Oracle® Retail Merchandising System

User Guide Addendum

Release 12.0.10IN

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ORACLE®

Oracle® Retail Merchandising System User Guide Addendum, Release 12.0.10IN

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Value-Added Reseller (VAR) Language

Oracle Retail VAR Applications

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Contents

Preface

This document details the enhancements and modification made in Oracle Retail Merchandising System (RMS) to support Multiple MRP (MMRP) and configurable taxation functionality. The new functionalities are India specific business requirement. These modifications are implemented in RMS 12.0.10 release.

Audience

This document is intended for business users to understand the new functionality. The document is also intended for technical developers to understand what the solution offers to the users.

The document describes only the enhancements and modifications made to support the MRP and configurable tax functionality. As this document only explains the changes made to the RMS application, it is suggested that you refer the *Oracle Retail Merchandising System (RMS) User Guide* for functional and procedural information.

Related Documents

For more information, see the following documents in the Oracle Retail Merchandising System documentation set:

- *Oracle Retail Merchandising System Release Notes*
- *Oracle Retail Merchandising System Installation Guide*
- *Oracle Retail Merchandising System Operations Guide*

See also:

- Oracle Retail Integration Bus 12.0.9IN documentation
- Oracle Retail Price Management 12.0.10IN documentation
- Oracle Retail Invoice Matching 12.0.8.4IN documentation
- Oracle Store Inventory Management 12.0.10IN documentation
- Oracle Retail Point-Of-Service 12.0.9IN documentation
- Oracle Retail Back Office 12.0.9IN documentation
- Oracle Retail Central Office 12.0.9IN documentation
- Oracle Retail Strategic Store Solutions 12.0.9IN documentation
- Oracle Retail Security Manager 12.0.4 documentation

Customer Support

To contact Oracle Customer Support, access My Oracle Support at the following URL:

https://metalink.oracle.com

When contacting Customer Support, please provide the following:

- Product version and program/module name
- Functional and technical description of the problem (include business impact)
- Detailed step-by-step instructions to re-create
- Exact error message received
- Screen shots of each step you take

Review Patch Documentation

If you are installing the application for the first time, you install either a base release (for example, 12.0) or a later patch release (for example, 12.0.11). If you are installing a software version other than the base release, be sure to read the documentation for each patch release (since the base release) before you begin installation. Patch documentation can contain critical information related to the base release and code changes that have been made since the base release.

Oracle Retail Documentation on the Oracle Technology Network

In addition to being packaged with each product release (on the base or patch level), all Oracle Retail documentation is available on the following Web site (with the exception of the Data Model which is only available with the release packaged code):

http://www.oracle.com/technology/documentation/oracle_retail.html

Documentation should be available on this Web site within a month after a product release. Note that documentation is always available with the packaged code on the release date.

Conventions

Navigate: This is a navigate statement. It tells you how to get to the start of the procedure and ends with a screen shot of the starting point and the statement "the Window Name window opens."

> **Note:** This is a note. It is used to call out information that is important, but not necessarily part of the procedure.

```
This is a code sample
    It is used to display examples of code
```

A hyperlink appears like this.

Disclaimer

The User Guide addendum has been documented based on the current understanding of the requirements. These requirements may not be final and are subject to change based on review during subsequent stages by various stakeholders during the review of functional specifications.

1 Overview

Business organizations operating within a country are required to comply with country specific regulations and business practises. The India Localization related enhancements in RMS caters to India specific requirements, mainly related to retail pricing and tax related modifications.

- MRP

  MRP functionality in Oracle Retail applications is specific to Indian business scenario. MRP is defined as the maximum price for a product that a retailer can charge to the consumer. MRP, fixed by the manufacturer, is inclusive of all taxes. It is legally binding that the final selling price cannot be greater than the MRP. The retailer has the flexibility to sell the product below the MRP.

