

Oracle® Financials for Korea

User Guide

Release 11*i*

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Oracle Financials for Korea User Guide, Release 11*i*

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Oracle Corporation welcomes your comments and suggestions on the quality and usefulness of this user guide. Your input is an important part of the information used for revision.

- Did you find any errors?
- Is the information clearly presented?
- Do you need more information? If so, where?
- Are the examples correct? Do you need more examples?
- What features did you like most?

If you find any errors or have any other suggestions for improvement, please indicate the document title and part number, and the chapter, section, and page number (if available). You can send comments to us in the following ways:

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If you would like a reply, please give your name, address, telephone number, and (optionally) electronic mail address.

If you have problems with the software, please contact your local Oracle Support Services.

Preface

Welcome to Release 11*i* of the *Oracle® Financials for Korea User Guide*.

This user guide includes information to help you effectively work with Oracle Financials for Korea and contains detailed information about the following:

- Overview and reference information
- Specific tasks that you can accomplish with Oracle Financials for Korea
- Oracle Financials for Korea programs, reports, and listings
- Oracle Financials for Korea functions and features

This preface explains how this user guide is organized and introduces other sources of information that can help you use Oracle Financials for Korea.

About this Country-Specific User Guide

This user guide documents country-specific functionality developed for use within your country and supplements our core Financials user guides. This user guide also includes tips about using core functionality to meet your country's legal and business requirements, as well as task and reference information.

- Chapter 1 describes Oracle Payables for Korea, including withholding tax setup and reporting. This chapter also describes how to enter withholding and VAT information for your suppliers.
- Chapter 2 describes Oracle Receivables for Korea, including how to enter VAT information for your customers.
- Chapter 3 describes VAT setup and reporting in Korea.
- Chapter 4 describes Oracle Assets for Korea, including the Korean Depreciation Detail by Assets report and the Korean Depreciation Adjustment Detail report.
- Appendix A describes how to use globalization flexfields.

Audience for this Guide

This guide assumes you have a working knowledge of the following:

- The principles and customary practices of your business area.
- Oracle Financials for Korea.

If you have never used Oracle Financials for Korea, we suggest you attend one or more of the Oracle training classes available through Oracle University.

- The Oracle Applications graphical user interface.

To learn more about the Oracle Applications graphical user interface, read the *Oracle Applications User Guide*.

See Other Information Sources for more information about Oracle Applications product information.

Other Information Sources

You can choose from other sources of information, including online documentation, training, and support services, to increase your knowledge and understanding of Oracle Financials for Korea.

If this user guide refers you to other Oracle Applications documentation, use only the Release 11*i* versions of those guides unless we specify otherwise.

Online Documentation

All Oracle Applications documentation is available online (HTML and PDF). The technical reference guides are available in paper format only. Note that the HTML documentation is translated into over twenty languages.

The HTML version of this guide is optimized for onscreen reading, and you can use it to follow hypertext links for easy access to other HTML guides in the library. When you have an HTML window open, you can use the features on the left side of the window to navigate freely throughout all Oracle Applications documentation.

- You can use the Search feature to search by words or phrases.
- You can use the expandable menu to search for topics in the menu structure we provide. The Library option on the menu expands to show all Oracle Applications HTML documentation.

You can view HTML help in the following ways:

- From an application window, use the help icon or the help menu to open a new Web browser and display help about that window.
- Use the documentation CD.
- Use a URL provided by your system administrator.

Your HTML help may contain information that was not available when this guide was printed.

Related User Guides

This user guide documents country-specific functionality developed in addition to our Oracle Financials core products. Because our country-specific functionality is used in association with our core Financials products and shares functional and setup information with other Oracle Applications, you should consult other related user guides when you set up and use Oracle Financials for Korea.

You can read the guides online by choosing Library from the expandable menu on your HTML help window, by reading from the Oracle Applications Document

Library CD included in your media pack, or by using a Web browser with a URL that your system administrator provides.

If you require printed guides, you can purchase them from the Oracle store at <http://oraclestore.oracle.com>.

Oracle Applications User Guide

This guide explains how to navigate the system, enter data, and query information, and introduces other basic features of the GUI available with this release of Oracle Financials for Korea (and any other Oracle Applications product).

You can also access this user guide online by choosing "Getting Started and Using Oracle Applications" from the Oracle Applications help system.

Oracle Financials Common Country Features User Guide

This manual describes functionality developed to meet specific legal and business requirements that are common to several countries in a given region. Consult this user guide along with your country-specific user guide and your financial product's manual to effectively use Oracle Financials in your country.

Oracle Financials Country-Specific User Guides

These manuals document functionality developed to meet legal and business requirements in countries that you do business in. Look for a user guide that is appropriate to your country; for example, see the Oracle Financials for the Czech Republic User Guide for more information about using this software in the Czech Republic.

Oracle Financials RXi Reports Administration Tool User Guide

Use the RXi reports administration tool to design the content and layout of RXi reports. RXi reports let you order, edit, and present report information to better meet your company's reporting needs.

Oracle General Ledger User Guide

Use this manual when you plan and define your chart of accounts, accounting period types and accounting calendar, functional currency, and set of books. It also describes how to define journal entry sources and categories so that you can create journal entries for your general ledger. If you use multiple currencies, use this manual when you define additional rate types and enter daily rates. This manual also includes complete information on implementing budgetary control.

Oracle Purchasing User Guide

Use this manual to read about entering and managing the purchase orders that you match to invoices.

Oracle Payables User Guide

This manual describes how accounts payable transactions are created and entered into Oracle Payables. This manual also contains detailed setup information for Oracle Payables. Use this manual to learn how to implement flexible address formats for different countries. You can use flexible address formats in the suppliers, customers, banks, invoices, and payments windows in both Oracle Payables and Oracle Receivables.

Oracle Receivables User Guide

Use this manual to learn how to implement flexible address formats for different countries. You can use flexible address formats in the suppliers, customers, banks, invoices, and payments windows in both Oracle Payables and Oracle Receivables. This manual also explains how to set up your system, create transactions, and run reports in Oracle Receivables.

Oracle Assets User Guide

Use this manual to add assets and cost adjustments directly into Oracle Assets from invoice information.

Oracle Projects User Guide

Use this manual to learn how to enter expense reports in Projects that you import into Payables to create invoices. You can also use this manual to see how to create Project information in Projects which you can then record for an invoice or invoice distribution.

Oracle Cash Management User Guide

This manual explains how you can reconcile your payments with your bank statements.

Using Oracle HRMS - The Fundamentals

This user guide explains how to setup and use enterprise modeling, organization management, and cost analysis. It also includes information about defining payrolls.

Oracle Workflow Guide

This manual explains how to define new workflow business processes as well as customize existing Oracle Applications-embedded workflow processes. You also use this guide to complete the setup steps necessary for any Oracle Applications product that includes workflow-enabled processes.

Oracle Financials Open Interfaces Guide

This guide contains a brief summary of each Oracle Financial Applications open interface.

Oracle Applications Character Mode to GUI Menu Path Changes

This is a quick reference guide for experienced Oracle Applications end users migrating from character mode to a graphical user interface (GUI). This guide lists each character mode form and describes which GUI windows or functions replace it.

Multiple Reporting Currencies in Oracle Applications

If you use Multiple Reporting Currencies feature to report and maintain accounting records in more than one currency, use this manual before implementing Oracle Financials for Korea. The manual details additional steps and setup considerations for implementing Oracle Financials for Korea with this feature.

Multiple Organizations in Oracle Applications

If you use the Oracle Applications Multiple Organization Support feature to use multiple sets of books for one Oracle Financials installation, use this guide to learn about setting up and using Oracle Financials with this feature.

There are special considerations for using Multiple Organizations in Europe with document sequences, legal entity reporting, and drill-down from General Ledger. Consult the Multiple Organizations in Oracle Applications guide for more information about using Multiple Organizations in Europe.

Oracle Applications Flexfields Guide

This guide provides flexfields planning, setup, and reference information for your implementation team, as well as for users responsible for the ongoing maintenance of Oracle Applications product data. This guide also provides information on creating custom reports on flexfields data.

Oracle Alert User Guide

Use this guide to define periodic and event alerts that monitor the status of your Oracle Applications data.

Oracle Applications Implementation Wizard User Guide

If you are implementing more than one Oracle product, you can use the Oracle Applications Implementation Wizard to coordinate your setup activities. This guide describes how to use the wizard.

Oracle Applications Developer's Guide

This guide contains the coding standards followed by Oracle Applications development. It describes the Oracle Application Object Library components needed to implement the Oracle Applications user interface described in the *Oracle Applications User Interface Standards*. It also provides information to help you build your custom Oracle Developer forms so that they integrate with Oracle Applications.

Oracle Applications User Interface Standards

This guide contains the user interface (UI) standards followed by Oracle Applications development. It describes the UI for the Oracle Applications products and how to apply this UI to the design of an application built by using Oracle Forms.

