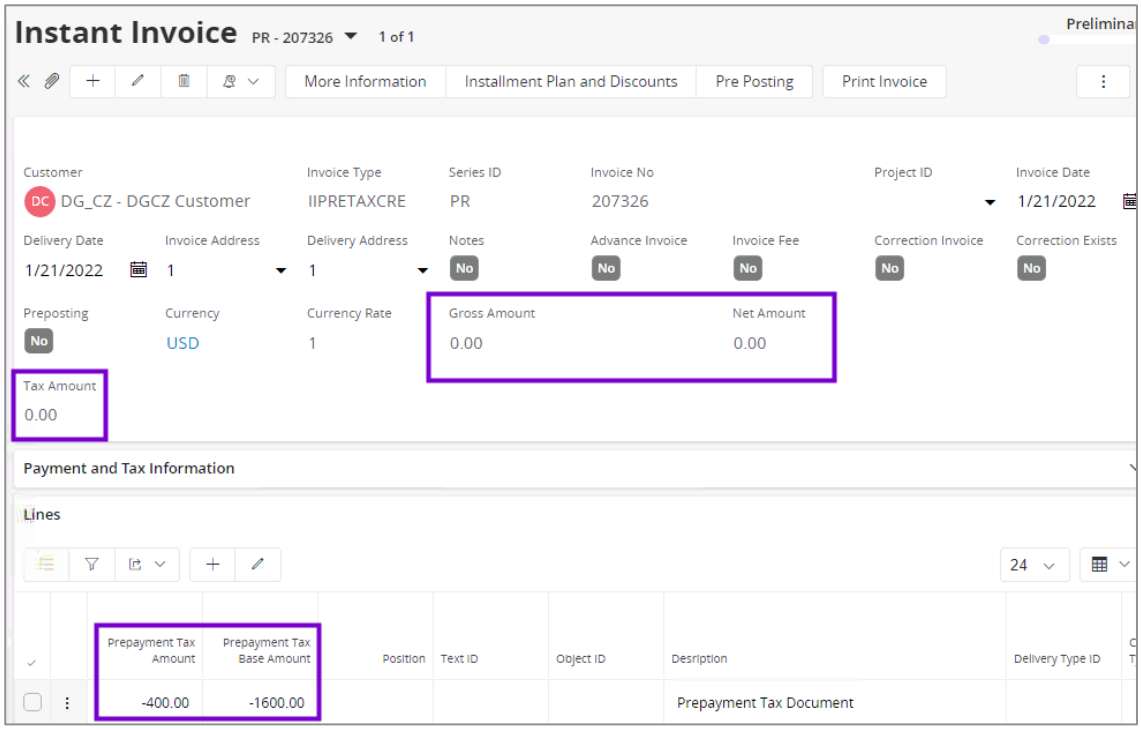
A credit prepayment tax document with the Status **Preliminary** is created. The created prepayment tax document can be viewed using the context menu **View Invoices/ View Credit Invoices** in Invoice.

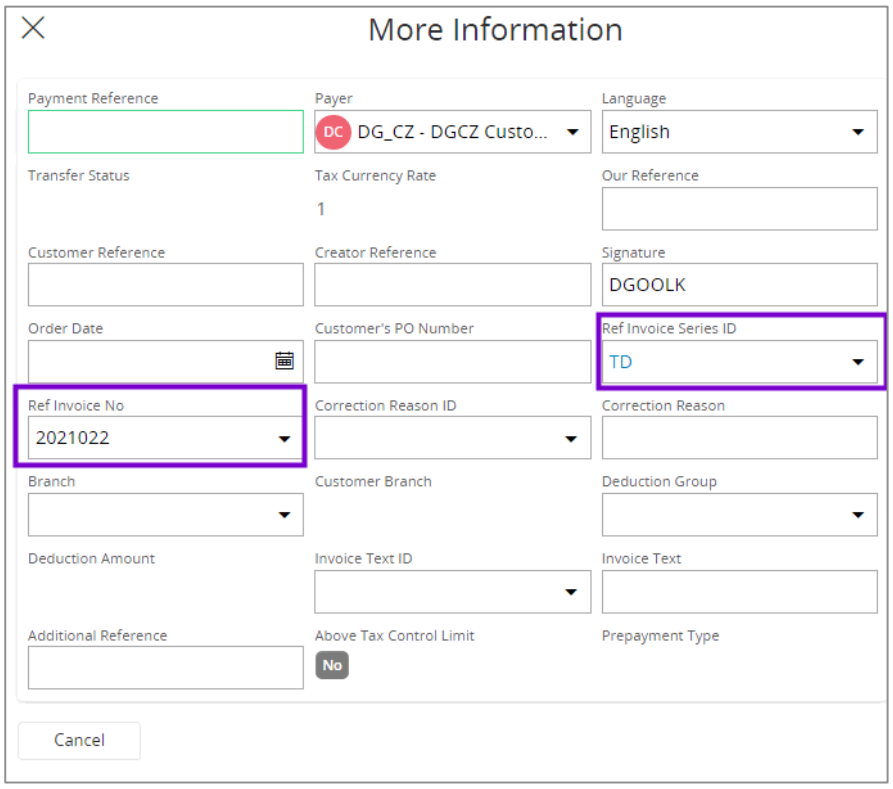
Note: A credit prepayment tax document cannot be created to a fully matched prepayment tax document.

The credit prepayment tax document contains the following characteristics.

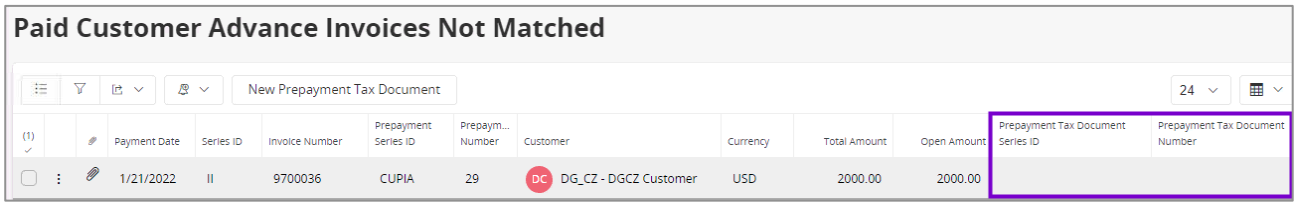
- Header details such as invoice date are editable.
- The **Gross Amount, Net Amount,** and **Tax Amount** are zero.
- The reference to the original prepayment tax document is updated in the **Invoice Reference** in the instant invoice flow and **Debit/ Corr Invoice ref** in the customer order invoice flow.
- Invoice lines cannot be added.
- Only **Delivery Type ID** is editable at the line level.
- The prepayment tax document tax amount and base amount are shown in two new columns, **Prepayment Tax Amount** and **Prepayment Tax Base,** and calculated based on the remaining amounts for matching.
- The prepayment tax document can be canceled (Customer order flow) or deleted (Instant invoice flow) in the preliminary state.
- The currency rate is fetched to the credit prepayment tax document based on the debit prepayment tax document.

- The delivery date of the original prepayment tax document is updated to **Delivery Date** in the Instant invoice and **Latest Ship Date** in the customer order invoice.
- A credit/correction prepayment tax document cannot be created for a credit prepayment tax document.





After crediting the prepayment tax document, a new prepayment tax document can be issued for the open prepayment.



13.3.6.1 Print

The credit prepayment tax document is printed using the IFS Cloud standard context menu option on the ***Invoicing*** page. Following new data were added to the Report Data Format (RDF) of the customer order invoice (CUSTOMER_ORDER_IVC_REP) and instant invoice (INSTANT_INVOICE_REP).

- A tag is introduced to distinguish a prepayment tax document. This is recognized based on the default invoice type for prepayment tax documents.

```
<IS_TAX_DOC>TRUE</IS_TAX_DOC>
```

- The reference to the prepayment tax document is available in header of the standard report.

```
<SERIES_REFERENCE>TD2021022</SERIES_REFERENCE>
<NUMBER_REFERENCE>2021022</NUMBER_REFERENCE>
```

- The reference to the advance invoice was added in the header.

```
<ORIG_TAX_DOC_SERIES_REF>II</ORIG_TAX_DOC_SERIES_REF>
<ORIG_TAX_DOC_NUMBER_REF>9700036</ORIG_TAX_DOC_NUMBER_REF>
```

- The prepayment tax document line details are added to <INVOICE_LINE> section in CUSTOMER_ORDER_IVC_REP and <INSTANT_INVOICE_ITEM> section in INSTANT_INVOICE_REP.

```
<TAX_DOC_BASE>-1600</TAX_DOC_BASE>
<TAX_DOC_TAX>-400</TAX_DOC_TAX>
<TAX_DOC_BASE_ACC_CURR>-1600</TAX_DOC_BASE_ACC_CURR>
<TAX_DOC_TAX_ACC_CURR>-400</TAX_DOC_TAX_ACC_CURR>
```

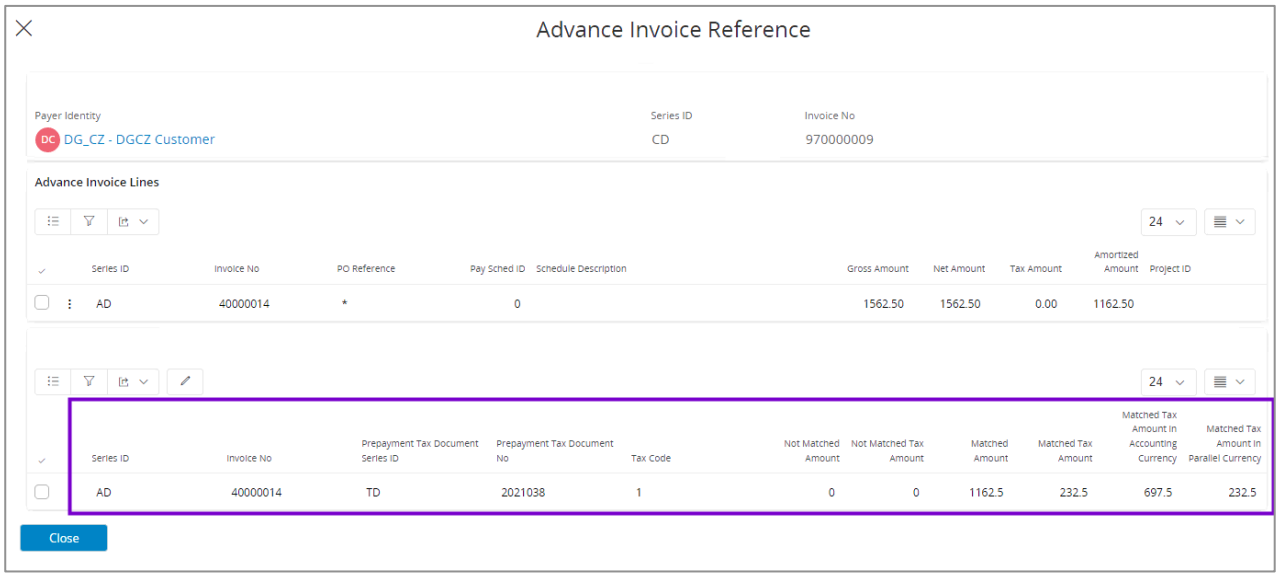
  Note: In the RDL, the IFS standard description and tax percentage tags in invoice lines should be used with the above tags.

13.3.7 CREATE DELIVERY INVOICE

Use the IFS Cloud standard process to create the delivery invoice.

13.3.8 MATCHING ADVANCE INVOICES AND PREPAYMENT TAX DOCUMENTS

Use the context menu option, **Advance Invoice** to match advance invoices. A context menu option is enabled on the ***Customer Invoice*** page that is the same as on the IFS Cloud standard *Instant Invoice* page. It opens the *Advance Invoice Reference* dialog box.

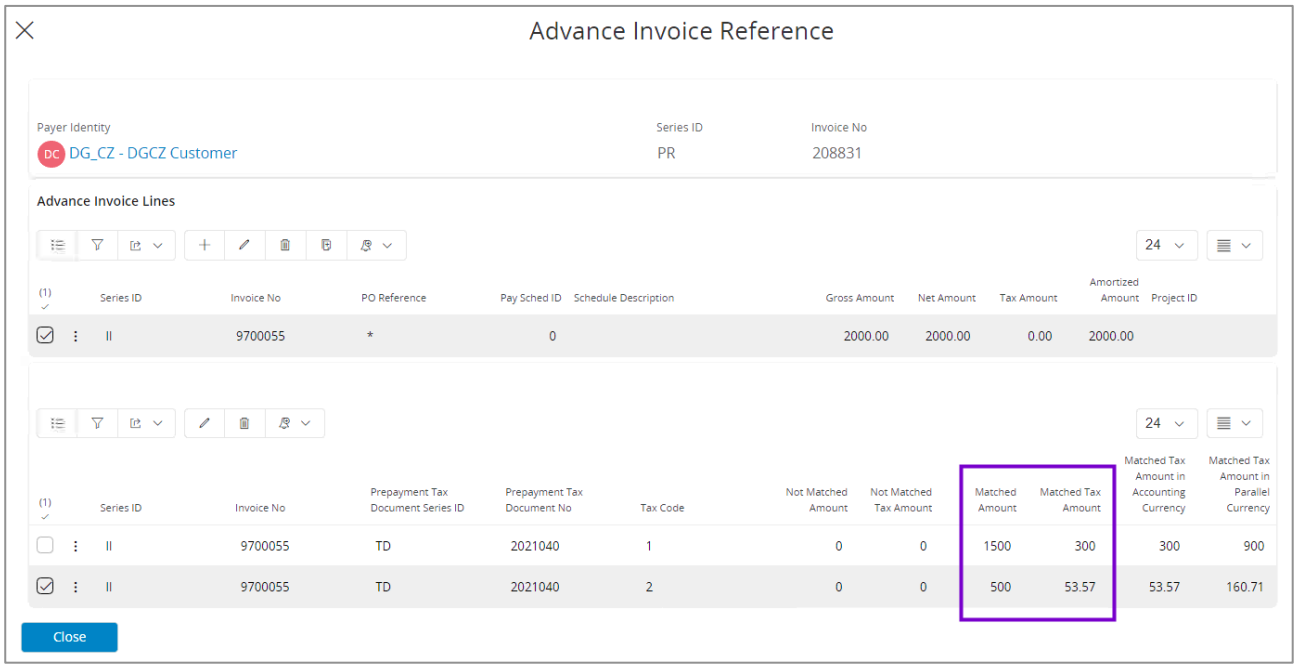


In customer order invoice flow based on the order reference, advance invoices will be suggested for matching, at the time of creating delivery invoice. Users can enter advance invoices for matching and if there are prepayment tax documents attached to the advance invoice, the information is filled in the prepayment tax document section.

