



iBaanERP Common - VAT Setup

Setting up Import/ Export Codes for non-EU Countries - Functional Change

Solution

139560

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1. Explanation

1.1 Purpose of the document

This document describes the functional change and how to deal with it after installing solution 139560.

Note: In this document is referred to 'old' functionality as the functionality before solution 139560, whereas the 'new' functionality is pointing to the changes coming with Solution 139560.

1.2 Problem description: Sales vs. Purchase

For trade between non-EU countries, no specific import and export codes could be defined. Therefore the Tax Code and Tax Country on the Sales and Purchase Order Line remained <blank>. However, especially for non EU transactions it is very hard to fill in the VAT declaration, as all invoices between two non EU countries contained "Tax Country" in combination with the <blank> Tax Code.

1.2.1 Problem example; when entering data

Suppose an iBaanERP company located in the Czech republic. When this company does a simple sales order from a Czech Sales Office and a Czech Warehouse to a Bulgarian customer, the old functionality showed "BU" <blank>; (or optionally "BU" i.c.w. "HIGH" VAT)

Tax Code	BU	▶		▶	No VAT
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When the same Czech iBaanERP company entered a Sales Invoice for service related activities, also for a Bulgarian Business Partner, the same "BU" <blank> Tax Code;

Tax Code	BU	▶		▶	No VAT
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Even in case when inserting a Purchase Invoice 'Related to Order' in tfacp1110s000, the "BU" <blank> Tax Code appears.

Tax Code	BU	▶		▶	No VAT
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1.2.2 Problem example; finance results

All three transactions will store a VAT record in table “Tax Analysis” (tfgld110). This can be seen in session “Tax Analysis” (tfgld1520m000).

Doc Date	Document	Line Number	Ship-from	Ship-to	Invoice-from	Invoice-to
06/01/04	ACR	20011047	0	0	CZ	BU
06/01/04	SLO	20030144	2	0	CZ	BU
08/01/04	ACP	20032017	0	0	BU	CZ

The first record (ACR) is a manual sales invoice from tfacr1110s000, the second (SLO) is the result of a processed Sales/Warehouse Order. The third record (ACP) originates from tfacp1110s000 and is a Purchase Invoice ‘Related to Order’. Only manually these records can be distinguished. When processing thousands of records each month, this is too much work. Technically it is possible, though.

1.3 References

Next references are or can be consulted:

Case # 1064626

2. Functional solution

2.1 Goal

The added functionality tries to close the gap for non EU Countries when filling in their VAT declaration. This is because two important Tax Codes, “Import” and “Export”, have become available for non-EU countries.

2.2 Functional Changes

Session “EU Tax Handling” (tcmcs0538m000) has been changed. Previously this session was especially designed for EU Tax Handling and hence it was only possible to store records for EU Countries;

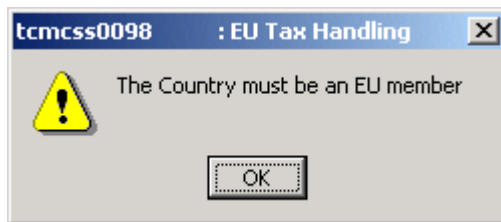
The screenshot displays two overlapping windows from the iBaanERP system. The background window, titled 'tcmcs0538m000 : EU Tax Handling [211]', features a menu bar (File, Edit, View, Group, Workflow, Tools, Specific, Window, Help) and a toolbar with various icons. Below the toolbar, the 'Financial Company' is set to '211'. A table with the following columns is visible:

	Country	Description	Item
	NL	the Netherlands	

The foreground window, titled 'tcmcs0138s000 : EU Tax Handling [211]', provides a detailed view. It includes fields for 'Financial Company' (211), 'Country' (NL), and 'Description' (the Netherlands). Below these, there are empty fields for 'Item'. A 'Close' button is located in the top right corner. A section titled 'Tax Codes' contains a list of codes and their descriptions:

Tax Codes		
ICT Sales	ICTSLS	Intra Community Supply
ICT Purchase	ICTPUR	Intra Community Acquisition
Import	IMPORT	Import from outside EC
Export	EXPORT	Export to outside EC

Trying to insert a record for a non EU Country resulted in an error message;



Consequently, it was not possible to store separate Tax Codes for Import and Export for Non EU Countries. This has been changed.

The session has been renamed to “Tax Handling”, allowing non EU Countries to create records as well. But, as the “ICT Sales” and “ICT Purchase” fields are strictly referring to Internal EU Goods Transactions, these two fields will be disabled. So when entering a record for f.i. “CZ” (Czech Republic, not part of the EU), then this screen will appear;

2.3 Example - Sales

The same Sales Order from paragraph 1.3 (which previously was logged with “BU” <blank>) will now be logged with “CZ” “Export”;

Doc Date	Document	Line Number	Ship-from	Ship-to	Invoice-from	Invoice-to
06/01/04	SLO	20030145	2	0	CZ	BU

This will provide a more accurate overview of all logged transactions and hence make VAT declaration easier.