Installation and System Administration

Installing Oracle Applications

This guide provides instructions for managing the installation of Oracle Applications products. In Release 11*i*, much of the installation process is handled using Oracle One-Hour Install, which minimizes the time it takes to install Oracle Applications and the Oracle 8*i* Server technology stack by automating many of the required steps. This guide contains instructions for using Oracle One-Hour Install and lists the tasks you need to perform to finish your installation. You should use this guide in conjunction with individual product user guides and implementation guides.

Oracle Financials Country-Specific Installation Supplement

Use this manual to learn about general country information, such as responsibilities and report security groups, as well as any post-install steps required by some countries or the Global Accounting Engine.

Upgrading Oracle Applications

Refer to this guide if you are upgrading your Oracle Applications Release 10.7 or Release 11.0 products to Release 11*i*. This guide describes the upgrade process in general and lists database upgrade and product-specific upgrade tasks. You must be at either Release 10.7 (NCA, SmartClient, or character mode) or Release 11.0 to upgrade to Release 11*i*. You cannot upgrade to Release 11*i* directly from releases prior to 10.7.

Oracle Applications Product Update Notes

Use this guide as a reference if you are responsible for upgrading an installation of Oracle Applications. It provides a history of the changes to individual Oracle Applications products between Release 11.0 and Release 11*i*. It includes new features and enhancements and changes made to database objects, profile options, and seed data for this interval.

Oracle Applications System Administrator's Guide

This guide provides planning and reference information for the Oracle Applications System Administrator. It contains information on how to define security, customize menus and online help, and manage processing.

Oracle Global Financial Applications Technical Reference Manual

The *Oracle Global Financial Applications Technical Reference Manual* contains database diagrams and a detailed description of regional and related applications database tables, forms, reports, and programs. This information helps you convert data from your existing applications, integrate Oracle Financials with non-Oracle applications, and write custom reports for Oracle Financials.

You can order a technical reference manual for any product you have licensed. Technical reference manuals are available in paper format only.

Training and Support

Training

We offer a complete set of training courses to help you and your staff master Oracle Applications. We can help you develop a training plan that provides thorough training for both your project team and your end users. We will work with you to organize courses appropriate to your job or area of responsibility.

Training professionals can show you how to plan your training throughout the implementation process so that the right amount of information is delivered to key people when they need it the most. You can attend courses at any one of our many Educational Centers, or you can arrange for our trainers to teach at your facility. We also offer Net classes, where training is delivered over the Internet, and many multimedia-based courses on CD. In addition, we can tailor standard courses or develop custom courses to meet your needs.

Support

From on-site support to central support, our team of experienced professionals provides the help and information you need to keep Oracle Financials for Korea working for you. This team includes your Technical Representative, Account Manager, and Oracle's large staff of consultants and support specialists with expertise in your business area, managing an Oracle server, and your hardware and software environment.

Do Not Use Database Tools to Modify Oracle Applications Data

We STRONGLY RECOMMEND that you never use SQL*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle Applications tables, unless we tell you to do so in our guides.

Oracle provides powerful tools you can use to create, store, change, retrieve, and maintain information in an Oracle database. But if you use Oracle tools such as SQL*Plus to modify Oracle Applications data, you risk destroying the integrity of your data and you lose the ability to audit changes to your data.

Because Oracle Applications tables are interrelated, any change you make using an Oracle Applications form can update many tables at once. But when you modify Oracle Applications data using anything other than Oracle Applications forms, you might change a row in one table without making corresponding changes in related tables. If your tables get out of synchronization with each other, you risk retrieving erroneous information and you risk unpredictable results throughout Oracle Applications.

When you use Oracle Applications forms to modify your data, Oracle Applications automatically checks that your changes are valid. Oracle Applications also keeps track of who changes information. But, if you enter information into database tables using database tools, you may store invalid information. You also lose the ability to track who has changed your information because SQL*Plus and other database tools do not keep a record of changes.

About Oracle

Oracle Corporation develops and markets an integrated line of software products for database management, applications development, decision support and office automation, as well as Oracle Applications. Oracle Applications provides the E-business Suite, a fully integrated suite of more than 70 software modules for financial management, Internet procurement, business intelligence, supply chain management, manufacturing, project systems, human resources and sales and service management.

Oracle products are available for mainframes, minicomputers, personal computers, network computers, and personal digital assistants, enabling organizations to integrate different computers, different operating systems, different networks, and even different database management systems, into a single, unified computing and information resource.

Oracle is the world's leading supplier of software for information management, and the world's second largest software company. Oracle offers its database, tools, and application products, along with related consulting, education and support services, in over 145 countries around the world.

Thank You

Thank you for using Oracle Financials for Korea and this user guide.

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Redwood Shores, CA 94065
USA

Or send electronic mail to globedoc@us.oracle.com.

1

Oracle Payables

This chapter describes withholding tax setup and reporting in Korea. This chapter also overviews how to enter withholding information for your suppliers.

Withholding Tax in Korea

In Korea, companies are required to withhold tax on certain types of income payments to their suppliers. Korean companies pay the supplier invoice net the withheld amount, issue a withholding certificate for the withheld amount to the supplier, and remit the withheld tax to the proper tax authority.

There are two types of withholding under Korean tax law: Income withholding and Resident withholding. Income withholding is comprised of Business withholding and General withholding.

- Business withholding is withholding on payments for professional services to suppliers such as lawyers, accountants, and doctors.
- General withholding is withholding on all other types of income payments to suppliers, such as interest, dividends, and real estate income payments.
- Resident withholding is a surcharge on the General and Business withholding tax. For more information about Resident withholding, see Step 5. Define Withholding Tax Codes on page 1-13.

Normal operating expenses, such as purchase transactions between companies, are not subject to withholding tax.

See Setting Up Oracle Payables for Withholding Tax on page 1-3 for a list of the prerequisite setup steps that you must complete before you can withhold tax using Oracle Financials for Korea.

Legal reporting for withholding tax

Oracle Financials for Korea provides you with the Korean Withholding Tax report which you can use to review your company's withholding tax history. This report provides complete details of the withholdings that were applied to your company's income payments to suppliers. For more information, see Korean Withholding Tax report on page 1-22.

Setting Up Oracle Payables for Withholding Tax

This section describes the steps for setting up Oracle Payables to calculate withholding tax in Korea. Use this checklist to help you complete the appropriate setup tasks in the correct order.

- 1 Define Locations on page 1-4

- 2 Define Organizations on page 1-7

- 3 Enable Withholding Tax on page 1-9

- 4 Define Income Category Codes on page 1-10

- 5 Define Withholding Tax Codes on page 1-13

- 6 Define Withholding Tax Groups on page 1-17

See also: Setting Up Withholding Tax, *Oracle Payables User Guide*

1. Define Locations

Use the Location window to enter information about your company. You define one location for each company site that is responsible for reporting withholding taxes to the tax authority.

The information that you enter here is used for reporting purposes:

- Use the Location Address flexfield to enter your company's location information.
- Use the globalization flexfield to enter your company's tax registration number and related tax information.

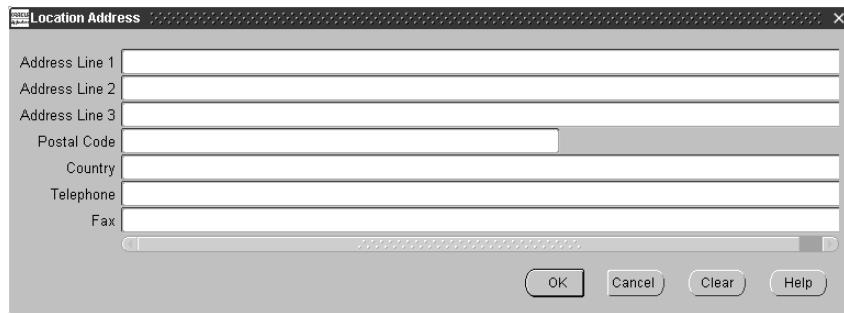
You use these locations when you define withholding tax codes. For more information about defining withholding tax codes, see Step 5. Define Withholding Tax Codes on page 1-13.

You also use the Location window to define a corporate location for each legal entity. To define a corporate location, enter a corporate identification number in the globalization flexfield on the Location window. Before you can assign a corporate identification number to a location, however, you must define a legal entity and assign the location to the legal entity. For more information, see Step 2. Define Organizations on page 1-7.

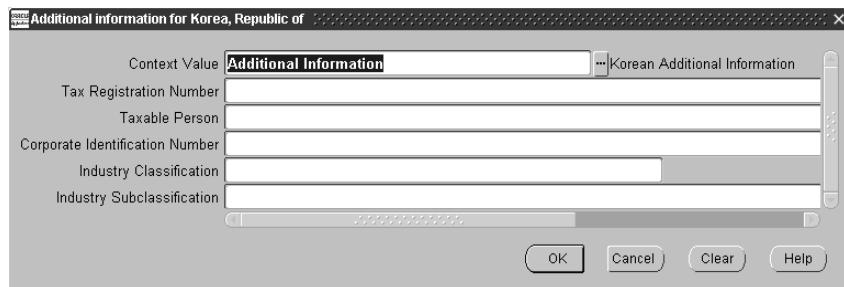
See also: *Setting Up Locations, Using Oracle HRMS - The Fundamentals*

To define company information:

1. Navigate to the Location window.
2. Enter the location that you want.
3. Enter *Korea* in the Address Style field to enable the Korean Location Address flexfield.
4. Navigate to the Location Address flexfield.