If there is a single tax code in all prepayment tax documents available for matching, attached to the advance invoice, the **Matched Amount** of prepayment tax document lines will be filled in the payment date order.

If there are multiple tax codes in any of the prepayment tax documents available for matching, attached to the advance invoice, the **Matched Amount** of prepayment tax document lines will not be filled. The following information message will appear.

In order to match a prepayment tax document, enter the **Matched Amount** of the prepayment tax document line as required**. Not Matched Amount** and **Not Matched Tax Amount** indicate the remaining gross amounts and the tax amount for matching. The **Matched Tax Amount** is calculated when saved and the tax amount is not editable.



Following validations are performed when saving matched amounts of prepayment tax document lines.

- The application validates the date order of matching prepayment tax documents, as the prepayments are offset based on date order and the following error message will appear.

  “The advance invoice XX-XXXXXX contains not matched prepayment tax document lines with early payment date”

- The application validates whether matched amounts for prepayment tax document lines are not more than the matched amount of the advance invoice.

  “The matched amount of tax Document/s cannot be more than the matched amount of the advance invoice XX XXXXX”

- The matched amount of the advance invoice can be more than the matched amount of the tax documents when there are prepayments without tax documents. In this scenario, the application gives the following warning message. If clicked on **Yes,** the amounts will be saved.

  “The matched amount for the advance invoice XX-XXXXX is more than the matched amount of tax document/s. This is only possible when there are prepayments without tax documents. Do you wish to continue?”

After entering/editing the required matching information save and close the dialog box.

Note:

- If the advance invoices are not matched or suggested advance invoices are removed from the ***Advance invoice reference*** dialog box, the delivery invoice will not be offset with any advance invoice.

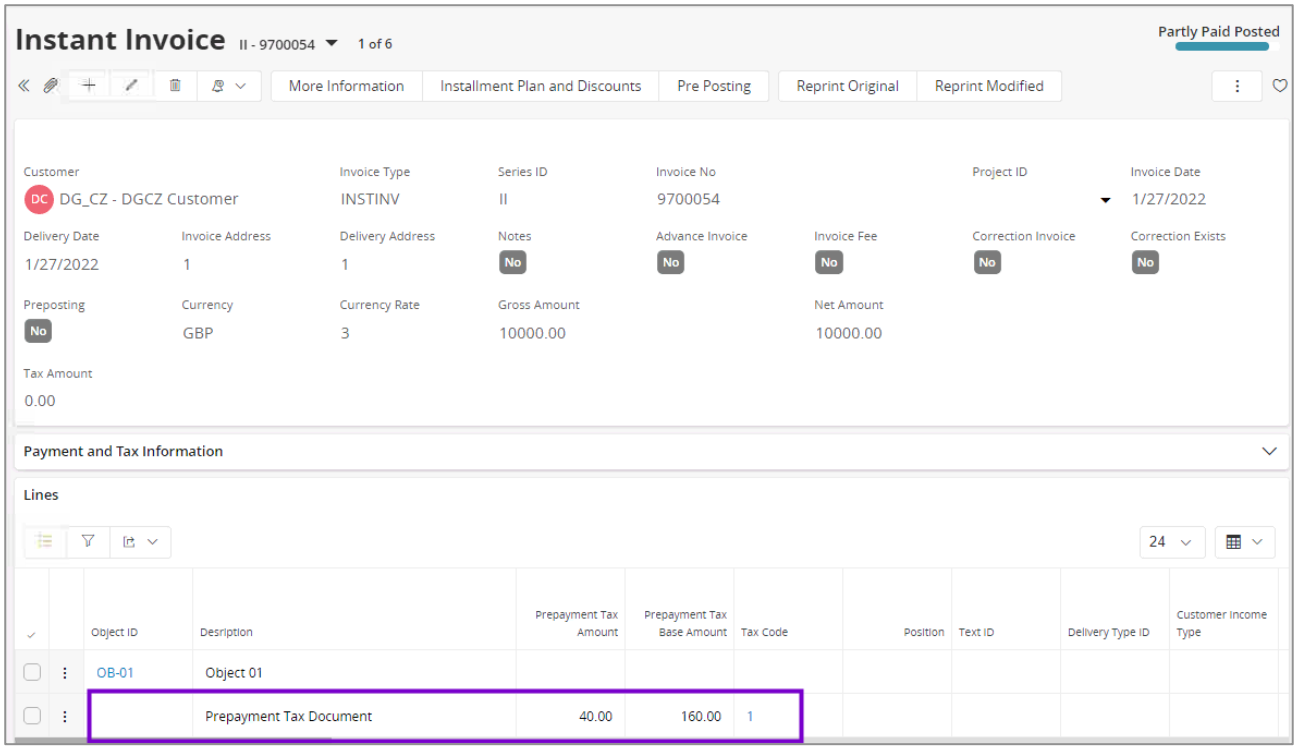
- Do not use manual offset for matching prepayments with delivery invoices, when there are prepayment tax documents for the prepayment.

13.3.9 PRINT AND POST INVOICE

Print the invoice using the IFS Cloud standard context menu. The Report Data Format (RDF) of the customer order invoice (CUSTOMER_ORDER_IVC_REP) and instant invoice (INSTANT_INVOICE_REP) includes data about the matched prepayment tax documents.

```
- <TAX_DOCS>
  - <TAX_DOC>
      <TAX_DOC_NO>TD 2021038</TAX_DOC_NO>
      <ADV_INVOICE_NO>AD 40000014</ADV_INVOICE_NO>
      <TAX_CODE>1</TAX_CODE>
      <TAX_DOC_BASE>1250</TAX_DOC_BASE>
      <TAX_DOC_TAX>312.5</TAX_DOC_TAX>
      <TAX_DOC_BASE_ACC_CURR>3750</TAX_DOC_BASE_ACC_CURR>
      <TAX_DOC_TAX_ACC_CURR>937.5</TAX_DOC_TAX_ACC_CURR>
      <MATCHED_TAX_DOC_BASE>160</MATCHED_TAX_DOC_BASE>
      <MATCHED_TAX_DOC_TAX>40</MATCHED_TAX_DOC_TAX>
      <MATCHED_TAX_DOC_BASE_ACC_CURR>480</MATCHED_TAX_DOC_BASE_ACC_CURR>
      <MATCHED_TAX_DOC_TAX_ACC_CURR>120</MATCHED_TAX_DOC_TAX_ACC_CURR>
      <TAX_DOC_DATE>2022-01-27T00:00:00</TAX_DOC_DATE>
      <TAX_PERCENT>25</TAX_PERCENT>
    </TAX_DOC>
  </TAX_DOCS>
```

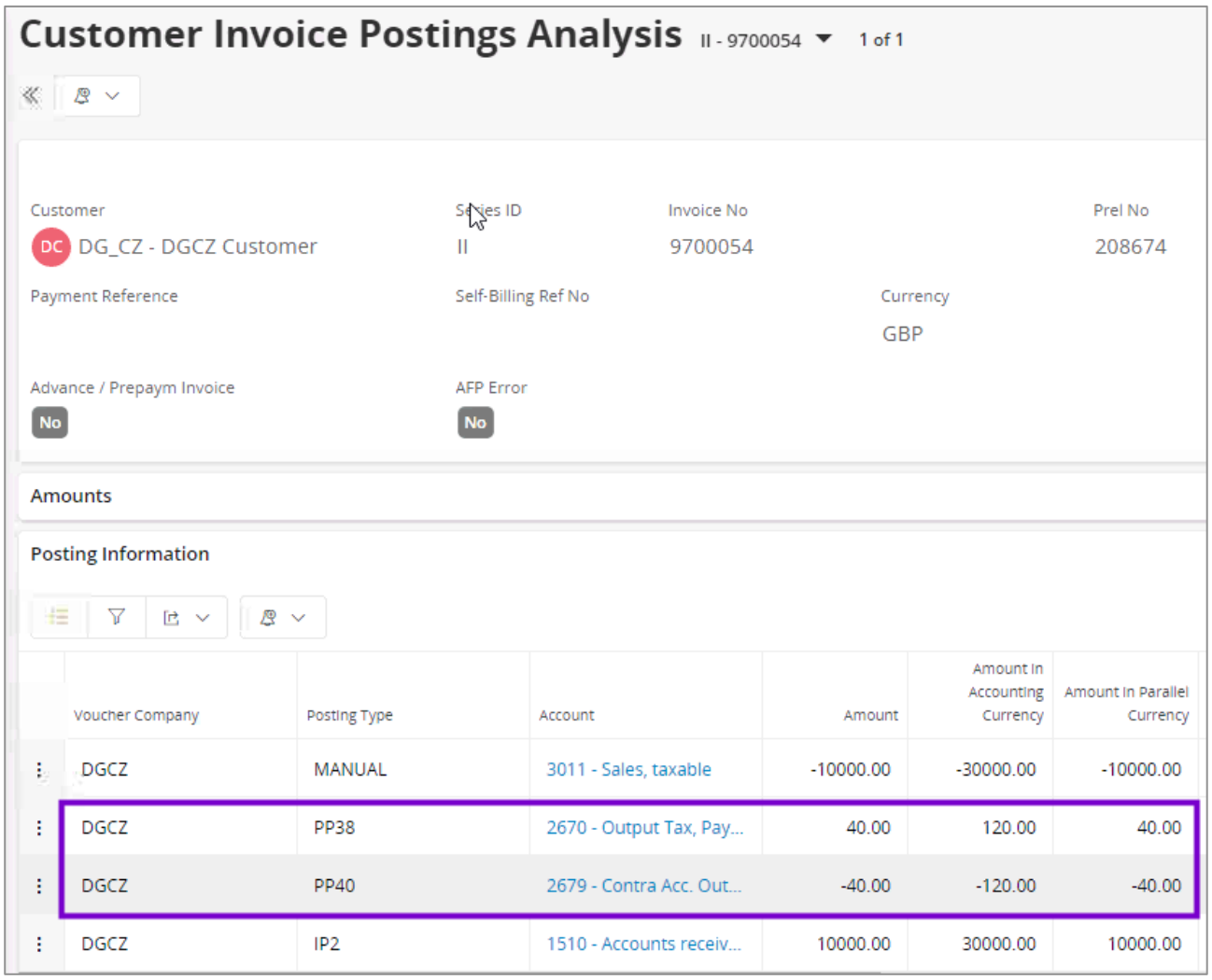
When the delivery invoice is printed, a new line will be created on the invoice with the prepayment tax document base amount and tax amount.



The tax on prepayment will be reversed with delivery invoice postings by using an “F” voucher. The following IFS Cloud core postings are used.

PP38	Disbursed Tax, Payments in Advance	Debit
PP40	Contra Acc. Disbursed Tax, Adv Paym.	Credit

The accounting currency value of the tax reversal postings is calculated based on the delivery invoice currency rate. If the prepayment tax document currency rate is different from the delivery invoice currency rate, additional postings are created for the currency difference. The currency difference is posted using PP61 – Tax Currency Loss / PP62 – Tax Currency Profit and PP40 posting types.



Voucher Company	Posting Type	Account	Amount	Amount In Accounting Currency	Amount In Parallel Currency
DGCZ	MANUAL	3011 - Sales, taxable	-10000.00	-30000.00	-10000.00
DGCZ	PP38	2670 - Output Tax, Pay...	40.00	120.00	40.00
DGCZ	PP40	2679 - Contra Acc. Out...	-40.00	-120.00	-40.00
DGCZ	IP2	1510 - Accounts receiv...	10000.00	30000.00	10000.00

The tax transactions are transferred to the tax ledger under the delivery invoice reference with all the relevant information.

13.3.10 AUTOMATIC OFFSET

In instant invoice flow, the delivery invoice will be automatically offset with an advance invoice as per IFS Cloud standard functionality. In the customer order invoice flow, the delivery invoice will be automatically offset with the advance invoices saved in the *Advance Invoice Reference* dialog box.

Note: If manually offsetting prepayments, make sure that the prepayment is not connected to a prepayment tax document. Prepayments with prepayment tax documents cannot be manually offset.

13.3.11 RETURNING OF GOODS AND CREDITING/CORRECTING DELIVERY INVOICE

Follow the IFS Cloud standard process, to return the goods and create a credit/correction invoice.

When credit or correction invoices are created through the return material authorization process, matched prepayment tax document lines are not created in credit invoices. It is not required to roll

back the offset transaction. If the returned goods are delivered again manually offset the credit invoice. If the returned goods are not delivered and the prepayment should be refunded, create a refund for the credit invoice.

If crediting/correcting the delivery invoice, without returning goods, create the credit/correction from the delivery invoice. After creating a credit invoice, delete the matched prepayment tax document lines. If a correction invoice is created, do not edit the matched prepayment tax document lines (to make sure that there are no changes to the matched prepayment tax document). It is not required to roll back the offset transaction.