3. Setup

3.1 Installation of this solution

Before installing the solution, a decision must be made whether to implement this solution or not. Even if this solution is downloaded and installed, it still can be bypassed if none of the next steps below are executed. In this way the old functionality will remain “as is”.

The reason behind this idea is that the system will look for available records, but in case no record is found for a non-EU country, it will continue determining the Tax Country and Tax Code the same way as it was.

When installing the solution in order to be able to define the two new Tax Codes “Export” and “Import” for Non EU countries, please make sure that the change is done at the right time, i.e. when a Tax Reporting period is over. Technically it is possible to do it halfway a Tax Reporting period, but this makes the gathering of all Tax Reporting data much more complicated and needs to be checked manually.

After installing this solution, the following steps need to be done in order to define a correct VAT setup for non EU Countries. Please be aware that the Tax Country previously showed the “ship-to country”, whereas it is currently “ship-from” based. So, for instance for an iBaanERP Company located in the Czech Republic, it is only necessary to execute these steps;

Step 1: Add the two Tax Codes to the “Tax Codes by Country” session (tcmcs0536m000).

Tax Code	Description	Tax Type	Singular Tax	Text
EXPORT	Export from Czech Republic	Normal	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HIGH	High VAT	Normal	<input checked="" type="checkbox"/>	<input type="checkbox"/>
IMPORT	Import into Czech Republic	Normal	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LOW	5% VAT	Normal	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Step 2: Add the two Tax Codes to “Tax Handling” session (tcmcs0538m000).

The screenshot shows two overlapping windows. The background window is titled "tcmcs0538m000 : Tax Handling [User: rburman] [211]". It has a menu bar (File, Edit, View, Group, Workflow, Tools, Specific, Window, Help) and a toolbar. Below the toolbar, there are fields for "Financial Company" (211) and "Vertex Company". A table lists tax codes:

Country	Description	Item
CZ	Czech Republic	
D	Duitsland	

The foreground window is titled "tcmcs0138s000 : Tax Handling [User: rburman] [211]". It contains fields for "Financial Company" (211), "Country" (CZ), and "Item". Below these are "Tax Codes" for "ICT Sales", "ICT Purchase", "Import", and "Export". The "Import" and "Export" codes are set to "IMPORT" and "EXPORT" respectively, with descriptions "Import into Czech Republic" and "Export from Czech Republic". On the right side of this window are buttons: Close, Save, Revert, and Help.

Step 3: Try inserting a Sales Order (Line), session tdsls4500m000/tdsls4501m000

When the goods are send abroad to a customer not located in the same country as the home company, the “CZ” “Export” combination should pop up;

The screenshot shows a window titled "tdsls4101s000 : Sales-Order Lines [User: rburman] [201]". It has a tabbed interface with tabs: General, Selling, Shipping, Invoicing, Warehouse, Reference, Inventory, and Changes. The "General" tab is active. It displays fields for "Position Number" (100005028, 3), "Item" (ARB-ROUTER), "Price" [pcs] (130.00), "Invoice Number" (0), "Amount" [EUR] (130.00), and "Tax Code" (CZ, EXPORT). The "EXPORT" code is selected, with a description "Export from Czech Republic". On the right side are buttons: Close, Save, Revert, Text, Disengage, Details, and Help.

If this is the case, proceed with step 4.

If this is not the case, please check whether the company data is set up correct and whether the data on the Sales Order (Line) corresponds with an export situation as referred to above. If the data setup seems ok and still an incorrect Tax Country and/or Tax Codes is popping up, please contact SSA Global Baan Support.

Step 4: Try inserting a Purchase Order (Line), session tdpur4500m000/tdpur4501m000

When ordering an item from a Supplier located outside the Czech Republic (even in the EU), the “CZ” “Import” combination should pop up;

If this is the case, installation has succeeded!

If this is not the case, please check whether the company data is set up correct and whether the data on the Purchase Order (Line) corresponds with an import situation as referred to above. If the data setup seems ok and still an incorrect Tax Country and/or Tax Codes is popping up, please contact SSA Global Baan Support.

4. Technical info

4.1 Releases

Solution 139560 has been built into iBaanERP 5.0c and BaanERP 5.2a

4.2 Menu changes

Session “EU Tax Handling” has been renamed to “Tax Handling”. However, the main menu in BaanERP (mtccom00000000) has not been changed, due to technical restrictions. Please be aware that the menu item will stay “EU Tax Handling”, although this is not influencing the old or new functionality.

4.3 Tax Analysis

Session “Tax Analysis” did not change either. However, report “Print EU Tax Handling” (tfgld1422m000) can be used to print information from non-EU countries as well. This was already the case, although the title is confusing.