- Configurable tax
- New configurable taxation functionality has been introduced in RMS to support the Indian business scenario. Different types of tax can be processed in RMS:
  - Central Excise Tax
  - Sales/Purchase Tax
  - Service Tax
  - Customs Duty
  - Education Cess
  - Octroi Tax
  - VAT

MRP Related Enhancements

The following pricing related functional enhancements have been implemented in RMS 12.0.5, and are applicable in 12.0.10:

- Capture the MRP at item-location during item creation.
- New item level parameter to indicate if the Item is MRP controlled.
- New item level parameter to indicate if the cost of the item is calculated based on MRP. If this indicator is set to 'Yes' then cost of an item at the Item-Supplier-Origin Country, Item-Location, Item-Supplier-Origin Country-Location is calculated based on the MRP and fixed margin set at item-supplier level.
- New item level parameter has been introduced to indicate if the item can have multiple MRPs. If this indicator is set to 'Y' then RPM will store multiple MRP for the item-location.
- Capture the MRP at the item-location level during the Purchase Order creation process.
- RCA (Receiver Cost Adjustment) and MCR (MRP Change Request) is created if the MRP of the received merchandise is different from the MRP at the PO level.
- RMS will interface new MRP received to RPM. RMS will always store the primary MRP stored in RPM. RPM will store multiple MRPs for item-location and will mark one MRP as primary MRP. The selling retail associated with this primary MRP in RPM is used as unit retail for given item-location in RMS for all stock Ledger calculations.

Taxation Related Enhancement

The following taxation enhancements/ changes have been implemented in the India localization RMS 12.0.5, and are applicable in 12.0.10:

- Set up the initial data to calculate tax. Some of the initial data that needs to be defined are Tax Category, Tax Authority, VAT Region, Taxpayer Type, Tax Type, VAT Codes, and Tax Assignments.
- Capture Tax Category on the Item Master screen.
- Capture Cost Tax inclusive values and Taxation amount on the Purchase Order forms.
- Calculate appropriate transfer related taxes on inter-company and intra-company transfers.
- Calculate tax on return-to-vendor type of transfer.
- Create new deals with Tax Inclusive or Tax Exclusive values.
- New tran data codes have been added to represents the new Input and Output taxes.

Acronyms

Term	Description
RMS	(Oracle) Retail Merchandising System
RIB	(Oracle) Retail Integration Bus
RPM	(Oracle) Retail Price Management
MRP	Maximum Retail Price
MCR	MRP Change Request
SIM	(Oracle) Store Inventory Management
POS	Point of Service
WMS	Warehouse Management System
ReSA	(Oracle) Retail Sales Audit
RDW	(Oracle) Retail Data Warehouse
ReIM	(Oracle) Retail Inventory Management
INR	Indian National Rupee (Indian Currency)

2

India Localization Enhancements

The India localization related features are optional, and can be turned on/off based on user choice. When you install the RMS the India Localization patch should be applied for enabling the India specific features, such as the multiple MRP based modifications and configurable tax enhancements, in RMS.

You can either enable or disable the Taxation related enhancements. When the Taxation option is enabled, the configurable taxation modifications are displayed; if it is disabled, RMS will only display the base Taxation features.

System Parameter

Enabling of the localization features in RMS is controlled through setting in a new table *local_param*. You can enable the India localization specific functionality by setting the India localization parameter to 'Y'. The value can be either Y or N. When set to Y, all India Localization specific enhancements are enabled; if it is set to N, the new fields added to the existing screens and elements/links to the new screens will be hidden or disabled.

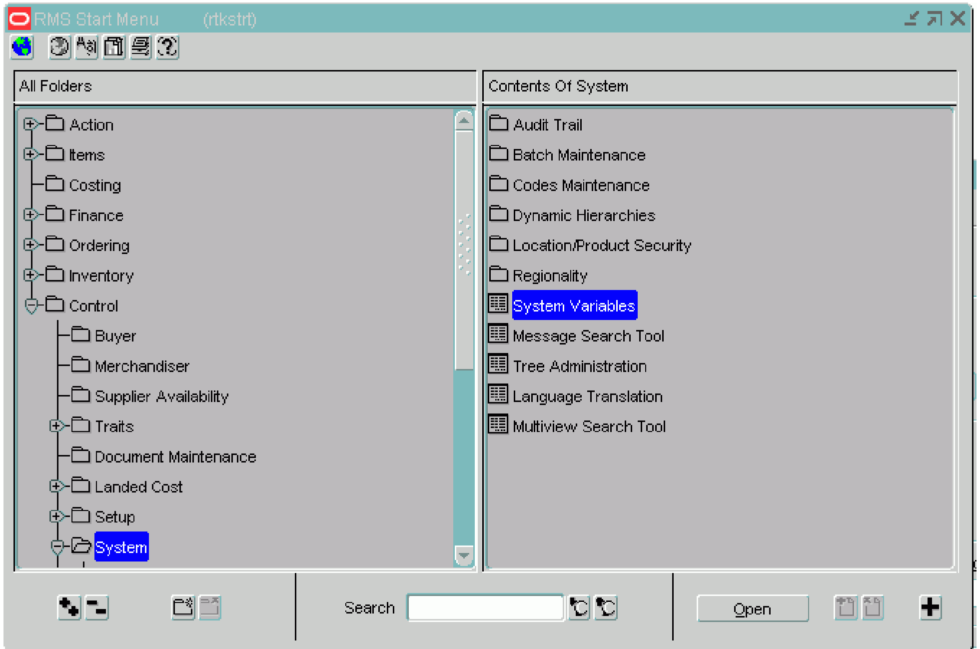
> The tax related India localization enhancements will appear only if you enable the **VAT Indicator** during the installation of the application.