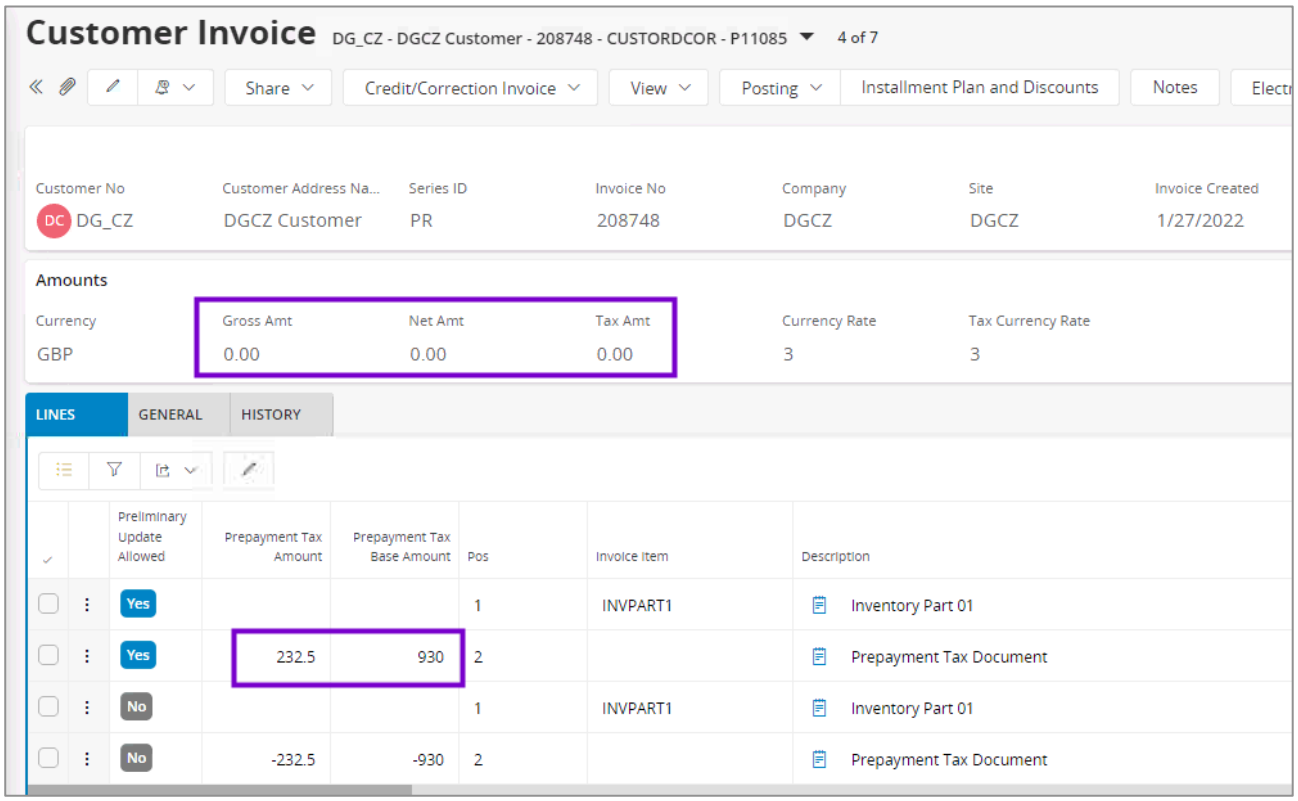
13.3.12 ROLLBACK OF OFFSET

If it is required to roll back offset transaction including matched prepayment tax documents, the delivery invoice should be fully credited. After matching of prepayment tax document with delivery invoice, it is not possible to partially reverse the matching of the prepayment tax document. Full prepayment including full prepayment tax document should be rolled back.

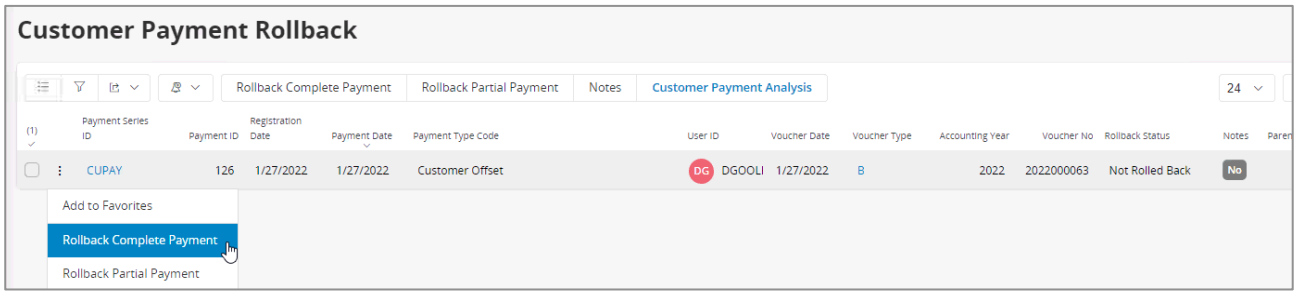
To handle full credit of delivery invoices in instant invoice flow or customer order invoice flow, either create a correction invoice or a credit invoice.

13.3.12.1 Using Correction Invoice

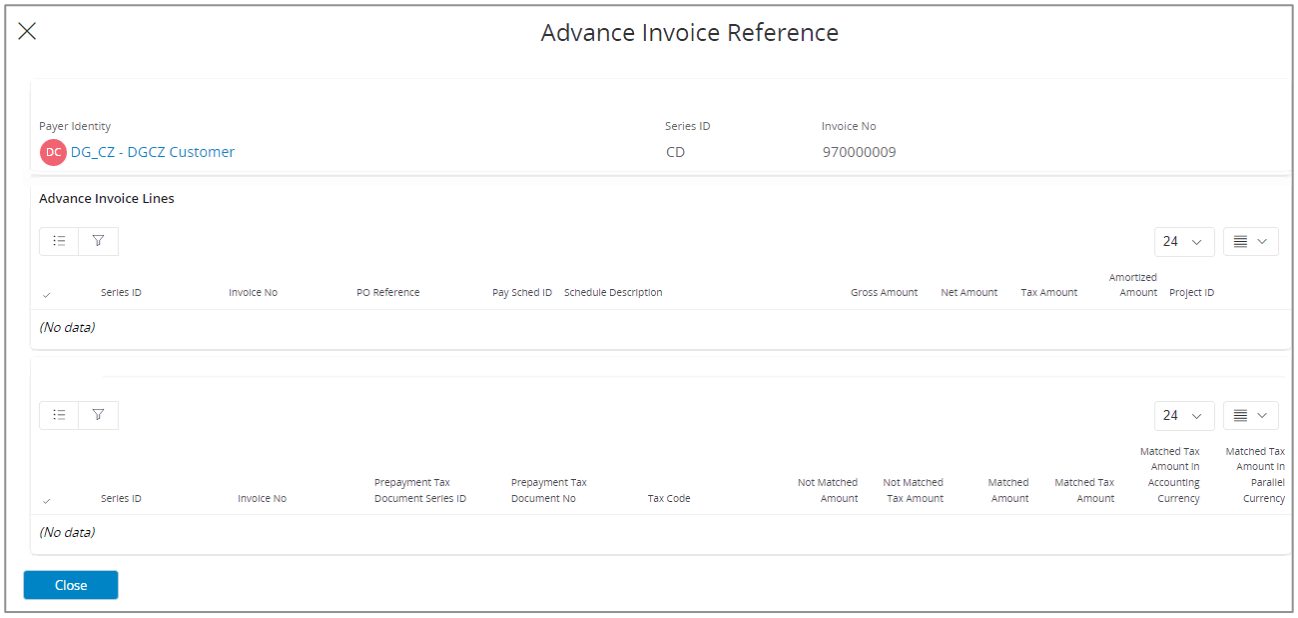
Follow the below steps to roll back offset transactions including matched prepayment tax documents.



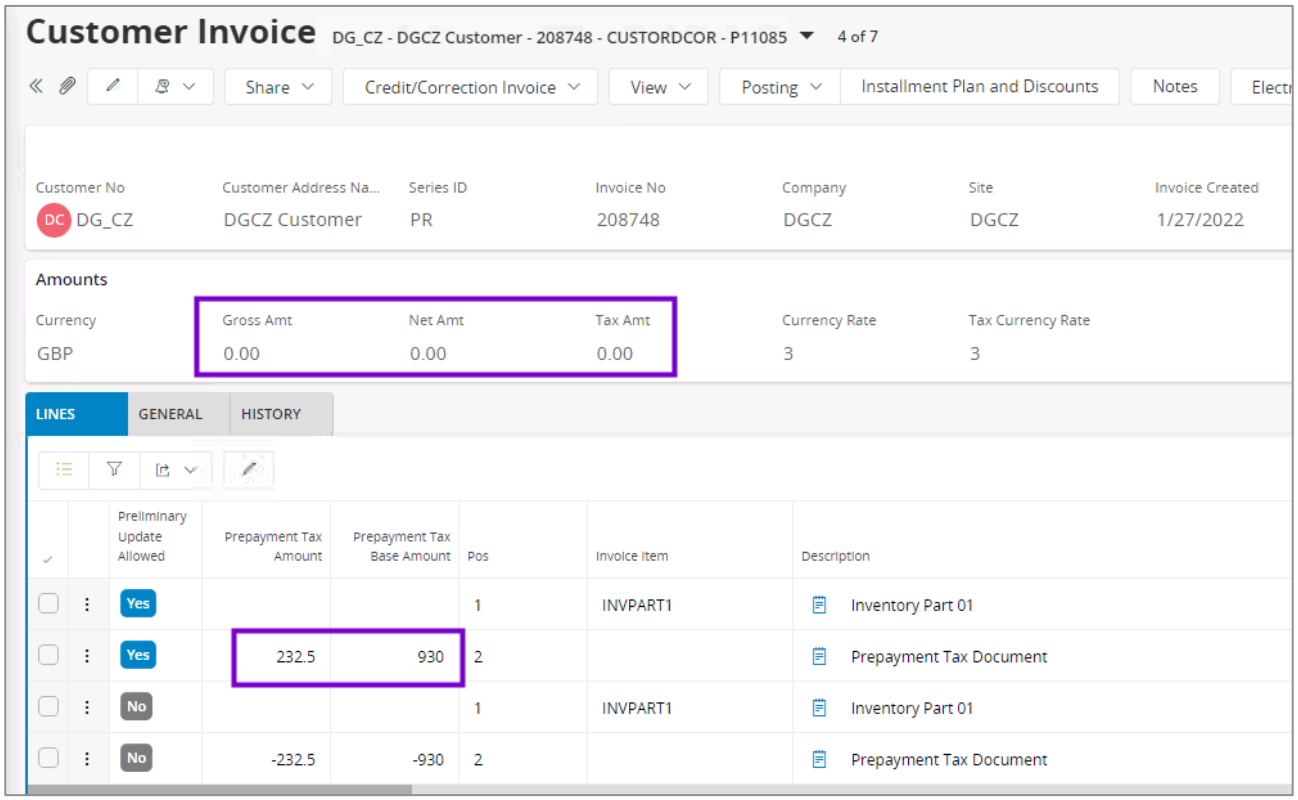
Step 1 – As per the IFS Cloud standard process, use the ***Financials/ Accounts Receivable/ Manual Payment/ Customer Payment Rollback*** page to completely roll back the offset transaction.



When the offset is rolled back, the delivery invoice Status is changed to **PostedAuth**. The offset transaction, including matched prepayment tax documents in the ***Advance Invoice Reference*** dialog box, will get deleted when the offset transaction is rolled back.



Step 2 – As per the IFS Cloud standard process, use the context menu option ***Create Correction Invoice*** to credit the delivery invoice.



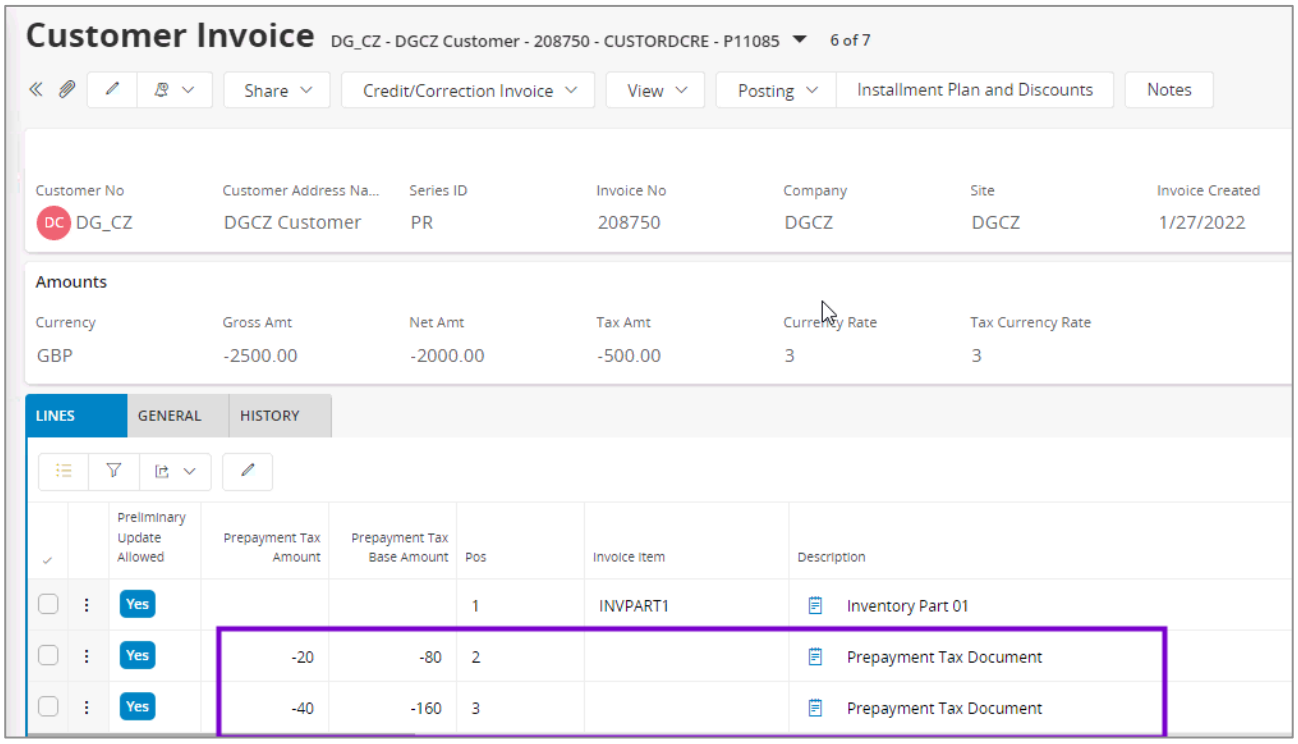
Use the corrected invoice to fully credit original invoice. Change the **Prepayment Tax Base** and **Prepayment Tax Amount** of the matched prepayment tax document lines to zero.