5. Enter your company's location address and contact information in the available fields.
6. Press the OK button.
7. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page A-2.



8. In the Tax Registration Number field, enter your company's tax registration number for this company site.

(continued)

9. In the Taxable Person field, enter your company's taxable person.

This field is required only if you entered a tax registration number.

Note: Do not enter a corporate identification number at this time. You enter the corporate identification number after you define a legal entity. For more information, see Step 2. Define Organizations on page 1-7.

10. Press the OK button.

11. Save your work.

2. Define Organizations

Use the Organization window to classify your organization and the relationships among your company's different organizations.

Note: You do not need to create an organization for each company location that you define.

See also: Creating an Organization, *Using Oracle HRMS - The Fundamentals*

Prerequisites

Before you can assign a location to an organization, you must define a location.

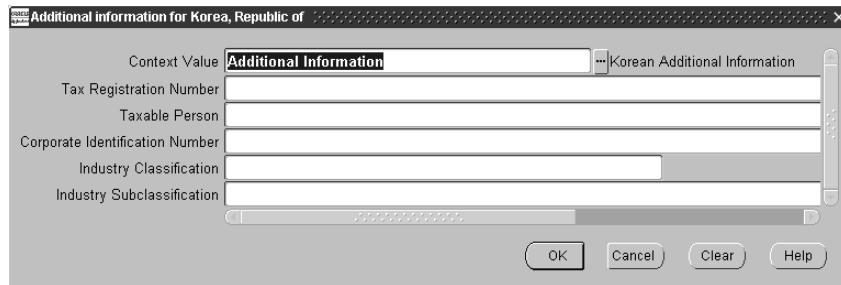
To define an organization for your company:

1. Navigate to the Organization window.
2. Enter a name for your organization.
3. If this organization is a legal entity, specify a location in the Location field.

After you specify a location in the Location field, you must assign a corporate identification number to this location in the Location window. See below for more information.

4. Navigate to the Organization Classifications region.
5. In the Name field, from the list of values, select the classification of this organization.
6. Check the Enabled check box.
7. Repeat steps 5 and 6, if necessary.
8. Save your work.

(continued)



To define a corporate location:

1. Navigate to the Location window.
2. Query the location that you previously defined as a legal entity.
3. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page A-2.
4. In the Corporate Identification Number field, enter your company's corporate identification number.

Note: Assign a corporate identification number to only one location per legal entity.

The other fields in this globalization flexfield may already be populated with values that you entered when you first defined the location. For more information, see Step 1. Define Locations on page 1-4.

5. Press the OK button.
6. Save your work.

3. Enable Withholding Tax

Use the Payables Options window to set control options and defaults to enable automatic withholding tax for your supplier invoices.

See also: Payables Options, *Oracle Payables User Guide*

To define Payables Options for tax withholdings:

1. Navigate to the Payables Options window.
2. Navigate to the Withholding Tax alternate name region.
3. Check the Use Withholding Tax check box.
4. In the Apply Withholding Tax region, you should select *At Payment Time*.

If you choose *At Approval Time*, withholding calculations may be inaccurately reported if invoices are canceled prior to payments.

Note: After you select an option, you should not switch from one method of withholding to another method.

5. Navigate to the Withholding Amount Basis region.
6. In the Create Withholding Invoice region, select the time at which you would like Payables to automatically create withholding tax invoices to remit withheld taxes to tax authorities. You should choose *At Payment Time*.

If you select *At Payment Time*, Payables creates unapproved withholding tax invoices during the Confirm program of payment batch processing, or during processing of a Quick payment. Payables does not automatically withhold taxes if you pay with a manual payment.

If you select *At Approval Time*, Payables creates unapproved withholding tax invoices when you approve supplier invoices.

7. Save your work.

4. Define Income Category Codes

Use the Lookups window to define lookup codes for income category codes. You can select lookup codes from the lists of values after you define them. Income category codes are listed on the Korean Withholding Tax report.

In the Lookups window, enter *Asia Pacific Localizations* in the Application field and a description of the lookup codes in the Description field, if not already displayed. In the Code and Meaning fields, enter a code and description for each income category that your company requires.

Note: The code that you enter in the Code field should match the numeric code for each income category as defined by the Korean tax authority.

Define lookup codes for:

- Domestic income categories, using the JAKR_AP_AWT_INC_CAT_DOMESTIC lookup type.

Examples of domestic income category codes are:

Lookup Code	Meaning
10	Interest Income (A)
11	Interest Income (B)
21	Dividend
22	Deemed Dividend
60	Other Income

You use the domestic income category lookup codes when you assign income categories to withholding tax codes. For more information, see Step 5. Define Withholding Tax Codes on page 1-13.

- Foreign income categories, using the JAKR_AP_AWT_INC_CAT_FOREIGN lookup type.

Examples of foreign income category codes are:

Lookup Code	Meaning
10	Interest
20	Dividend
30	Real Estate
40	Business Income
42	Individual Service
61	Royalty
62	Others
80	Sales Gain
90	Forest

You use the foreign income category lookup codes when you assign income categories to withholding tax codes. For more information, see Step 5. Define Withholding Tax Codes on page 1-13.

(continued)

- Business income subcategories, using the JAKR_AP_AWT_BIZ_INC_SUB_CAT lookup type.

Examples of business income subcategory codes are:

Lookup Code	Meaning
41	Lawyer
42	CPA
43	Doctor
44	Architect
45	Writer
46	Entertainer
47	Sportsman
48	Insurance Sales Representative
49	Others

You assign the business income subcategory lookup codes in the globalization flexfield on the Supplier Sites window. See [Defining Suppliers on page 1-18](#) for more information.

See also: [Lookups, Oracle Payables User Guide](#)

5. Define Withholding Tax Codes

Use the Tax Codes window to define withholding tax codes for each income category that you set up in Step 4. Define Income Category Codes on page 1-10. For each company location this is responsible for withholding taxes, you should define separate withholding tax codes for each tax rate and income category that you need.

Use the globalization flexfield in the Tax Codes window to associate one of two withholding tax types with each tax code that you define:

- Income withholding
- Resident withholding

After you define a tax code, use the Withholding Tax Details window to define and maintain withholding information for tax rates related to tax codes. If you check the Create Tax Group check box in the Withholding Tax Details window, Oracle Payables automatically creates a withholding tax group that includes the single tax code. See Step 6. Define Withholding Tax Groups on page 1-17 for more information about withholding tax groups.

Resident Withholding in Korea

Resident withholding is an additional 10% withholding surcharge on the amount withheld from General or Business income payments to a supplier. Resident withholding is applied only if the recipient is an individual; corporations are not subject to Resident withholding. In addition, if the recipient is a foreign individual, Resident withholding is applied only if this surcharge is included in the tax treaty that Korea has with that foreign country.

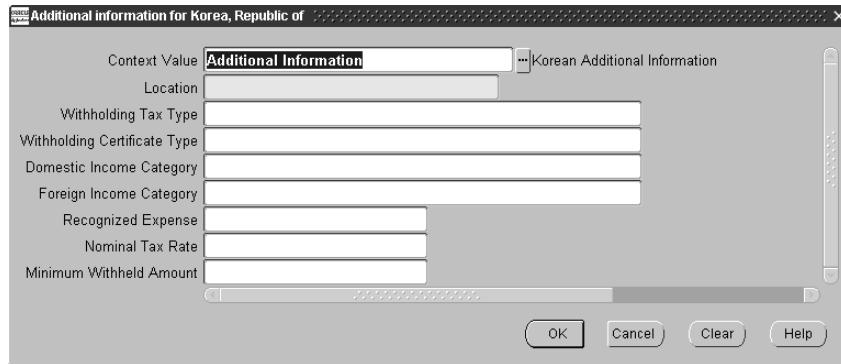
Resident withholding is paid to the Province Office, not to the Tax Authority.

See also: Tax Codes, *Oracle Payables User Guide*

Prerequisites

Before you can define withholding tax codes, you must:

- define income category codes
- define a location as a legal entity



To define a withholding tax code and rate:

1. Navigate to the Tax Codes window.
2. Navigate to the Rates alternate name region.
3. In the Tax Code field, enter a unique name to describe the withholding tax code (maximum of 15 characters).
4. In the Tax Type field, select *Withholding Tax* from the list of values.
5. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page A-2.
6. In the Location field, enter your company's location.
The location that you enter must have a tax registration number assigned to it.
7. In the Withholding Tax Type field, select *Income Withholding Tax Type* or *Resident Withholding Tax Type* from the list of values.
8. In the Withholding Certificate Type field, select *Business Withholding Certificate Type* or *General Withholding Certificate Type* from the list of values.
9. In the Domestic Income Category field, select an income category code for this tax code.
10. In the Foreign Income Category field, select an income category code for this tax code.

Note: You may enter either a domestic or a foreign income category, but not both at the same time.