Print and post the invoice. The reversal of tax on prepayment tax documents will be restated when the correction invoice is posted.

Step 3 – As per the IFS Cloud standard process, manually offset the delivery invoice and correction invoice using the ***Financials/ Accounts Receivable/ Manual Payment/ Customer Offset*** page.

13.3.12.2 Using Credit Invoice

Follow the below steps to roll back offset transactions including matched prepayment tax documents.



Step 1 – As per the IFS Cloud standard process, use the ***Financials/ Accounts Receivable/ Manual Payment/ Customer Payment Rollback*** page to completely roll back the offset transaction.

When the offset is rolled back, the delivery invoice Status is changed to **PostedAuth**. The offset transaction, including matched prepayment tax documents in the ***Advance Invoice Reference*** dialog box, will get deleted when the offset transaction is rolled back.

Step 2 – As per the IFS Cloud standard process, use the context menu option *Create Credit Invoice…* to credit the delivery invoice.

If a credit invoice is created, the matched prepayment tax document lines will be negative.

Print and post the credit invoice. Return the goods and reprocess a new customer order.

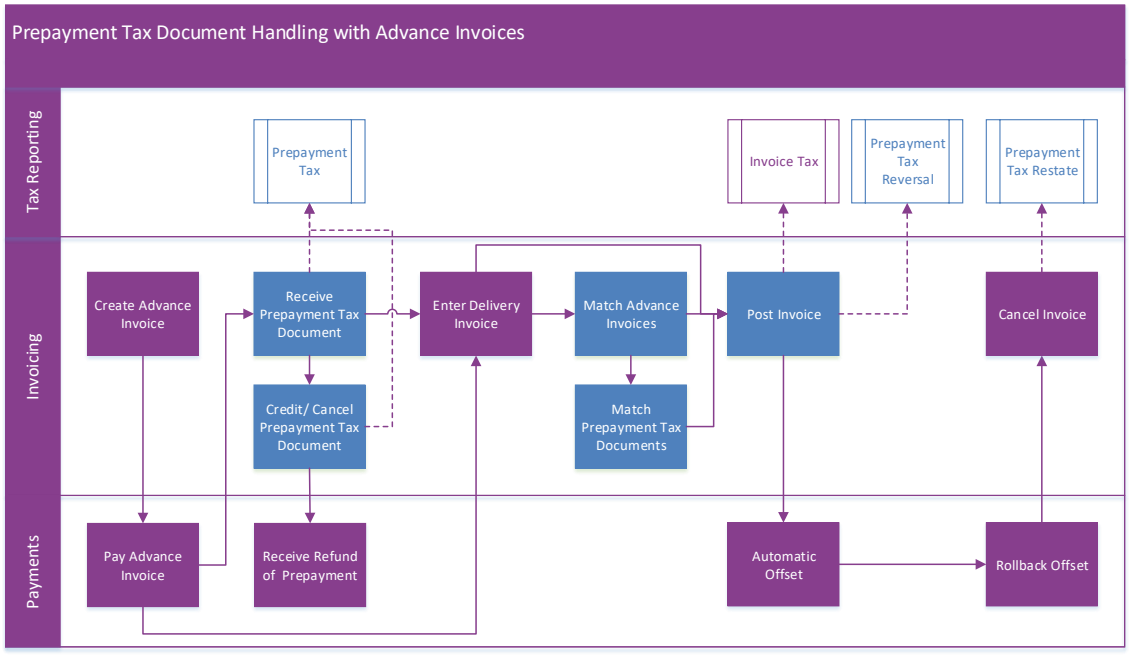
Step 3 – As per the IFS Cloud standard process, manually offset the delivery invoice and credit invoice using the ***Financials/ Accounts Receivable/ Manual Payment/ Customer Offset*** page.

Note: The currency Rate Correction option in the invoice cannot be used to roll back offset transactions, since the advance invoices cannot be matched with correction invoices.

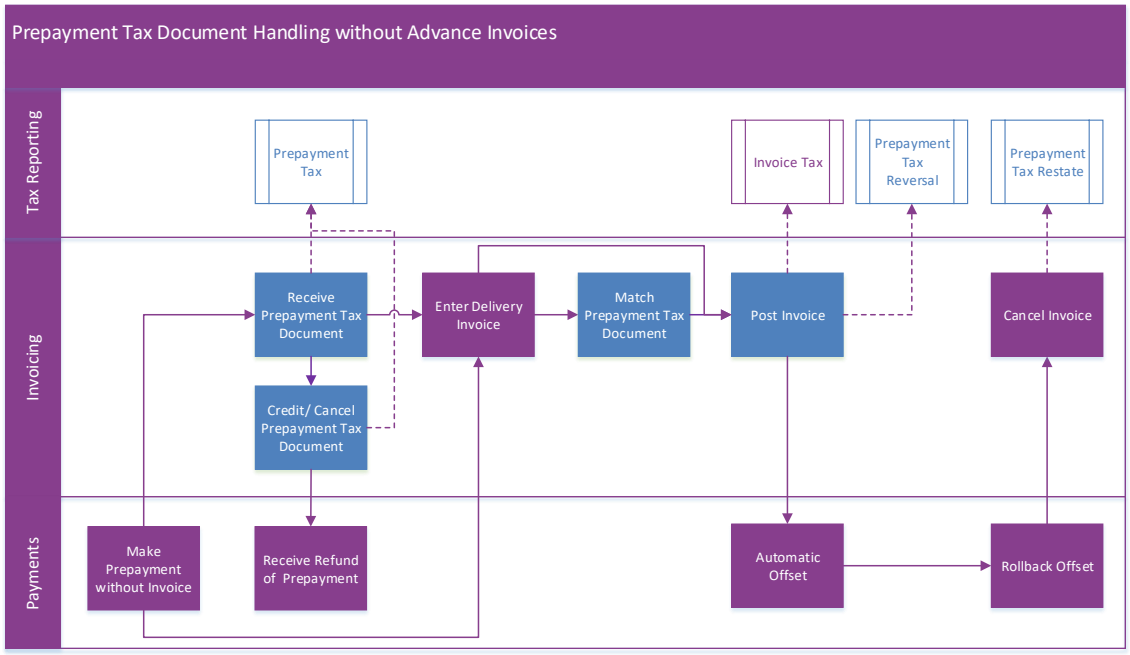
13.4 Handling Supplier Prepayment Tax Document

13.4.1 SOLUTION

13.4.1.1 Prepayments with Advance Invoices



13.4.1.2 Prepayments without Advance Invoices



- Set up basic data.
  - Create invoice types to handle prepayment tax documents. It is not mandatory to use separate invoice types.
- Make the prepayment.
  - Supplier payment in advance using advance invoice.

    - Supplier payment in advance without advance invoice.
    - Supplier payment on account.
- Enter received prepayment tax documents.
    - Create a manual supplier invoice.
    - Select the prepayment number. A column is introduced in the invoice header to select the prepayment.
    - An option is introduced to identify **Prepayment Tax Documents**.
    - Enter tax code, base amount, and tax amount. Two columns are introduced to enter the prepayment tax documents the base amount and the tax in the invoice line.
    - If required, edit the accounting currency amounts. Two columns are introduced to enter prepayment tax documents the base amount and tax amount in accounting currency.
- Enter delivery invoice.
- Match prepayments and post invoice.
    - If advance invoices are used, match the prepayments using the advance invoice matching command in *Manual Supplier Invoice*. Prepayment tax document matching is linked to the advance invoice matching command in the IFS Cloud standard process.
    - If advance invoices are not used, match the prepayment tax documents manually in invoice lines.
    - The invoice posting is modified to generate entries for prepayment tax document matching.
- Offset prepayments.
    - Prepayments made with advance invoice are offset with delivery invoice, as per the IFS Cloud standard process.
    - Prepayments made without advance invoice should be offset manually with a delivery invoice using ***Mixed Payment*** or ***Supplier Offset Proposal***, as per the IFS Cloud standard process.
- Crediting prepayment tax documents.
    - Create a manual supplier invoice.
    - Refer to the original prepayment tax document.
    - An option is introduced to identify **Prepayment Tax Documents**.
    - Enter tax code, base amount, and tax amount. Two columns are introduced to enter the prepayment tax document the base amount and tax in the invoice line.
    - If required, edit the accounting currency amounts. Two columns are introduced to enter the prepayment tax document base amount and tax amount in accounting currency.

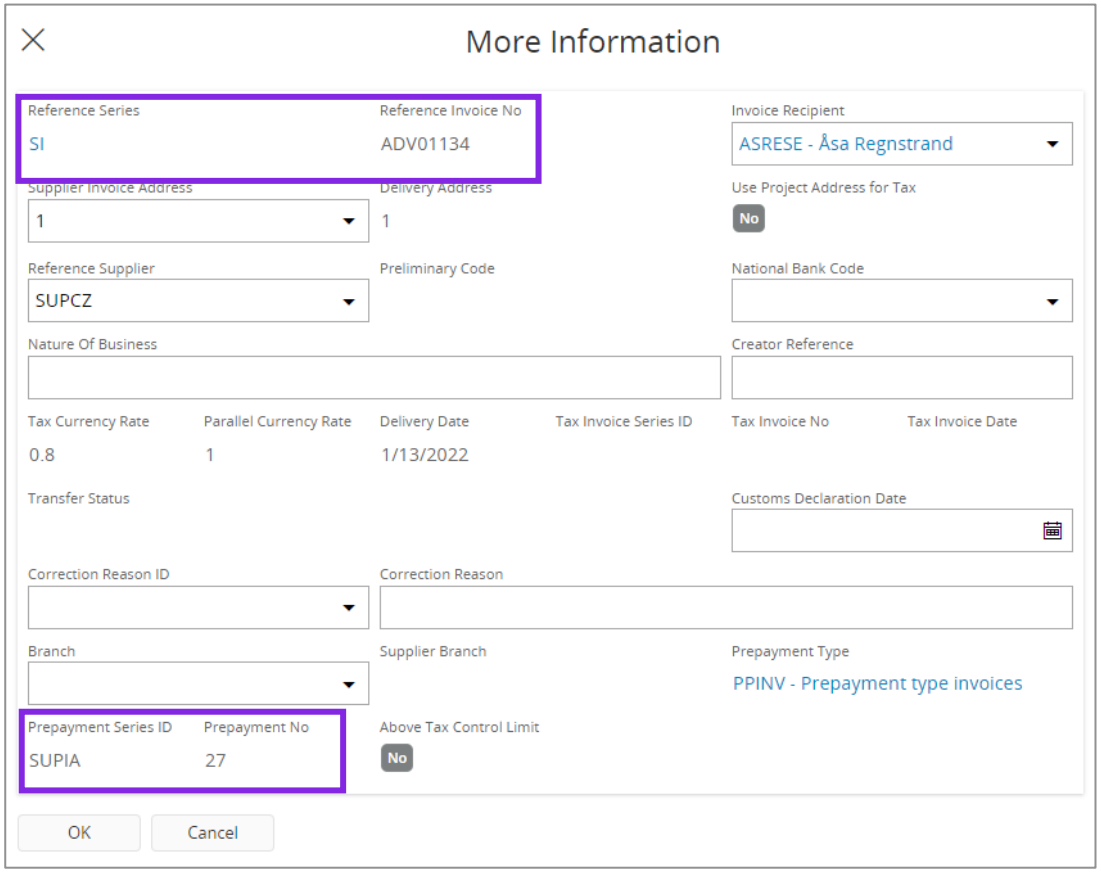
13.4.2 MAKE THE PREPAYMENT

Based on the advance invoice received from supplier, create an advance invoice by using the IFS Cloud standard manual supplier invoice flow. Make the payment to the advance invoice. This can be full payment or partial payment. There can be multiple payments for advance invoices.

If the prepayment is not based on an advance invoice received from the supplier, enter the prepayment as a supplier payment in advance or supplier payment on account. The supplier should be selected when making the payment. This is the IFS Cloud standard process.

13.4.3 ENTER RECEIVED PREPAYMENT TAX DOCUMENT

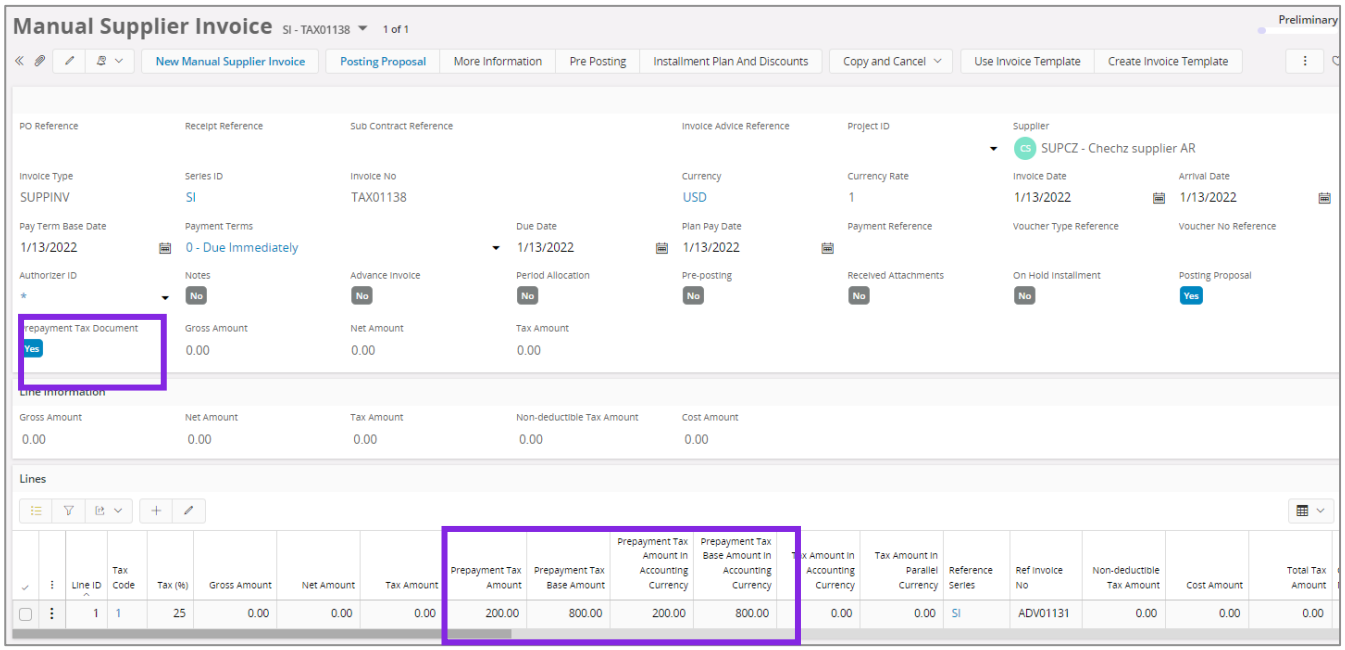
Based on the document received from supplier, create a prepayment tax document in the IFS Cloud. Go to *Financials/ Supplier Invoice/ Manual Supplier Invoice* and create a new invoice. You may select a different invoice type as required. Go to the *More Information* dialog box and select the relevant prepayment series and number in the **Prepayment Series ID** and **Prepayment No** fields.



When the prepayment number is entered,

1. The advance invoice number is fetched to the **Reference Series** and **Reference Invoice No** field in the ***More Information*** dialog box.
2. The currency rate is fetched to the **Currency Rate** and **Tax Currency Rate** fields based on the rate used in the prepayment.
3. If the **Prepayment Type** is defined in the advance invoice of the prepayment, it is fetched.
4. The **Prepayment Tax Document** option is selected.

When the prepayment is made without an advance invoice, the **Reference Series** and **Reference Invoice No** field will not be filled.



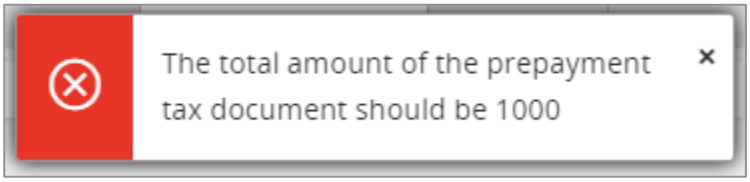
Go to lines and enter prepayments tax document lines as in the documents received from the supplier. The prepayment tax document contains the following characteristics.

- Header details such as invoice date are editable.
- The **Gross Amount, Net Amount** and **Tax Amount** is zero and not editable.
- The prepayment tax document tax amount and base amount are entered in the **Prepayment Tax Amount** and **Prepayment Tax Base Amount** columns. Negative values cannot be entered.
- Prepayment tax documents can be canceled in the **PostedAuth** status.
- The currency rate and tax currency rate are fetched to the prepayment tax document based on the rates used for the prepayment and they are editable.
- The amounts in accounting currency are calculated using tax currency rate and can be edited in the **Prepayment Tax Amount in Accounting Currency** and **Prepayment Tax Base in Accounting Currency** columns.

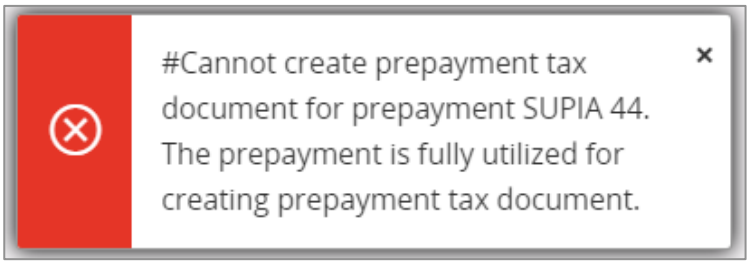
Note: Prepayment tax documents can be canceled only when it is not matched with a delivery invoice or credited.

When saving prepayment tax documents following validations are performed.

- The application validates whether total value of the prepayment tax document is equal to open amount of the prepayment.



- The application validates whether the prepayment is fully utilized for creating a prepayment tax document.



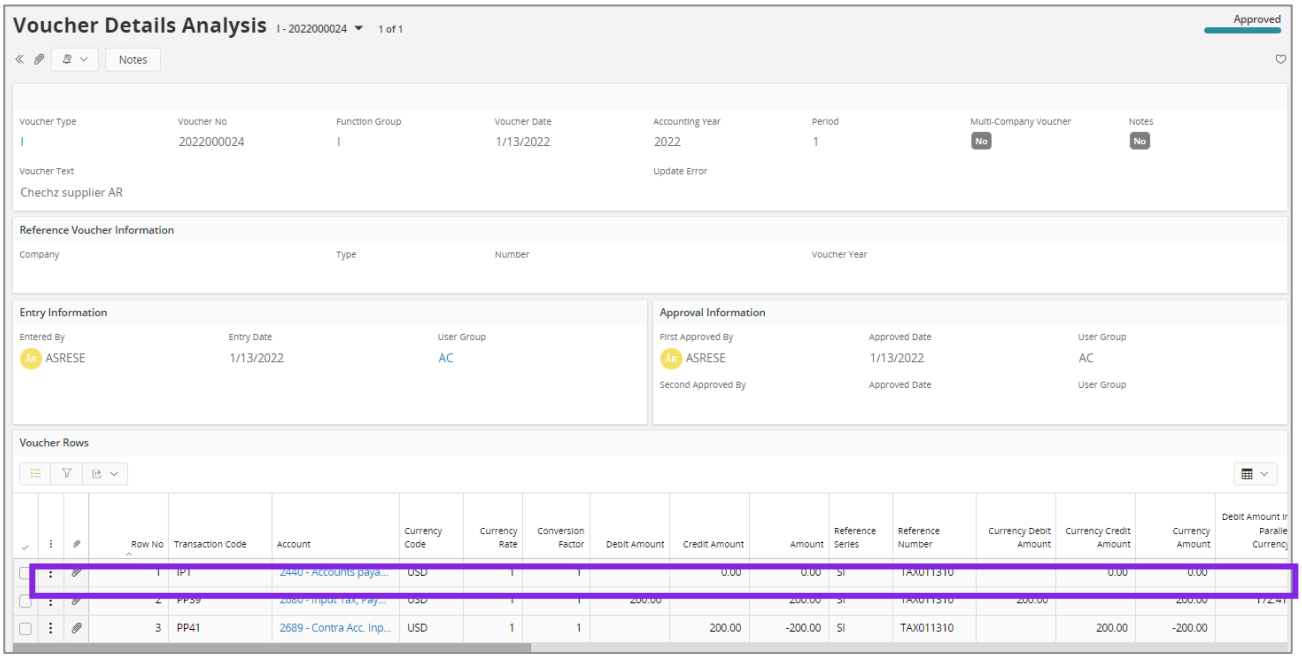
Also, the IFS Cloud standard question message for zero invoice is appearing when saving.

If posting proposal option is enabled, the prepayment tax document will be saved in preliminary status. If option, **Zero Invoices Posted According to Posting Control**, in the ***Application Base Setup/ Enterprise/ Company/ Company*** page ***Invoice/Supplier Invoice Workflow*** tab is not enabled, a zero posting line needs to be manually entered in posting proposal. Follow the IFS Cloud standard process to post it.

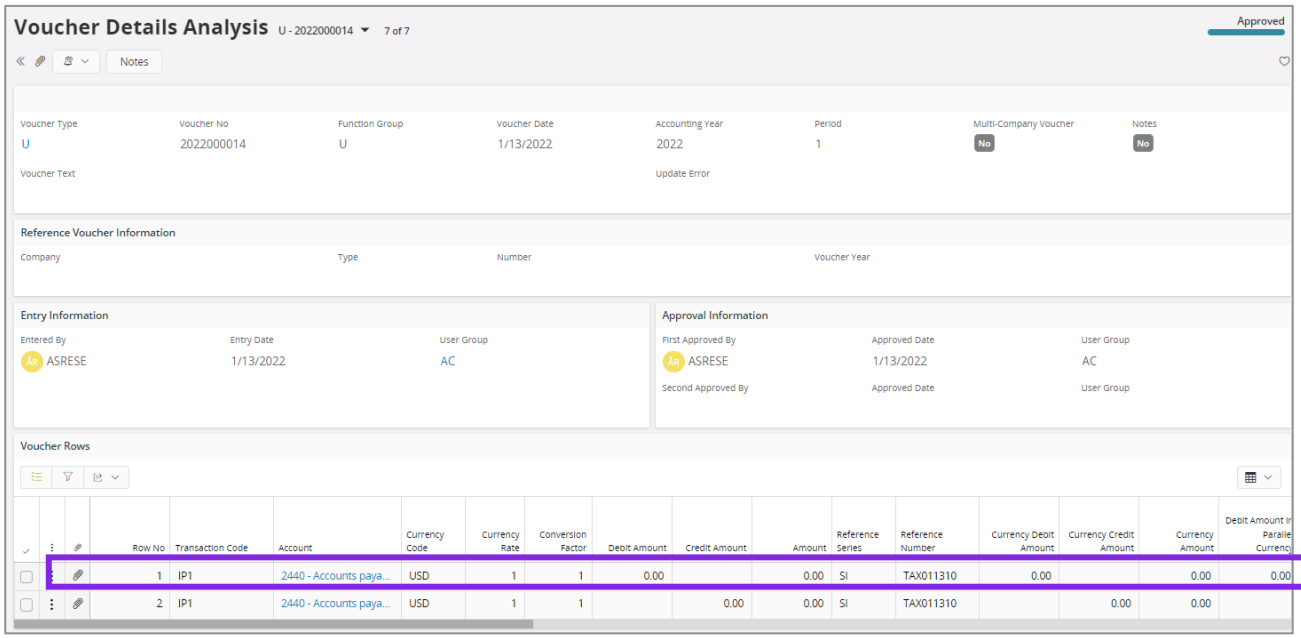
If the posting proposal option is disabled, the prepayment tax document is posted when saving the invoice. The prepayment tax document status is changed to **PaidPosted**.

The following IFS Cloud standard postings are used for posting the tax amounts of the prepayment tax document.

PP39	Received Tax, Payments in Advance	Debit
PP41	Contra Acc Received Tax, Adv Paym.	Credit



Note: Additionally, the “IP1 – Supplier Debts, Invoice” entry is created with zero amount in the “I” voucher. Also, a “U” voucher is created for the payment of invoices with zero amounts using the posting type, “IP1 – Supplier Debts, Invoice”. This is the IFS Cloud standard functionality for zero invoices.



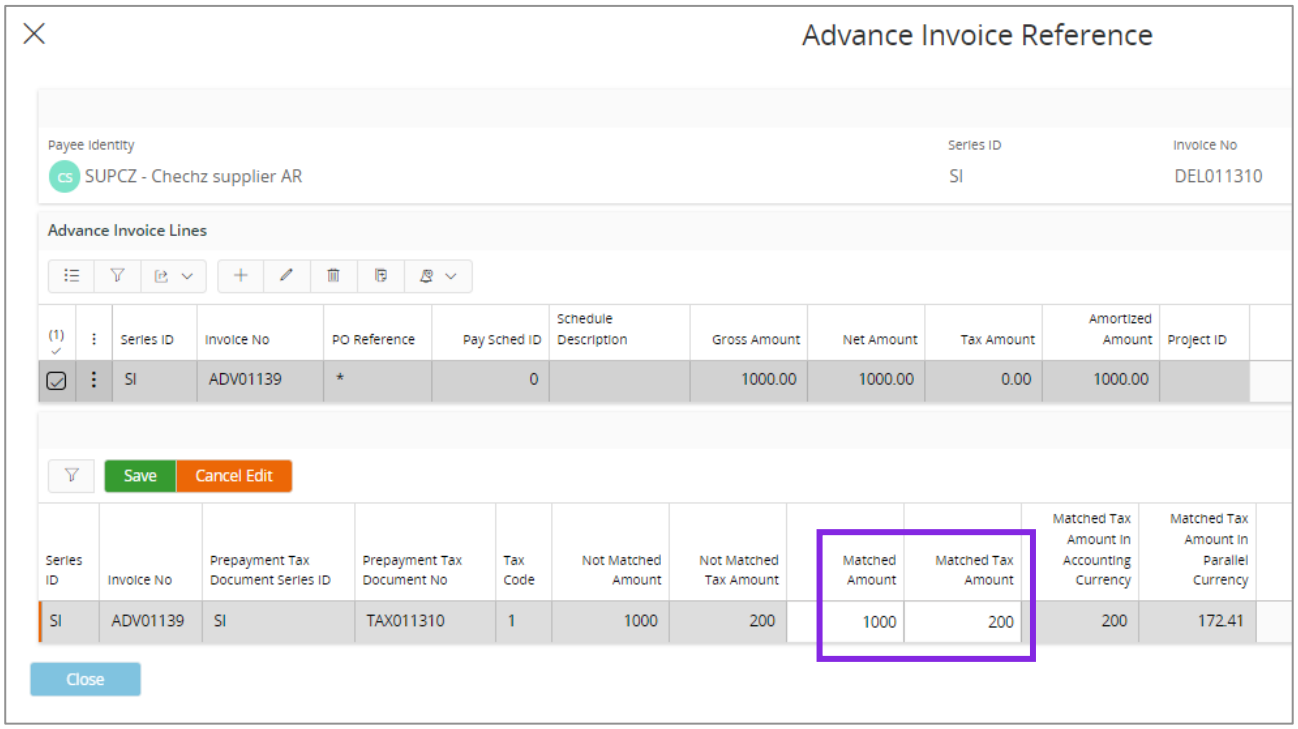
13.4.4 ENTER DELIVERY INVOICE

Enter the delivery invoice received from the supplier as per the IFS Cloud standard process and do not post the invoice before matching the prepayments.