11. If a Recognized Expense is associated with this type of income payment, enter the expense rate in the Recognized Expense field.

Recognized Expenses are automatically deducted from an income payment amount before any withholding tax is applied. Payables applies the withholding tax rate, defined by Korean law, *after* the Recognized Expense is deducted. In such cases, the taxable base is different from the supplier invoice amount; the nominal tax rate and effective tax rate differ as well.

For example, for an invoice amount of 10,000 KRW, the Recognized Expense is 50% and the tax rate is 20%.

- First, apply the Recognized Expense to the income payment of 10,000 KRW:

$$10,000 * (1 - 50\%) = 5,000$$

This is the new taxable base amount.

- Next, apply the tax rate to the new taxable base of 5,000 KRW to determine the withholding tax amount:

$$5,000 * 20\% = 1,000$$

- The final withholding amount that is sent to the Tax Authority is 1,000 KRW.

Calculate the effective tax rate by dividing the final withholding tax amount by the original income payment amount:

$$1,000 / 10,000 = 10\%$$

Although the nominal tax rate is 20%, the effective tax rate is 10%.

Note: You can associate a Recognized Expense with the Other Income income category code only. This income category is a General withholding income category. You do not associate Recognized Expenses with the Business withholding income category.

12. If you entered a Recognized Expense rate, enter the nominal tax rate in the Nominal Tax Rate field.

Only enter a nominal tax rate if you entered a Recognized Expense rate in the previous field.

(continued)

13. In the Minimum Withheld Amount field, enter the minimum amount that you want Payables to create a withholding tax invoice for.

If a calculated withholding amount is less than the value that you enter here, no withholding occurs.

14. Press the OK button.
15. Navigate to the Withholding Tax Details window by pressing the Withholding Tax Details button.
16. Navigate to the Tax Rates region.
17. In the Effective Dates From and To fields, enter the start and end dates for this tax rate.
18. In the Rate field, enter the tax rate that you want to associate with this withholding tax code.

If you entered a Recognized Expense and nominal tax rate in the globalization flexfield, enter the effective tax rate for the withholding tax code here.

Using the example from step 11, you would enter 10% in this field.

19. Save your work.

6. Define Withholding Tax Groups

Use the Withholding Tax Groups window to define withholding tax groups that include more than one tax code. A withholding tax group lets you apply multiple withholding taxes to one invoice or distribution line. A tax group tells Payables which taxes to apply and in which sequential order to apply them. Define withholding tax groups when you want to include the Resident withholding surcharge.

Typically, you rank the tax codes within a withholding tax group in the Withholding Tax Groups window. When you assign a withholding tax group to an invoice or distribution, Payables correctly calculates the taxes in the order that you specified. Lower ranked taxes are applied to the invoice or distribution amount less the previous withholding tax amounts.

In Korea, however, Resident withholding is a tax on the Business or General withholding amount, *not* on the invoice amount less the previous withholding tax amounts. Therefore, you must determine the effective Resident withholding tax by multiplying the Resident withholding tax by the Business or General Income withholding tax. You must also assign each tax code within a withholding tax group with a rank of 1 in order to correctly calculate Resident withholding.

For example, for an income payment of 1,000,000 KRW, the Business withholding is 30% and the Resident withholding is 10%.

- First, determine the effective Resident withholding:

$$10\% * 30\% = 3\%$$
- Next, set up a withholding tax group that includes these tax codes:

Tax Code	Tax Rate	Rank
Business Income Tax	30%	1
Resident Withholding	3%	1

- When you assign this withholding tax group to this invoice, the 30% Business withholding tax is applied to the supplier income payment for a total tax amount of 300,000 KRW. The 10% Resident withholding tax is applied to the 30% Business withholding tax for a total tax amount of 30,000 KRW.

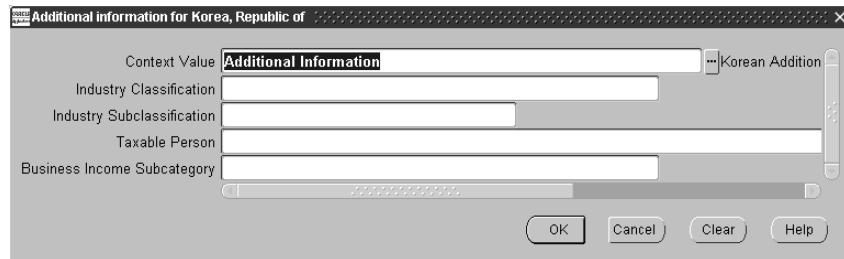
See also: Withholding Tax Groups, *Oracle Payables User Guide*

Defining Suppliers

Use the Suppliers window to enter withholding and VAT information for your suppliers.

Use the globalization flexfield in the Supplier Sites window to assign withholding tax and VAT information to your supplier sites.

See also: Suppliers, *Oracle Payables User Guide*



To define withholding information for suppliers:

1. Navigate to the Suppliers window.
2. Query a supplier.
3. If applicable, enter the supplier's taxpayer ID in the Taxpayer ID field.
4. If applicable, enter the supplier's tax registration number in the Tax Registration Number field.
5. Navigate to the Tax Reporting alternate name region.
Select either *Corporation* or *Individual*.
6. In the Organization Type field, select the supplier's organization type from the list of values.
7. Navigate to the Sites alternate name region by pressing the Sites button.
8. Query or enter the supplier site that you want.

9. In the Country field, specify the supplier's country location.

If you enter Korea in this field, Payables identifies this supplier as a domestic supplier. If you enter anything other than Korea, Payables identifies this supplier as a foreign supplier.

10. Navigate to the Withholding Tax alternate name region.

11. Check the Allow Withholding Tax check box.

12. In the Withholding Tax Group field, from the list of values, select the withholding tax group that you want to assign to this supplier.

13. If this supplier site is an independent legal entity with its own tax registration number, navigate to the Tax Reporting alternate name region.

14. In the Tax Registration Number field, enter the tax registration number for this supplier site.

15. Navigate to the globalization flexfield. For instructions, see *Using Globalization Flexfields* on page A-2.

16. In the Business Income Subcategory field, from the list of values, select a Business income subcategory code.

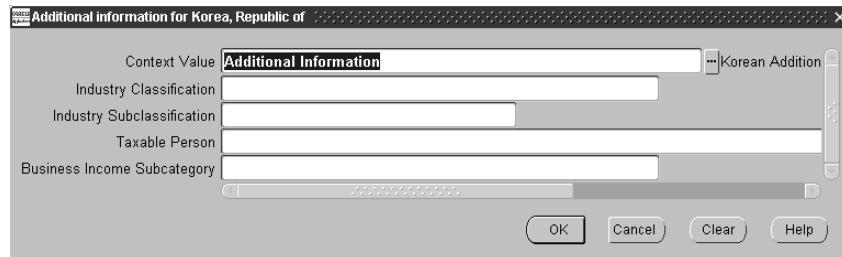
This field is required if:

- you checked the Allow Withholding Tax check box, and
- you selected *Business Withholding Certificate Type* as the withholding certificate type for the withholding tax code that you assigned to this supplier site.

17. Press the OK button.

18. Save your work.

(continued)



To define VAT information for suppliers:

1. Navigate to the Suppliers window.
2. Query a supplier.
3. If applicable, enter the supplier's taxpayer ID in the Taxpayer ID field.
4. If applicable, enter the supplier's tax registration number in the Tax Registration Number field.
5. Navigate to the Invoice Tax alternate name region.
6. In the Invoice Tax Code field, from the list of values, select the default VAT code that you want to assign to this supplier.
You can also assign a default VAT code at the supplier site level.
7. Navigate to the Sites alternate name region by pressing the Sites button.
8. Query or enter the supplier site that you want.
9. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page A-2.
10. In the Industry Classification field, enter the industry classification code for this supplier.
11. In the Industry Subclassification field, enter the industry subclassification code for this supplier.
12. In the Taxable Person field, enter the name of the person who is responsible for VAT transactions at the supplier site.
This field is required if you entered an industry classification code in step 14.
13. Press the OK button.
14. Navigate to the Invoice Tax alternate name region.

15. In the Invoice Tax Code field, from the list of values, select the default VAT code that you want to assign to this supplier.

You can also assign a default VAT code at the supplier level.

16. If this supplier site is an independent site with its own tax registration number, navigate to the Tax Reporting alternate name region.
17. In the Tax Registration Number field, enter the tax registration number for this supplier site.
18. Save your work.