13.4.5 MATCHING PREPAYMENTS AND POST INVOICE

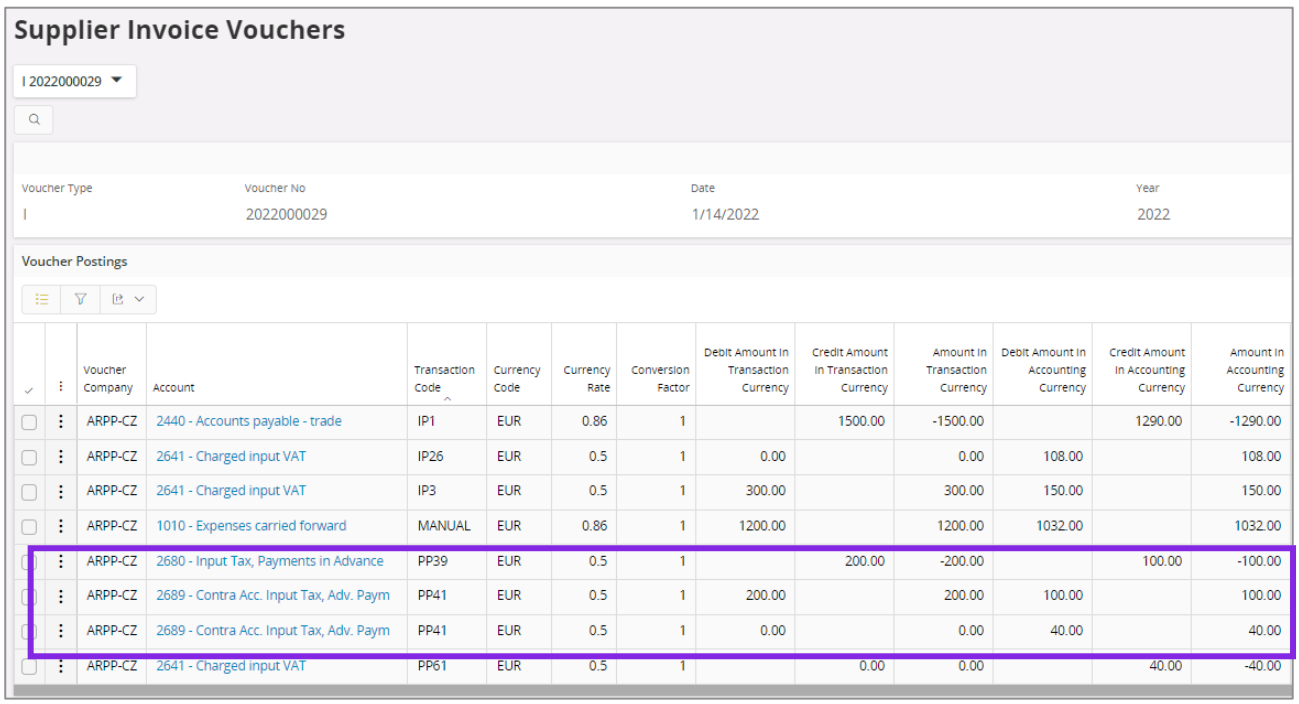
13.4.5.1 Prepayments with advance invoices

As the IFS Cloud standard process and use the **Advance Invoices** command to match advance invoices with prepayment tax documents.



Enter the prepayment tax document matched amount and matched tax amount as required and save the dialog box. Then post the invoice. The following IFS Cloud standard postings are used for reversing the tax amounts of the prepayment tax document.

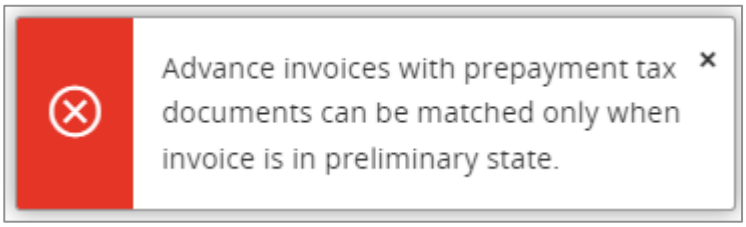
PP39	Received Tax, Payments in Advance	Credit
PP41	Contra Acc Received Tax, Adv Paym.	Debit



The accounting currency value of the tax reversal postings is calculated based on the delivery invoice currency rate. If the prepayment tax document currency rate is different from the delivery invoice currency rate, additional postings are created for the currency difference. The currency difference is posted using PP61 – Tax Currency Loss / PP62 – Tax Currency Profit and PP41 posting types.

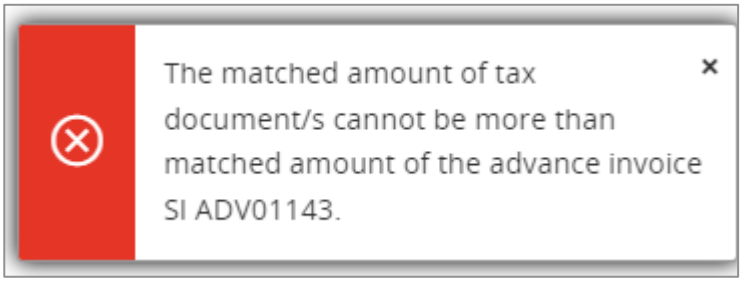
Following validations are performed when saving matched amounts of prepayment tax document lines.

- If there are prepayment tax documents attached to the advance invoice, the matching should be done only when the invoice is in a **Preliminary** state. In all other scenarios, the postings for reversing tax documents will not be created.

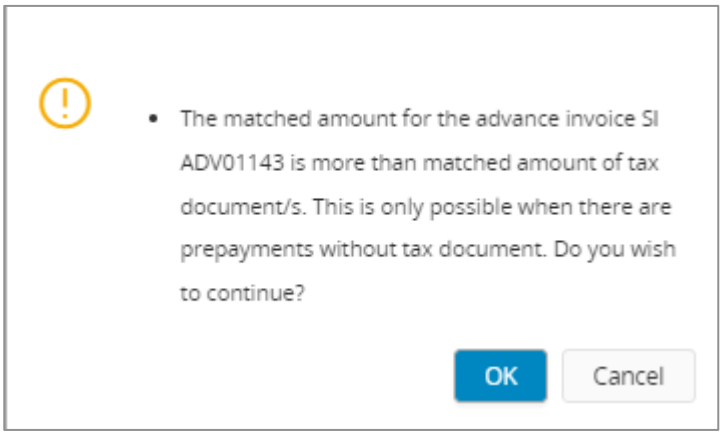


- The application validates the date order of matched prepayment tax documents, as the prepayments are offset based on date order and the following error message will appear, “The advance invoice II 9700017 contains not matched prepayment tax document lines with early payment date”

- The application validates whether matched amounts for prepayment tax document lines are not more than the matched amount of the advance invoice.



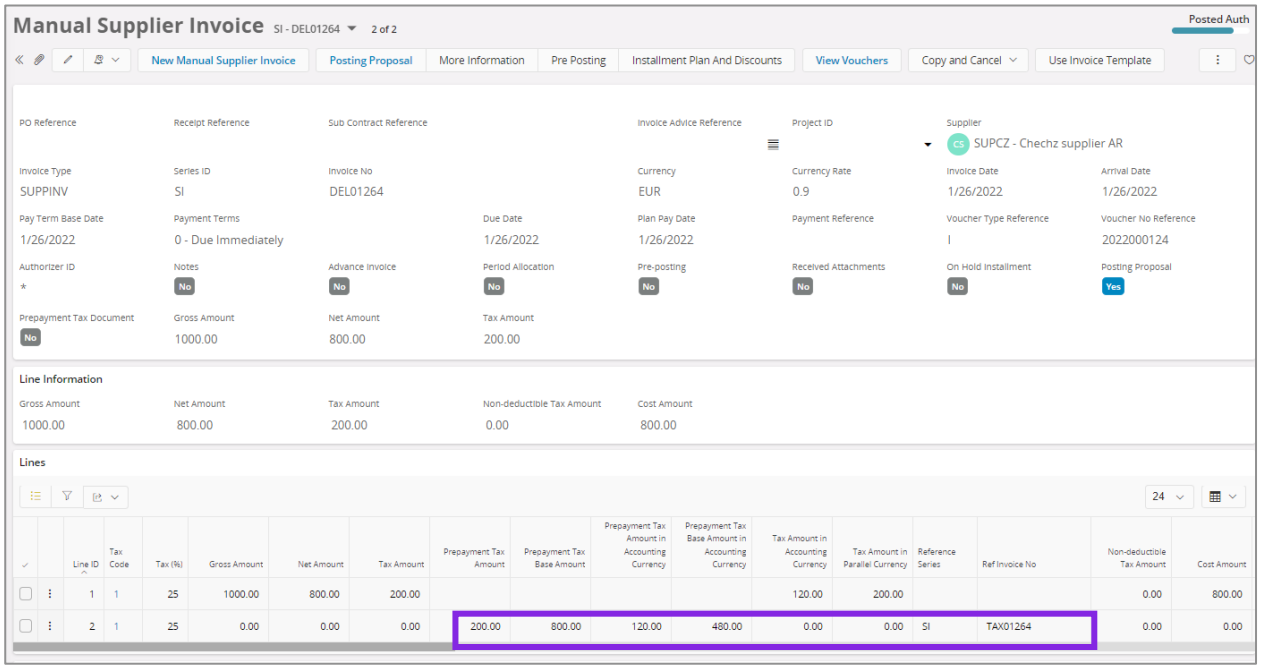
- The matched amount of the advance invoice can be more than the matched amount of the tax documents when there are prepayments without tax documents. In this scenario, the application gives the following warning message. If clicked on **OK,** the amounts will be saved.



Note: Do not use manual offset for matching prepayments with delivery invoices, when there are prepayment tax documents for the prepayment.

13.4.6 PREPAYMENTS WITHOUT ADVANCE INVOICES

Enter the delivery invoice as per the IFS Cloud standard process. Add a new line to match the prepayment tax document. Enter the relevant prepayment tax document number to the **Reference Series** and **Ref Invoice No**.



When the **Ref Invoice No** is entered the remaining **Prepayment Tax Base Amount** and **Prepayment Tax Amount** are fetched to the invoice line. This will be fetched only if the referred prepayment tax document belongs to the same supplier and is in the same currency as the delivery invoice. Edit the **Prepayment Tax Base Amount** and **Prepayment Tax Amount** as per values in the received supplier invoice. Then edit the **Prepayment Tax Base Amount in Accounting Currency** and **Prepayment Tax Amount in Accounting Currency** as per values in the received supplier invoice. The amounts in accounting currency are calculated based on the prepayment tax document currency rate when fetching the amounts and the amounts are not recalculated after changing fetched amounts.

When saving following validations are performed.

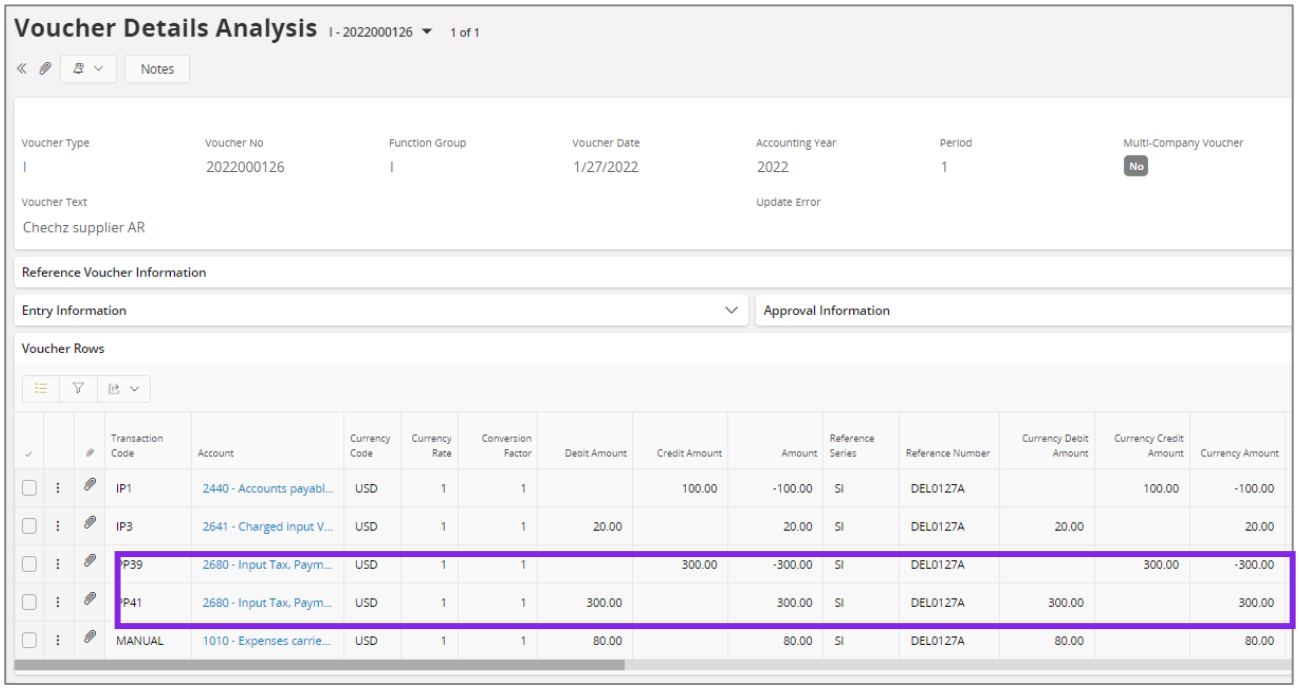
The application validates whether the tax code entered for matching exists in the prepayment tax document. If the tax codes do not exist, it will trigger the message “The entered tax code VAT10 for matching/crediting does not exist in prepayment tax document STD776.”

The application validates whether the matching amount of the prepayment tax document is in line with the remaining matching amount. If not the following message will be triggered “The maximum matching amount for the tax code VAT20 of the prepayment tax document STD 780 us 113.33.”

Then, post the invoice as per the IFS Cloud standard process. Tax on prepayment tax document is reversed as follows.

PP39	Received Tax, Payments in Advance	Credit
PP41	Contra Acc Received Tax, Adv Paym.	Debit

The reference to the prepayment tax document is available in reversal voucher lines. In the Voucher Details Analysis, the reversal voucher lines can be seen for the PP39 and PP41 postings.



Note: Do not add manual postings for the reversal of tax on prepayment.

13.4.7 OFFSET OF PREPAYMENT

13.4.7.1 Prepayments with advance invoices

The delivery invoice will be automatically offset with an advance invoice as per IFS Cloud standard functionality when advance invoices are referred using the **Advance Invoices** command.

13.4.7.2 Prepayments without advance invoices

After manually matching the prepayment tax document and posting the delivery invoice go to the ***Financials/ Cash Book/ Mixed Payment*** page and offset the delivery invoice with the relevant prepayment. *Supplier Offset Proposal.*

13.4.8 RETURNING OF GOODS AND CREDITING DELIVERY INVOICE

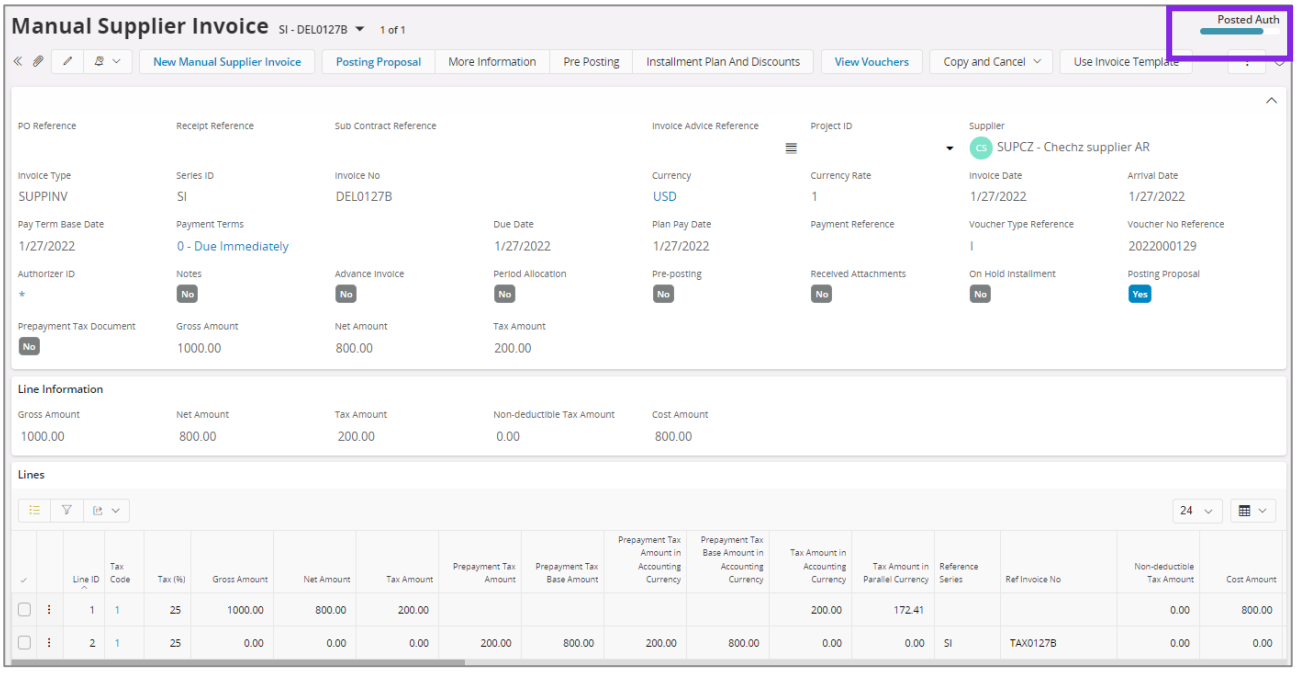
Follow the IFS Cloud standard process, to return the goods and create a credit invoice based on the credit invoice received from the supplier. It is not required to roll back the offset transaction. If the returned goods are delivered again manually offset the credit invoice. If the returned goods are not delivered and the prepayment is refunded, create a refund for the credit invoice.

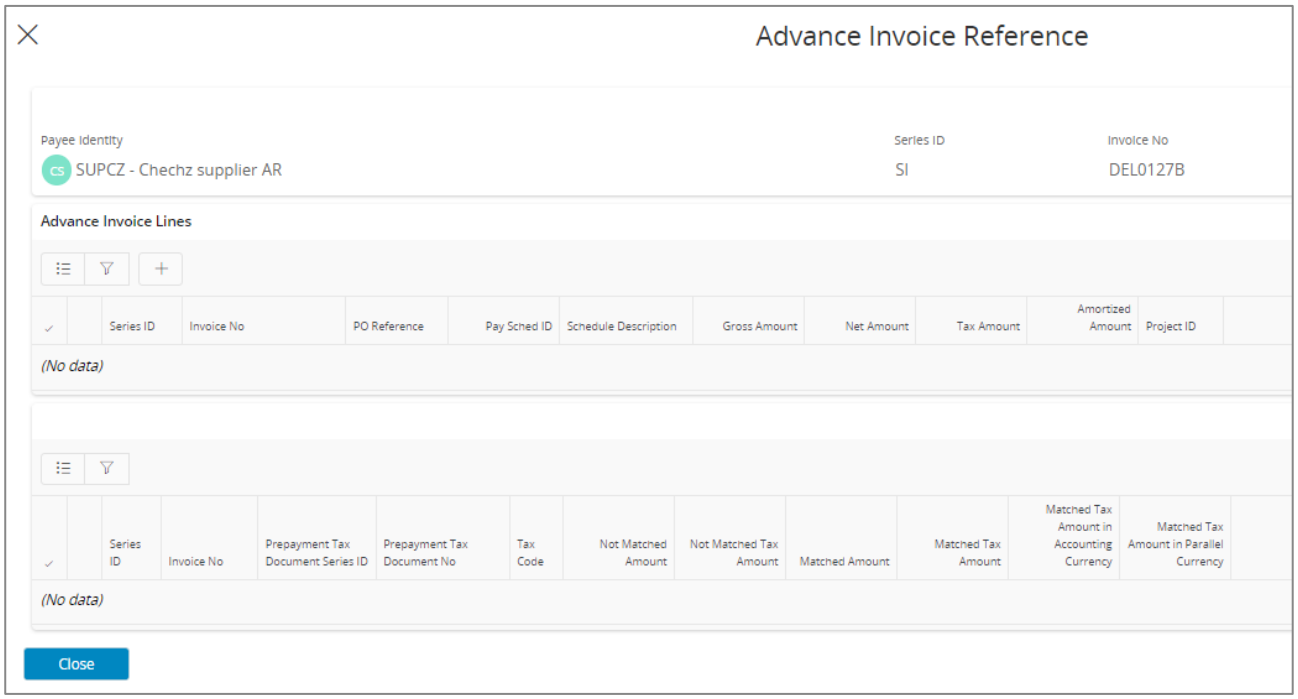
13.4.9 ROLLBACK OF OFFSET

If an offset transaction needs to be rolled back due to user errors or the issue of a new invoice by the supplier, follow the IFS Cloud standard process.

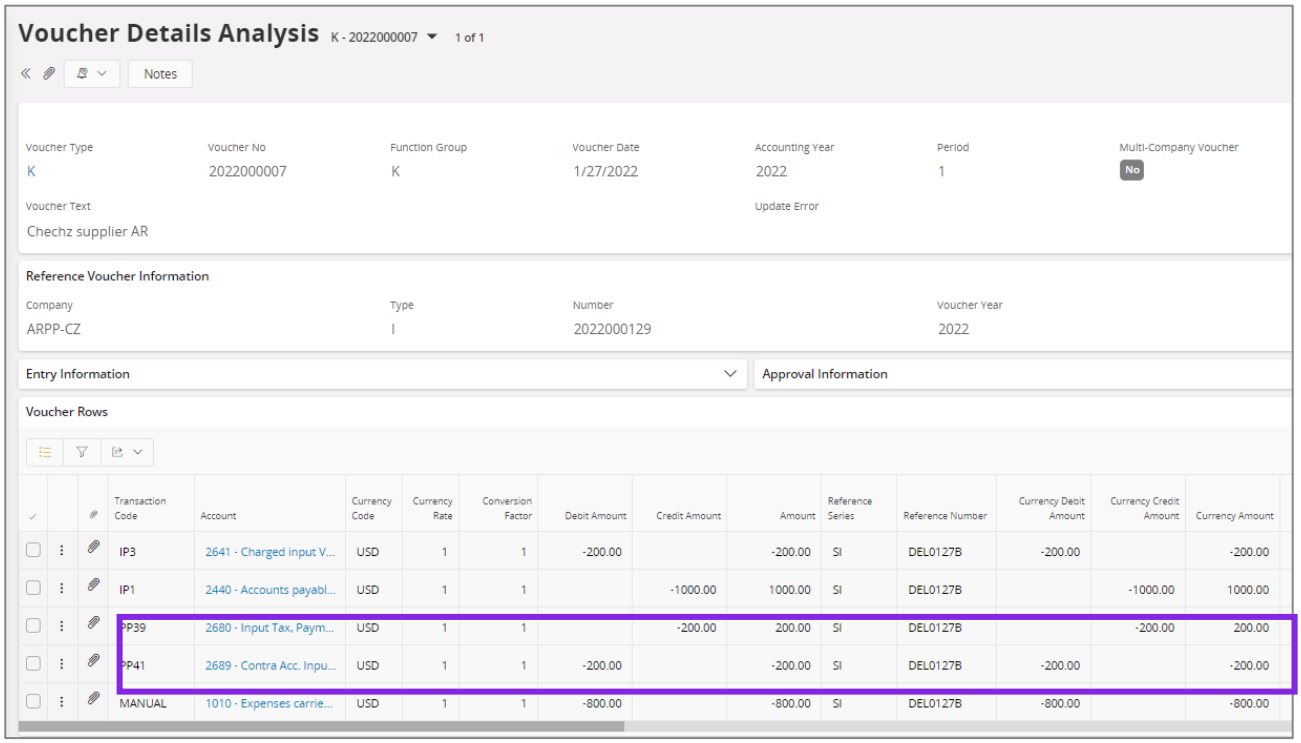
13.4.9.1 Prepayments with advance invoices

Go to *Financials/ Accounts Payable/ Manual Payment/ Supplier Payment Rollback* page and completely roll back the offset transaction. When the offset is rolled back, the delivery invoice Status is changed to **PostedAuth**. The offset transaction, including matched prepayment tax documents in the ***Advance Invoice Reference*** dialog, will get deleted when the offset transaction is rolled back.





Then cancel the delivery invoice. The reversal of tax on prepayment tax documents will be restated when the invoice is canceled.



Enter a new delivery invoice and re-match the advance invoice as per the invoice received from the supplier.

13.4.9.2 Prepayments without advance invoices

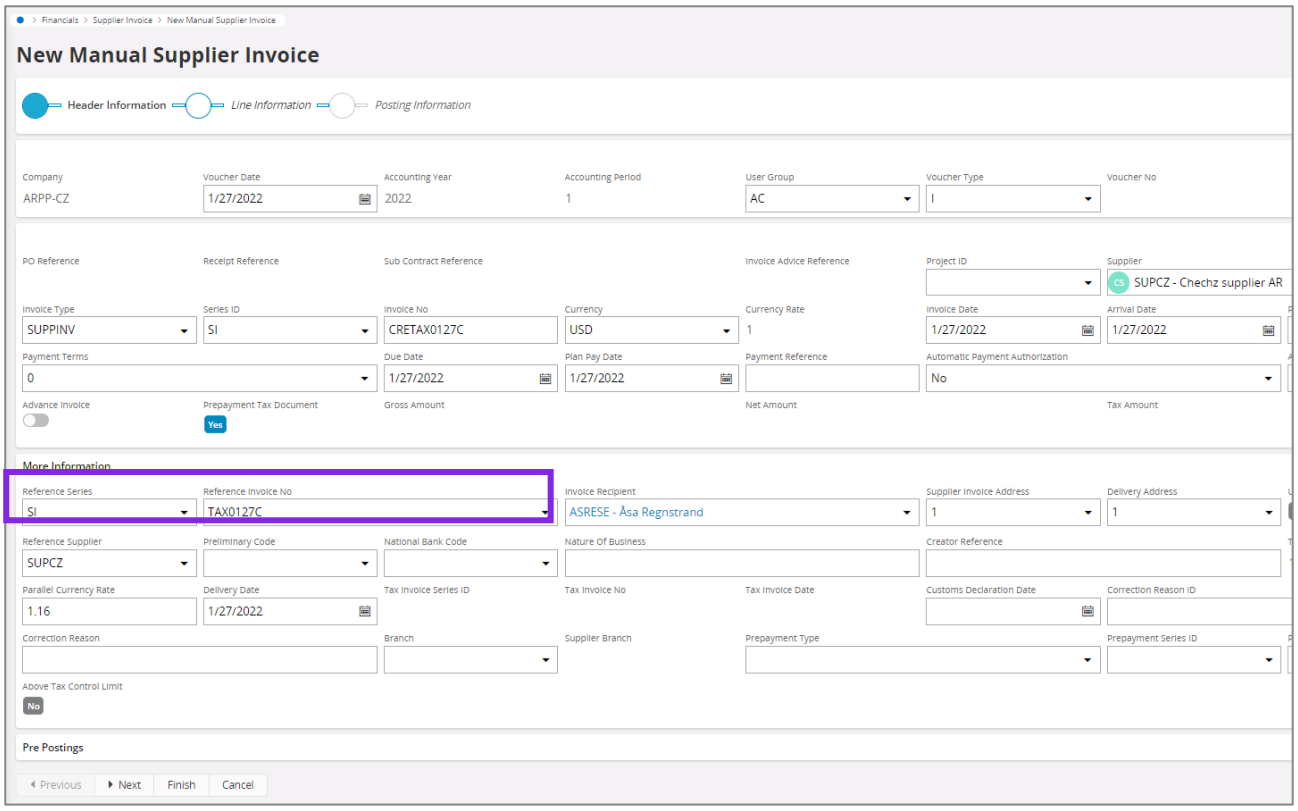
Go to the ***Financials/ Cash Book/ Mixed Payment*** page and cancel the payment. When the offset is rolled back, the delivery invoice **Status** is changed to **PostedAuth**. Then cancel the delivery

invoice. The reversal of tax on prepayment tax documents will be restated when the invoice is canceled. Enter a new delivery invoice and re-match the prepayment tax documents as per the invoice received from the supplier. Then offset prepayment in ***Mixed Payment***. If the offset is done in ***Financials/ Accounts Payable/ Manual Payment/ Supplier Offset Proposal***, the rollback of the offset is done in ***Financials/ Accounts Payable/ Manual Payment/ Supplier Payment Rollback*** page.