Korean Withholding Tax Report

Korean Withholding Tax Report										2001/09/07 16:35:23
										Page 1
Organization Type	Business Subcategory	Supplier Name	Tax Registration Number	GL Date	Invoice Number	Invoice Amount	Payment Amount	Domestic Income Category	Foreign Income Category	
Tax Code	Income Taxable Basis	Tax Rate	Income Tax	Resident Tax	Withholding Tax Type	Income Category		Domestic	Foreign Income	
{Individual ***** * {Writer ***** * Song Writer										
Other 40 TJN	1.000.000	40	-400.000	0	2000/07/26	WHT014	1.000.000			
Resdnt 4 TJN	0	4	0	-40.000	{Income Withholding	{Other Income				
					{Resident Withholdin					
Total			-400.000	-40.000			0			
Other 40 TJN	-1.000.000	40	400.000	0	2000/07/30	WHT014	1.000.000			
Resdnt 4 TJN	0	4	0	40.000	{Income Withholding	{Other Income				
					{Resident Withholdin					
Total			400.000	40.000			0			
Other 40 TJN	1.000.000	40	-400.000	0	2000/08/15	WHT014	1.000.000			
Resdnt 4 TJN	0	4	0	-40.000	{Income Withholding	{Other Income				
					{Resident Withholdin					
Total			-400.000	-40.000			0			
End of Report										

Use the Korean Withholding Tax report to review your company's tax withholding on income payments to suppliers. The Korean Withholding Tax report is not a statutory report; use this report for review purposes only.

The Korean Withholding Tax report displays each payment to suppliers where taxes were withheld. The report provides the required information on the supplier, including the organization type and tax registration number, and shows all relevant withholding information, including the invoice amount, the withheld tax amounts, and the tax rate. The report also displays the withholding tax type and income category of each payment.

The Korean Withholding Tax report is an RXi report.

Use the Standard Request Submission windows to submit the Korean Withholding Tax report.

See also: Working with Attribute Sets, *Oracle Financials RXi Reports Administration Tool User Guide*

See also: Using the RXi Reports Concurrent Program, *Oracle Financials RXi Reports Administration Tool User Guide*

See also: Using Standard Request Submission, *Oracle Applications User Guide*

Prerequisites

Before submitting the Korean Withholding Tax report, you must:

- Define withholding tax codes.
Use the globalization flexfield in the Tax Codes window to associate the tax reporting location and an income category code to a tax code. For more information, see Step 5. Define Withholding Tax Codes on page 1-13.
- Define withholding tax information for your suppliers. For more information, see Defining Suppliers on page 1-18.
- Set the MO: Top Reporting Level profile option to *Set of Books* at the responsibility level. The Korean Withholding Tax report is run at the set of books level.
- Set the MO: Operating Unit profile option to the organization that you want to associate to the current responsibility. Set this profile option at the responsibility level.

Report Parameters

Attribute Set

Select the attribute set that you want to use for this report. The attribute set that you select determines the report's layout and data content. The default attribute set is *DEFAULT*.

Output Format

Select the output format for this report. The default output format is *TEXT*.

GL Date From

Enter the earliest payment date that you want to report on.

The Korean Withholding Tax report selects all *Withholding Tax* tax type invoice distributions with General Ledger dates on or after the date that you enter.

GL Date To

Enter the latest payment date that you want to report on.

The Korean Withholding Tax report selects all *Withholding Tax* tax type invoice distributions with General Ledger dates on or before the date that you enter.

Supplier Name From

Enter the starting name of the supplier range that you want to report on. You can enter either a supplier range or a supplier tax registration number.

To report on all suppliers, leave the Supplier Name From, Supplier Name To, and Supplier Tax Registration Number fields blank.

Use this parameter for submitting withholding certificates only.

Supplier Name To

Enter the ending name of the supplier range that you want to report on.

Use this parameter for submitting withholding certificates only.

Supplier Tax Registration Number

Enter the tax registration number of the supplier that you want to report on. You can enter either a supplier range or a supplier tax registration number.

To report on all suppliers, leave the Supplier Name From, Supplier Name To, and Supplier Tax Registration Number fields blank.

Use this parameter for submitting withholding certificates only.

Invoice Number

Enter the supplier invoice number that you want to report on.

If you leave this field blank, all invoices for the suppliers that you selected are displayed.

Use this parameter for submitting withholding certificates only.

Reporting Level

Specify the reporting level for this report.

The reporting level that you can select is restricted by the MO: Top Reporting Level profile option that you defined for your responsibility. The default is *Operating Unit*.

Reporting Context

Specify the reporting context for the chosen reporting level.

Depending on what you entered in the Reporting Level parameter, the Reporting Context list of values shows valid sets of books, legal entities, or operating units for your responsibility. The default is the organization that you defined for the MO: Operating Unit profile option.

Accounting Flexfield From

Enter the first account that you want to report from. You must provide a full range of accounts.

Accounting Flexfield To

Enter the last account that you want to report to. You must provide a full range of accounts.

Organization Type

Select the organization type that you want to report on.

If you leave this parameter blank, all organization types are displayed.

Location

Select the company location whose tax withholding you want to report on.

If you leave this parameter blank, withholding information for all company locations is displayed.

Domestic Income Category

Select the domestic income category that you want to report on.

If you leave this parameter blank, withholding information for all domestic income categories is displayed.

Foreign Income Category

Select the foreign income category that you want to report on.

If you leave this parameter blank, withholding information for all foreign income categories is displayed.

Column Headings

In this column...	Oracle Payables prints...
Organization Type	The supplier's organization type.
Business Subcategory	The supplier's business subcategory.
Supplier Name	The supplier's name.
Tax Registration Number	The supplier's tax registration number.
GL Date	The transaction's General Ledger date.
Invoice Number	The transaction's invoice number.

In this column...	Oracle Payables prints...
Invoice Amount	The transaction's invoice amount.
Payment Amount	<p>The payment made on the invoice, after taxes, when withholdings are calculated at payment time.</p> <p>The report does not display payment amounts when withholdings are calculated at invoice approval time.</p> <p>Note: You control whether Payables prints this column by setting the Apply Withholding Tax option in the Payables Options window. For more information, see Step 3. Enable Withholding Tax on page 1-9.</p>
Tax Code	The tax code that Payables applies to this invoice.
Income Taxable Basis	The taxable base of this invoice, if you selected <i>Income Withholding</i> as the withholding tax type for the specified tax code.
Tax Rate	<p>The withholding tax rate that you associated with the specified tax code.</p> <p>If Recognized Expense is applicable, the report displays the nominal withholding tax rate.</p>
Income Tax	The withholding tax amount that Payables calculates for this invoice.
Resident Tax	The Resident withholding tax surcharge that Payables calculates on the withholding tax amount for this invoice.
Withholding Tax Type	The withholding tax type associated with the specified tax code.
Domestic Income Category	The domestic income category code associated with the specified tax code.
Foreign Income Category	The foreign income category code associated with the specified tax code.

2

Oracle Receivables

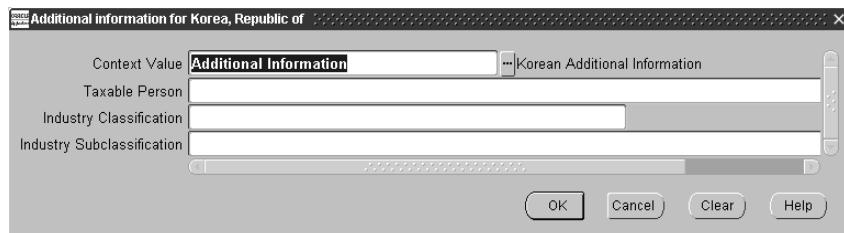
This chapter overviews how to enter VAT information for your customers.

Defining Customers

Use the Customers window to assign tax groups to customers and customer sites.

Use the globalization flexfield in the Customer Addresses window to assign tax information to your customer sites.

See also: Customers, *Oracle Receivables User Guide*



To define withholding information for suppliers:

1. Navigate to the Customers window.
2. Query a customer.
3. If applicable, enter the customer's taxpayer ID in the Taxpayer ID field.
4. If applicable, enter the customer's tax registration number in the Tax Registration Num field.
5. Navigate to the Classification alternate name region.
6. In the Tax Code field, enter the VAT code or tax group for this customer, if desired.
7. Navigate to the Addresses alternate name region.
8. Select or enter the customer site that you want.
9. Press the Open button.
The Customer Addresses window appears.
10. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page A-2.

11. In the Taxable Person field, enter the name of the person who is responsible for VAT transactions at the supplier site.

This field is required if you entered an industry classification code in step 14.

12. In the Industry Classification field, enter the industry classification code for this supplier.
13. In the Industry Subclassification field, enter the industry subclassification code for this supplier.
14. Press the OK button.
15. Navigate to the Business Purposes alternate name region.
16. Press the Open button.

The Business Purpose window appears.

17. In the Tax Registration Number field, enter the tax registration number for this customer site, if desired.
18. In the Tax Code field, enter the VAT code or tax group for this customer site, if desired.
19. Close the Business Purpose window.
20. Save your work.

3

VAT in Korea

This chapter describes VAT setup and reporting in Korea.

VAT in Korea

In Korea, companies are required to report both input and output Value Added Tax (VAT) to the proper tax authority on a regular basis. There are over 150 tax authorities throughout the country and each tax authority has a tax jurisdiction that does not overlap with other tax jurisdictions. A company must register each company site that operates within a tax jurisdiction.

With Oracle Financials for Korea, you can:

- maintain your company's different company sites, or tax locations
- maintain your company's different tax registration numbers
- identify transactions as either *Taxable* or *Tax-Exempt*
- classify your customers and suppliers with the appropriate industry and industry subclassification codes
- furnish a listing of your company's transactions by tax registration number, along with other related tax information, to the proper tax authority office

Oracle Financials for Korea provides you with the Korean VAT report to satisfy the legal reporting requirements for VAT in Korea. This report lists your company's transactions by tax registration number. For more information, see [Korean VAT Report on page 3-15](#).

See [Setting Up for VAT on page 3-3](#) for a list of the prerequisite setup steps that you must complete before you can use Oracle Financials for Korea to maintain tax registration numbers and report on your company's VAT transactions.

Setting Up for VAT

This section describes the steps for setting up Oracle Financials for Korea to maintain your company's tax registration numbers and report on your company's VAT transactions. Use this checklist to help you complete the appropriate tasks in the correct order.

- 1 Define Industry Lookups on page 3-4
- 2 Define Locations on page 3-5
- 3 Define Organizations on page 3-7
- 4 Define Payables VAT Codes on page 3-9
- 5 Define Receivables VAT Codes on page 3-11
- 6 Define Tax Groups on page 3-14

See also: Setup Steps for Value Added Tax, *Oracle Receivables User Guide*

1. Define Industry Lookups

Use the Lookups window to define lookup codes for industry classification codes. You can select lookup codes from the lists of values after you define them.

Define lookup codes for industry classification codes using the JAKR_AP_VAT_IND_CLASS lookup type. In the Lookups window, enter *Asia Pacific Localizations* in the Application field and a description of the lookup codes in the Description field, if not already displayed. In the Code and Meaning fields, enter a code and description for each industry classification that your company requires.

Examples of industry classification codes are:

- Mining
- Manufacturing
- Utility
- Construction
- Maintenance
- Foods and Accommodation
- Transportation, Storage, and Telecommunication
- Real Estate and Business Service
- Public and Individual Service
- Forest and Others

You use the industry classification lookup codes when you define locations for your company. For more information, see Step 2. Define Locations on page 3-5.

2. Define Locations

Use the Location window to define your company's various company sites. You define one location for each company site that has a separate tax registration number.

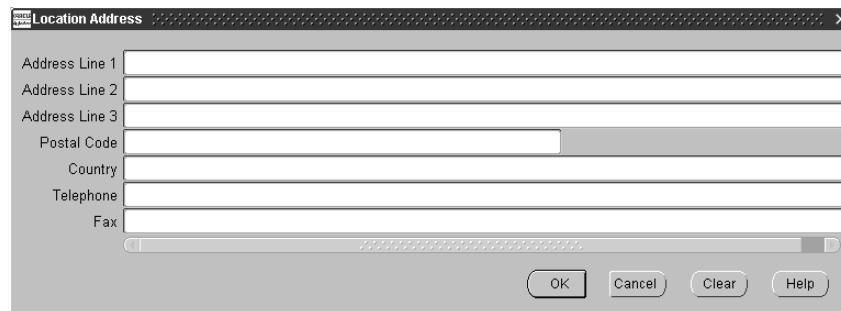
You use these locations when you define VAT codes. For more information about defining VAT codes, see Step 4. Define Payables VAT Codes on page 3-9 and Step 5. Define Receivables VAT Codes on page 3-11.

You also use the Location window to define a corporate location for each legal entity. To define a corporate location, enter a corporate identification number in the globalization flexfield on the Location window. Before you can assign a corporate identification number to a location, however, you must define a legal entity and assign the location to the legal entity. For more information, see Step 3. Define Organizations on page 3-7.

See also: Setting Up Locations, *Using Oracle HRMS - The Fundamentals*

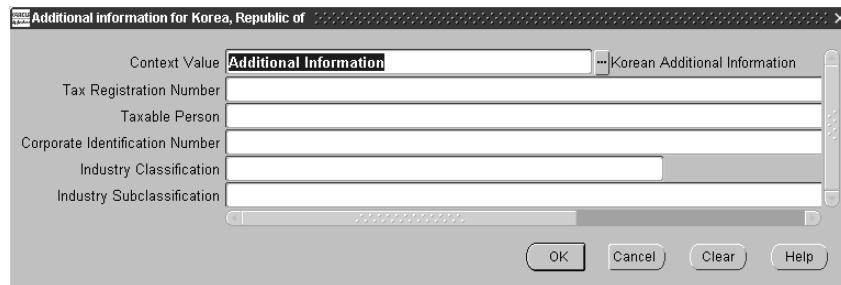
To define tax locations for your company:

1. Navigate to the Location window.
2. Enter the location that you want.
3. Enter *Korea* in the Address Style field to enable the Korean Location Address flexfield.
4. Navigate to the Location Address flexfield.



(continued)

5. Enter your company's location address and contact information in the available fields.
6. Press the OK button.
7. Navigate to the globalization flexfield. For instructions, see [Using Globalization Flexfields on page A-2](#).



8. In the Tax Registration Number field, enter your company's tax registration number.
9. In the Taxable Person field, enter your company's taxable person.
This field is required only if you entered a tax registration number.

Note: Do not enter a corporate identification number at this time. You enter the corporate identification number after you define a legal entity. For more information, see [Step 3. Define Organizations on page 3-7](#).

10. In the Industry Classification field, enter your company's industry classification.
11. In the Industry Subclassification field, enter your company's industry subclassification.
This field is required if you entered an industry classification in the previous field.
12. Press the OK button.
13. Save your work.

3. Define Organizations

Use the Organization window to classify your organization and the relationships among your company's different organizations. You should also define separate inventory organizations for your inventory locations.

Note: You do not need to create an organization for each company location that you define.

See also: Creating an Organization, *Using Oracle HRMS - The Fundamentals*

Prerequisites

Before you can assign a location to an organization, you must define a location.

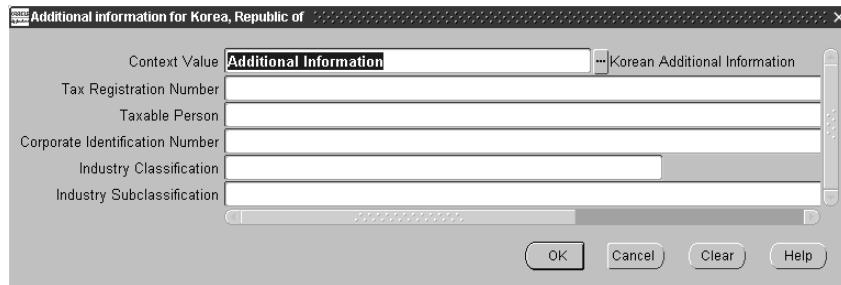
To define an organization for your company:

1. Navigate to the Organization window.
2. Enter a name for your organization.
3. If this organization is a legal entity, specify a location in the Location field.

After you specify a location in the Location field, you must assign a corporate identification number to this location in the Location window. See below for more information.

4. Navigate to the Organization Classifications region.
5. In the Name field, from the list of values, select the classification of this organization.
6. Check the Enabled check box.
7. Repeat steps 5 and 6, if necessary.
8. Save your work.

(continued)



To define a corporate location:

1. Navigate to the Location window.
2. Query the location that you previously defined as a legal entity.
3. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page A-2.
4. In the Corporate Identification Number field, enter your company's corporate identification number.

Note: Assign a corporate identification number to only one location per legal entity.

The other fields in this globalization flexfield may already be populated with values that you entered when you first defined the location. For more information, see Step 2. Define Locations on page 3-5.

5. Press the OK button.
6. Save your work.

4. Define Payables VAT Codes

Use the Tax Codes window to define the VAT codes that you associate with your company's supplier invoices. For each VAT code that you define, you associate a tax type, a tax rate, and the account that you charge VAT to. With these VAT codes, you can record your company's input VAT.

You can assign a VAT code to your suppliers at these supplier levels:

- supplier level
- supplier site level

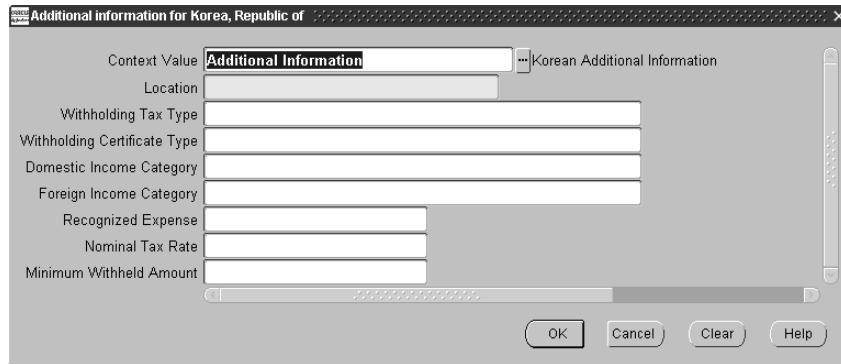
For more information, see [Defining Suppliers on page 1-18](#).

You should define a different VAT code for each of your company's locations. At minimum, you should define one tax code for each location and rate combination.