13.4.10 CREDITING PREPAYMENT TAX DOCUMENT

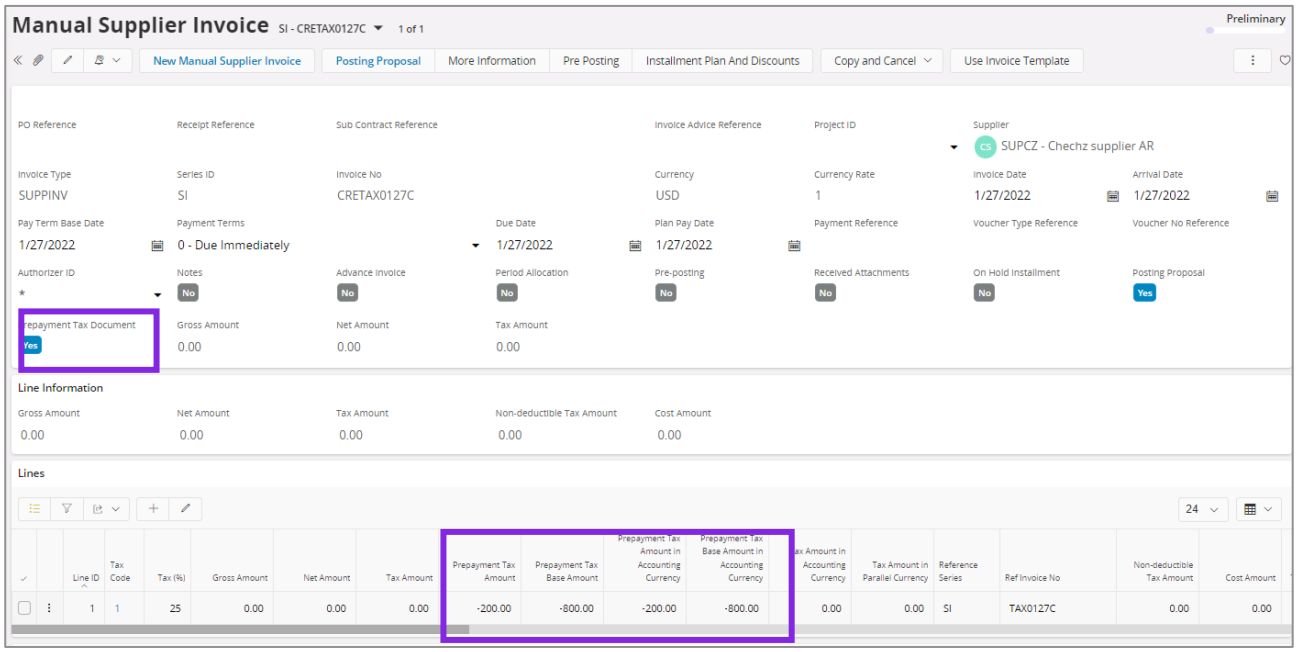
When part of the prepayment is matched, and the remaining amount is refunded by the supplier, the prepayment tax documents attached to the prepayment are credited with the remaining amount.

Based on the document received from the supplier, create a credit prepayment tax document in the application. Go to *Financials/ Supplier Invoice/ Manual Supplier Invoice* and create a new invoice. You may select a different invoice type as required. Go to the ***More Information*** section and select the relevant prepayment tax document to be credited in **Reference Series** and **Reference Invoice No**.



When a prepayment tax document of the same supplier in the same currency is selected in **Reference Invoice No**, the **Prepayment Tax Document** option will be selected.

The currency rate is fetched to the **Currency Rate** and **Tax Currency Rate** fields based on the debit tax document. If the currency rate is different from the credit tax document received from the supplier change it as required.



Go to lines and enter prepayments tax document lines as in the documents received from the supplier. The prepayment tax amount and base amount are entered in the **Prepayment Tax Amount** and **Prepayment Tax Base Amount** columns**.** Positive values cannot be entered.

When saving prepayment tax documents,

The application validates whether the tax code entered for matching exists in the prepayment tax document. If the tax codes do not exist, it will trigger the message “The entered tax code VAT10 for matching/crediting does not exist in prepayment tax document STD776.”

The application validates whether the remaining amount of the prepayment tax document is entered for crediting. If not the following message is triggered “The total amount for tax code VAT20 should be 240 when crediting prepayment tax document STD 713”.

If the posting proposal option is enabled, the prepayment tax document will be saved in preliminary status. If the option, **Zero Invoices Posted According to Posting Control**, in the ***Application Base Setup/ Enterprise/ Company/ Company*** page ***Invoice/ Supplier Invoice Workflow*** tab is not enabled, a zero posting line needs to be manually entered in the posting proposal. Follow the IFS Cloud standard process to post it.

If the posting proposal option is disabled, the prepayment tax document is posted when saving the invoice. The prepayment tax document status is changed to **PaidPosted**.

The following IFS Cloud standard postings are used for posting the tax amounts of the prepayment tax document.

PP39	Received Tax, Payments in Advance	Credit
PP41	Contra Acc Received Tax, Adv Paym.	Debit

13.5 Dependencies with Other Functionalities

13.5.1 POSTING PREPAYMENTS BASED ON PREPAYMENT TYPE

The functionality for Posting Prepayment Based on Prepayment Type has been removed as a country-specific functionality. It is now available as a generic functionality. Information and more details can be found in the Finance News Presentation for the IFS Cloud 21R2.

14 Extended Voucher Detail Report

14.1 Overview Legal Requirement

It is a legal requirement in the Czech Republic to print accounting documents for vouchers created based on accountable transactions and events. The accounting documents should be printed based on created vouchers and should be presented on demand during financial audits or inspections by the tax office.

14.2 Solution

The IFS Cloud standard report, **Voucher Detail Report** is issued as the accounting document. The following additional information is added to the Report Definition Format (RDF).

- Company address.
- Company association number.
- Voucher type and number reference in voucher header.
- Reference series and number in voucher lines.

14.3 Prerequisites

The company must be set up to use Czech Republic localization, see chapter Company Setup and the parameter **Extended Voucher Detail Report** must be enabled.

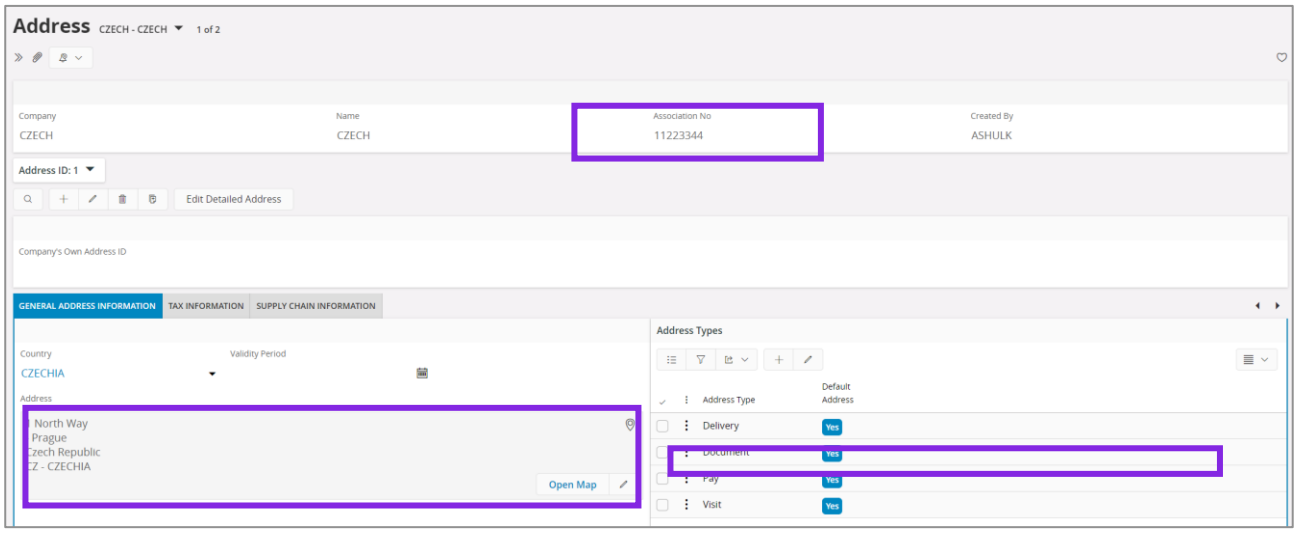
14.4 Print Accounting Document

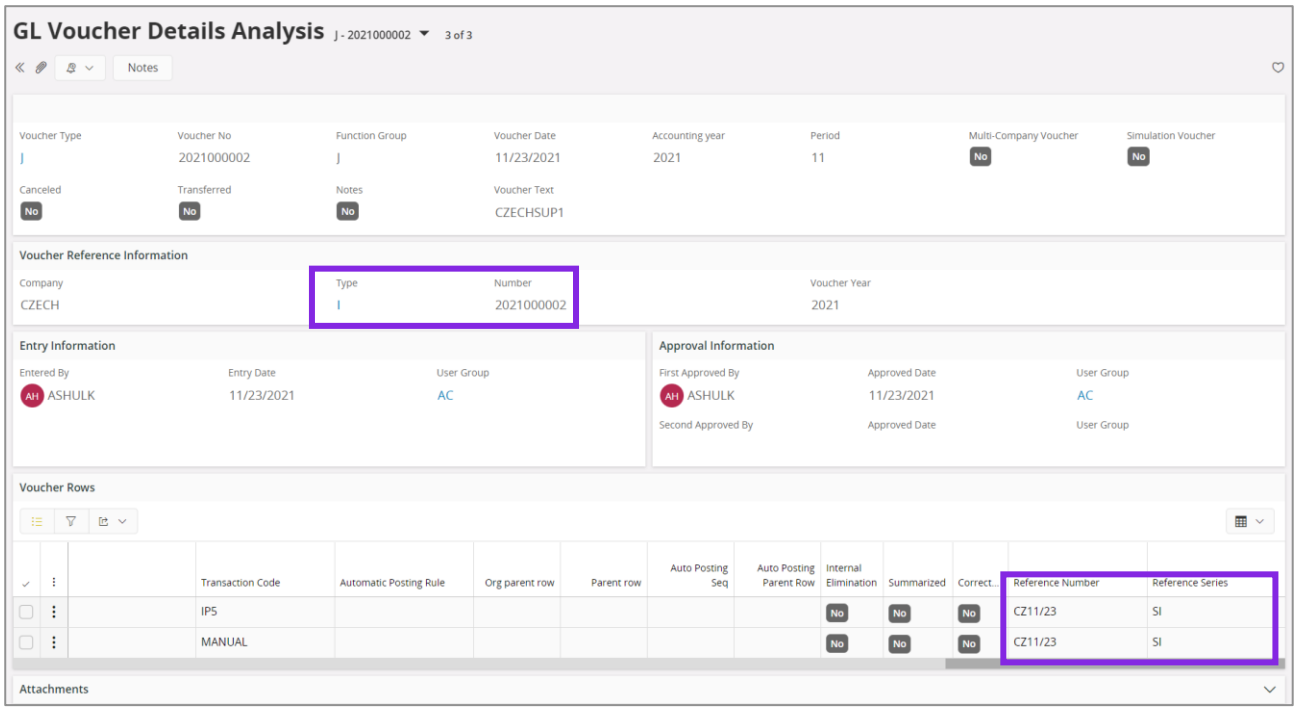
As per the IFS Cloud standard process go to ***Financials/ General Ledger/ GL Reports/ GL Voucher Detail Report*** to generate the report.

The following additional details are available in the report XML.

To generate the report XML, go to ***Reporting/Print Manager***.

Information	Tag
Company address	COMPANY_ADDRESS
Company association number	COMPANY_ASSOCIATION_NO
Voucher type reference in header	VOUCHER_TYPE_REFERENCE
Voucher number reference in the header	VOUCHER_NO_REFERENCE
Voucher line reference series	REFERENCE_SERIE
Voucher line reference number	REFERENCE_NUMBER


Address
CZECH - CZECH
1 of 2
Company
CZECH
Name
CZECH
Association No
11223344
Created By
ASHULK
Address ID: 1
Edit Detailed Address
Company's Own Address ID
GENERAL ADDRESS INFORMATION
TAX INFORMATION
SUPPLY CHAIN INFORMATION
Country
CZECHIA
Validity Period
Address
North Way
Prague
Czech Republic
CZ - CZECHIA
Open Map
Address Types
Address Type
Default Address
Delivery
Yes
Visit
Yes


GL Voucher Details Analysis
J - 2021000002
3 of 3
Notes
Voucher Type
J
Voucher No
2021000002
Function Group
J
Voucher Date
11/23/2021
Accounting year
2021
Period
11
Multi-Company Voucher
No
Simulation Voucher
No
Canceled
No
Transferred
No
Notes
No
Voucher Text
CZECHSUP1
Voucher Reference Information
Company
CZECH
Type
I
Number
2021000002
Voucher Year
2021
Entry Information
Entered By
ASHULK
Entry Date
11/23/2021
User Group
AC
Approval Information
First Approved By
ASHULK
Approved Date
11/23/2021
User Group
AC
Second Approved By
Approved Date
User Group
Voucher Rows
Transaction Code
Automatic Posting Rule
Org parent row
Parent row
Auto Posting Seq
Auto Posting Parent Row
Internal Elimination
Summarized
Reference Number
Reference Series
IP5
No
No
No
CZ11/23
SI
MANUAL
No
No
No
CZ11/23
SI
Attachments

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    <CURRENCY_RATE>1</CURRENCY_RATE>
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14.5 **Delimitations**

Not defined.