For example:

Define this VAT code...	For this location...
VAT10%Location1	Tax Location 1
VAT10%Location2	Tax Location 2
VAT0%Location1	Tax Location 1
VAT0%Location2	Tax Location 2

See also: [Tax Codes, Oracle Payables User Guide](#)



To define Payables VAT codes:

1. Navigate to the Tax Codes window.
2. Navigate to the Rates alternate name region.
3. In the Tax Code field, enter a unique name to describe the VAT code (maximum of 15 characters).
4. In the Tax Type field, select a tax type from the list of values.
5. In the Tax Rate field, enter the VAT rate that you want to associate with this VAT code.
6. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page A-2.
7. In the Location field, enter your company's location.
The location that you enter must have a tax registration number assigned to it.
8. Press the OK button.
9. In the GL Account field, enter the account that you want to charge VAT to.
10. In the VAT Transaction Type field, you can optionally enter the VAT transaction type for this VAT code.
11. Save your work.

5. Define Receivables VAT Codes

Use the Tax Codes and Rates window to enter and maintain your VAT codes and associated tax rates for your company's customer invoices. For each VAT code that you define, you associate a tax type, a tax rate, and the account that you charge VAT to. With these VAT codes, you can record your company's output VAT.

You can assign a VAT code to your customers at these customer levels:

- customer ship to and bill to business purpose level
- customer level

For more information, see [Defining Customers](#) on page 2-2.

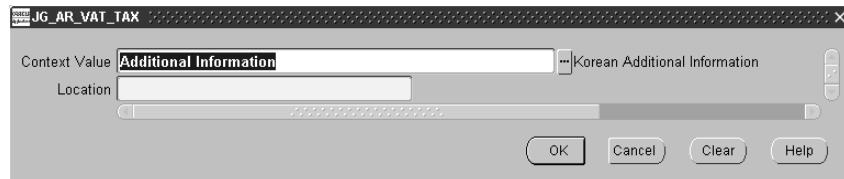
VAT codes that you define here appear in the Tax Groups window when you define your tax groups. For more information, see [Step 6. Define Tax Groups](#) on page 3-14.

You should define a different VAT code for each of your company's locations. At minimum, you should define one tax code for each location and rate combination.

For example:

Define this VAT code...	For this location...
VAT10%Location1	Tax Location 1
VAT10%Location2	Tax Location 2
VAT0%Location1	Tax Location 1
VAT0%Location2	Tax Location 2

See also: [Tax Codes and Rates](#), *Oracle Receivables User Guide*



To define Receivables VAT codes:

1. Navigate to the Tax Codes and Rates window.
2. Navigate to the Rates alternate name region.
3. In the Tax Code field, enter a unique name to describe the VAT code (maximum of 15 characters).
4. In the Tax Type field, select a tax type from the list of values.
5. In the Tax Rate % field, enter the tax rate for this VAT code.
6. Navigate to the Effective alternate name region.
7. In the Effective Dates From and To fields, enter the start and end dates for this VAT code.
8. Navigate to the Control alternate name region.
9. In the Tax Class field, select whether this is a VAT code for input or output VAT.
10. Check the Inclusive Tax check box if you are defining this VAT code for tax inclusive VAT.

An inclusive tax VAT code automatically calculates the tax for a transaction line and includes the tax in the line amount, rather than separately displaying the tax.

11. Navigate to the More alternate name region.
12. Navigate to the globalization flexfield. For instructions, see [Using Globalization Flexfields on page A-2](#).
13. In the Location field, enter your company's location.
The location that you enter must have a tax registration number assigned to it.
14. Press the OK button.
15. In the GL Account field, enter the account that you want to charge VAT to.

16. In the VAT Transaction Type field, you can optionally enter the VAT transaction type for this VAT code.
17. Save your work.

6. Define Tax Groups

Use the Tax Groups window to group multiple, conditional VAT codes under one name. With tax groups, you can include multiple Receivables VAT codes on each customer invoice line based on conditions that you define.

For example, multi-site companies in Korea have unique VAT codes for their various locations. Using tax groups, you do not have to know the different VAT codes for each of your company's locations when you enter a customer invoice. Rather, you can group your company's VAT codes for all of its various locations within a single tax group, as shown in this table:

For this tax group...	Add this VAT code...	For this location...
VAT10%	VAT10%Location1	Tax Location 1
	VAT10%Location2	Tax Location 2
VAT0%	VAT0%Location1	Tax Location 1
	VAT0%Location2	Tax Location 2

For each tax group that you create, you then define a condition set based on your company's ship from location. When you enter a customer invoice, you assign the tax group to the invoice. Based on the specific ship from location, Receivables automatically selects the applicable VAT code from the assigned tax group and calculates the correct VAT on the invoice line.

See also: Tax Groups, *Oracle Receivables User Guide*

Korean VAT Report

Korean VAT Tax Report										2001-09-10 17:33:58
										Page 1 / 1
Company Name: Reporting Location 1 Company Tax Registration Number: 206-81-51510 Company Representative: MANUFACTURING Company Address: Seoul Kangnam Samsung 543-210 Korea										
Tax Code										
Transaction Number	Name	Tax Payer ID	Tax Registration Number	Industry Classification	Industry Subclassification	Taxable Amount	Tax Amount	VAT Type	VAT Rate	
0 Site 1 VAT022	HQ	3868141253	386-81-41253	{Mining ***** *****	Importing Agent	1,000.000	0	0	0	
0 Site 1 VAT021	HQ	3868141253	386-81-41253	{Mining ***** *****	Importing Agent	2,000.000	200.000	SALES STD	10	
VAT021	HQ	3868141253	386-81-41253	{Mining ***** *****	Importing Agent	500.000	50.000	SALES STD	10	
VAT022	HQ	3868141253	386-81-41253	{Mining ***** *****	Importing Agent	1,200.000	120.000	SALES STD	10	

End of Report

Use the Korean VAT report to report on your company's input and output VAT taxes to the proper tax authority on a regular basis.

The Korean VAT report lists your company's transactions by tax registration number. The report displays other relevant VAT information, such as the supplier or customer's tax registration number, as well as the industry classifications and subclassifications of the reported transactions. The Korean VAT report displays all transactions in the functional currency.

In addition to Payables and Receivables transactions, the Korean VAT report includes any transactions entered directly into General Ledger. When you enter tax journals in General Ledger, you can automatically create additional tax journal lines using the same tax calculation rules that you defined in Payables and Receivables.

See also: Automatic Tax on Journal Entries, *Oracle General Ledger User Guide*

You can submit this report to display VAT information for a single operating unit, for all operating units within a legal entity, or for all legal entities associated with a set of books.

(continued)

The Korean VAT report is an RXi report.

Use the Standard Request Submission windows to submit the Korean VAT report.

See also: Working with Attribute Sets, *Oracle Financials RXi Reports Administration Tool User Guide*

See also: Using the RXi Reports Concurrent Program, *Oracle Financials RXi Reports Administration Tool User Guide*

See also: Using Standard Request Submission, *Oracle Applications User Guide*

Prerequisites

Before you can submit the Korean VAT report, you must:

- Define Payables and Receivables tax codes.
For more information, see Step 4. Define Payables VAT Codes on page 3-9 and Step 5. Define Receivables VAT Codes on page 3-11.
- Define VAT information for your suppliers and customers. For more information, see Defining Suppliers on page 1-18 and Defining Customers on page 2-2.
- Set the MO: Top Reporting Level profile option to *Set of Books* at the responsibility level. The Korean VAT report is run at the set of books level.
- Set the MO: Operating Unit profile option to the organization that you want to associate to the current responsibility. Set this profile option at the responsibility level.

Report Parameters

Attribute Set

Select the attribute set that you want to use for this report. The attribute set that you select determines the report's layout and data content.

Output Format

Select the output format for this report.

Reporting Level

Specify the reporting level for this report.

The reporting level that you can select is restricted by the MO: Top Reporting Level profile option that you defined for your responsibility. The default is *Operating Unit*.

Reporting Context

Specify the reporting context for the chosen reporting level.

Depending on what you entered in the Reporting Level parameter, the Reporting Context list of values shows valid sets of books, legal entities, or operating units for your responsibility. The default is the organization that you defined for the MO: Operating Unit profile option.

Tax Class

Select the type of transactions that you want to report on. Possible values are:

- Input
- Output
- All

Source

Select the source that you want to report on. Valid values are *AP*, *AR*, *GL*, and *All*.

GL Date From

Enter the earliest General Ledger date that you want to report on.

GL Date To

Enter the latest General Ledger date that you want to report on.

Transaction Date From

Enter the starting transaction date for the date range that you want to report on.

For invoices, credit memos, and adjustments, the transaction date is the date of the transaction. For receipt applications, the transaction date is the application date of the associated cash receipt. For miscellaneous cash transactions, the transaction date is the date of the receipt.

Transaction Date To

Enter the ending transaction date for the date range that you want to report on.

For invoices, credit memos, and adjustments, the transaction date is the date of the transaction. For receipt applications, the transaction date is the application date of the associated cash receipt. For miscellaneous cash transactions, the transaction date is the date of the receipt.

VAT Transaction Type From

Select the starting VAT transaction type that you want to report on.

The Korean VAT report displays all the tax codes that you associated with this VAT transaction type.

VAT Transaction Type To

Select the ending VAT transaction type that you want to report on.

The Korean VAT report displays all the tax codes that you associated with this VAT transaction type.

Tax Type From

Select the starting tax type that you want to report on.

The Korean VAT report displays all the tax codes that you associated with this tax type.

Tax Type To

Select the ending tax type that you want to report on.

The Korean VAT report displays all the tax codes that you associated with this tax type.

Tax Code From

Select the starting tax code that you want to report on.

If you leave this parameter blank, VAT information for all tax codes is displayed.

Tax Code To

Select the ending tax code that you want to report on.

If you leave this parameter blank, VAT information for all tax codes is displayed.

Report Headings

In this heading...	Oracle Financials prints...
Company Name	Your company's name.
Company Tax Registration Number	Your company's tax registration number.
Company Representative	Your company's taxable person.
Company Address	Your company's address.

Column Headings

In this column...	Oracle Financials prints...
Tax Code	The transaction's tax code.
Transaction Number	The invoice number of the Payables or Receivables transaction, or the General Ledger journal entry number.
Name	The supplier or customer's name where you entered the tax registration number (either at the site or header level).
Taxpayer ID	The supplier or customer's taxpayer ID.
Tax Registration Number	The supplier or customer's tax registration number.
Industry Classification	The supplier or customer's industry classification.
Industry Subclassification	The supplier or customer's industry subclassification.
Taxable Amount	The transaction's taxable base.
Tax Amount	The transaction's tax amount.
VAT Type	The VAT transaction type associated with the specified tax code.
VAT Rate	The VAT rate associated with the specified tax code.

Oracle Assets

This chapter overviews Oracle Assets for Korea, including:

- Korean Depreciation Detail by Assets report
- Korean Depreciation Adjustment Detail report

Korean Depreciation Detail by Assets Report

Korean Depreciation Detail by Assets Report										Report Date:	01-MAY-2001 11:05		
										Page:	1		
										Unit:	Thousands		
Book Type Code: KR COMP01 Asset Main Category: BUILDING Period: Jan-00 - Apr-00 Category: OFFICE													
Asset Number	Asset Name	Date in Qty Service	Life	Rate	Initial Asset Cost	Additions	Adjustments	Ending Asset Cost	From Period	Current Expense	To Period	Salvage Value	Net Book Value
KR0001	St Kilda Road	1 30-NOV-99	36	33.33	7,000	0	3,000	10,000	0	2,777.778	2,777.778	0	7,222.222
KR0002	Bourke Street	1 30-NOV-99	36	33.33	8,000	0	0	8,000	0	2,222.221	2,222.221	0	5,777.779
KR0004	St. Kilda Road 6	1 31-MAR-99	36	33.33	0	100,000	0	100,000	0	11,111.112	11,111.112	0	88,888.888
Subtotal (Normal Depreciation):				15,000	100,000	3,000	118,000	0	16,111.111	16,111.111	0	101,888.889	
KR0003	Beach Road	1 30-NOV-99	36	33.33	5,000	0	0	0	0	0	0	0	0
Subtotal (Retirement Depreciation):				5,000	0	0	0	0	0	0	0	0	
Subtotal for Category:				20,000	100,000	3,000	118,000	0	16,111.111	16,111.111	0	101,888.889	
Total:				20,000	100,000	3,000	118,000	0	16,111.111	16,111.111	0	101,888.889	

*** End of Report ***

Use the Korean Depreciation Detail by Assets report to print the depreciation of your assets by asset category. Depreciation information in the report is arranged in two groups:

- Normal Depreciation assets
- Retirement assets

Use the Standard Request Submission windows to submit the Korean Depreciation by Assets report.

See also: Using Standard Request Submission, *Oracle Applications User Guide*

Report Parameters

Book Type

Enter the depreciation book that you want to run the report for.

Asset Category

Enter the asset major category for this report.

Period From

Enter the beginning period that you want to report from.

Period To

Enter the ending period that you want to report to.

Report Headings

In this heading...	Oracle Assets prints...
Book Type Code	The depreciation book
Asset Main Category	The asset major category
Period	The beginning and ending accounting period for the report
<Report Title>	Korean Depreciation Detail by Assets Report
Report Date	Date and time that the report is run
Page	The page number
Unit	The unit of the amounts in the report

Column Headings

In this column...	Oracle Assets prints...
Asset Number	The asset number.
Asset Name	The name of the asset.
Qty	The asset quantity.
Date in Service	The date that the asset was placed in service.
Life	The useful life of the asset in years.
Rate	The depreciation rate of the asset.
Initial Asset Cost	The asset cost at the start of the From period.
Additions	The cost of new assets placed in service between the From and To periods.
Adjustment	The adjusted cost for the asset during the From and To periods.
Ending Asset Cost	The ending asset cost. This is the sum of the Beginning Asset Cost, New Acquisition, and Cost Adjustment column values.
Depreciation Amount - From Period	The depreciation reserve amount up to the From period.
Depreciation Amount - Current Expense	The depreciation expense during the From and To periods.
Depreciation Amount - To Period	The ending depreciation reserve. This is the sum of the Depreciation Amount - From Period and the Depreciation Amount - Current Expense column values.
Salvage Value	The salvage value (normal depreciation assets only).
Net Book Value	The net book value of the asset at the end of the To period. This is the Ending Asset Cost less the Depreciation Amount - To Period column values.

Row Headings

In this row...	Oracle Assets prints...
Category	The asset category
Subtotal (Normal Depreciation)	The subtotals of the normal depreciation
Subtotal (Retirement Depreciation)	The subtotals of the retirement depreciation
Subtotal for Category	The subtotals for the asset category
Total	The totals for the report

Korean Depreciation Adjustment Detail Report

Korean Depreciation Adjustment Detail Report							Report Date: 01-MAY-2001 11:07	Page: 1
Book Type Code: KR CORP01 Asset Main Category: BUILDING Period: Jan-00 - Apr-00								
Asset Name	Useful Life in Service	Building Asset Cost	Cumulative Depreciation Reserve Amount	Net Book Value	Prior From-Period Cumulative Depreciation Reserve	Current Depreciation Expense	To-Period Cumulative Depreciation Reserve	
Beach Road	3 30-NOV-1999	0	1,111,111	<1,111,111>	972,222	138,889	1,111,111	
Bourke Street	3 30-NOV-1999	8,000,000	2,222,221	5,777,779	1,555,555	666,666	2,222,221	
St Kilda Road	3 30-NOV-1999	10,000,000	2,777,778	7,222,222	1,361,110	1,416,668	2,777,778	
Total:		18,000,000	6,111,110	11,888,890	3,888,887	2,222,223	6,111,110	

*** End of Report ***

Use the Korean Depreciation Adjustment Detail report to print the depreciation of assets by category. Use this report to submit asset information to your tax authorities.

Use the Standard Request Submission windows to submit the Korean Depreciation Adjustment Detail report.

See also: Using Standard Request Submission, *Oracle Applications User Guide*

Report Parameters

Book Type

Enter the depreciation book that you want to run the report for.

Asset Category

Enter the asset major category for this report.

Note: The report format for the major category *Utensils* differs slightly from the other categories.

Period From

Enter the beginning period that you want to report from.

Period To

Enter the ending period that you want to report to.

Report Headings

In this heading...	Oracle Assets prints...
Book Type Code	The depreciation book
Asset Main Category	The asset major category
Period	The beginning and ending accounting period for the report
<Report Title>	Korean Depreciation Adjustment Detail Report
Report Date	Date and time that the report is run
Page	The page number

Column Headings

In this column...	Oracle Assets prints...
Asset Name	The name of the asset
Useful Life	The useful life of the asset in years.
Date Placed in Service	The date that the asset was placed in service.
Ending Asset Cost	The ending asset cost up to the To period.
Cumulative Depreciation Reserve Amount	The cumulative depreciation reserve up to the To period.
Net Book Value	The net book value of the asset at the end of the To period. This is the Ending Asset Cost less the To-Period Cumulative Depreciation Reserve column values.
Prior From-Period Cumulative Depreciation Reserve	The depreciation reserve amount up to the From period.
Current Depreciation Expense	The depreciation expense during the From and To periods.
To-Period Cumulative Depreciation Reserve	The depreciation reserve at the end of the To period.

Row Headings

In this row...	Oracle Assets prints...
Total	The totals for the report

A

Using Globalization Flexfields

This appendix describes how to use globalization flexfields.

Using Globalization Flexfields

Oracle Financials for Korea uses globalization flexfields that let you enter country-specific information in Oracle Payables and Oracle Receivables. Your system administrator should complete setup steps to enable globalization flexfields for your country-specific responsibilities.

See also: Setting Up Globalization Flexfields, *Oracle Financials Country-Specific Installation Supplement*

There are globalization flexfields on these windows:

Oracle Payables

- Location
- Supplier Sites
- Tax Codes

Oracle Receivables

- Customer Addresses
- Location
- Tax Codes and Rates

The globalization flexfield appears in the window after you complete all setup steps to enable globalization flexfields. The globalization flexfield is enclosed in round brackets. Click in the globalization flexfield to display the pop-up window.

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