The system level updates are managed only through the backend updates by an administrator. The updates, a one-time procedure, are done during the implementation stage. Once updated to Yes, it should not be modified.

Configuration Points for Taxation Module

Taxation is usually regional in nature. In order to better address the flexible nature of taxation, the module has been designed to be highly configurable. In order to calculate tax and duties correctly, the module has to be configured appropriately. This chapter explains the steps for configuring the tax module.

- These system options can be enabled/disabled from the RMS Main menu > Control > System > System Variables as highlighted in the following image.

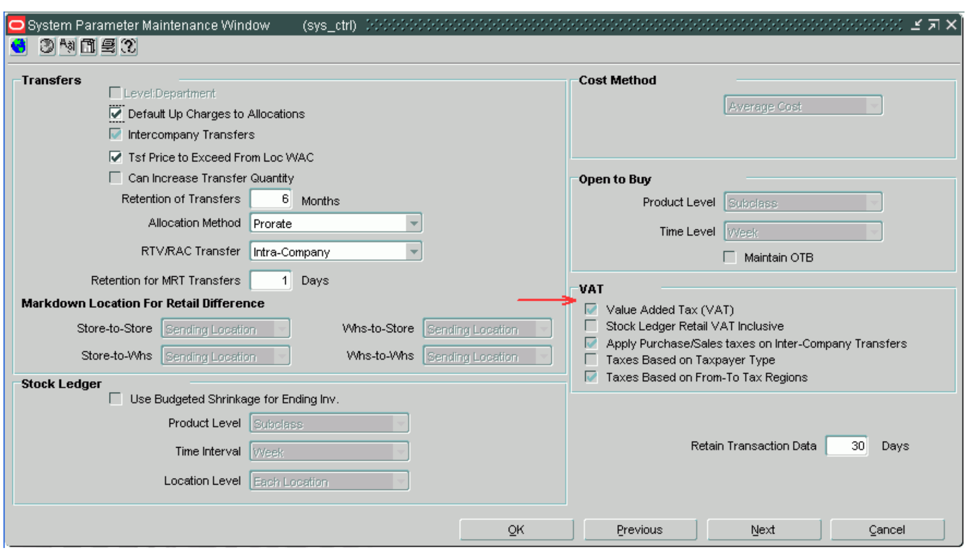


RMS Start Menu

Some of the system configurations related to taxation are:

- **Value Added Tax Indicator:** All tax related functionalities in RMS are controlled by the system options ***VAT Indicator***. All the VAT related functionality will be available only if the VAT Indicator is enabled. When the indicator is disabled, the tax related functionality is not available in RMS. This indicator is enabled during implementation stage, before any transactions are posted into RMS.

> Once set, appropriate impact analysis should be done before changing the indicator. The setting needs to be done at the database level by the system administrator. The field on the system options screen is view.



System Parameter Maintenance Window

- **Apply Purchase / Sales Taxes on Inter-Company Transfers*:*** If this option is enabled, purchase or sales type of taxes along with inter-company taxes are applied for transfers across legal entities. If the option is disabled, only inter-company (ICT) type of taxes are applied.
- **Taxes Based on Taxpayer Type:** When this indicator is enabled, you need to set the taxpayer type for the suppliers and the locations (physical warehouses and the stores) as a mandatory field. When this indicator is disabled, no tax structure will be dependent on the taxpayer type and hence taxpayer type field will be hidden in the below mentioned forms;

– Supplier Master

– Warehouse Master

– Store Master

– Tax Assignment (Both From and To Taxpayer Type fields will not be displayed)

– Item–supp–origin country Tax (Accessed from Item-supp-origin country form through VAT Details link)

– Item–supp–origin country–Loc Tax (Accessed from Item-supp-origin country-Loc form through VAT Details option)

– PO, RTV and Transfer Tax Breakup Screens

– PO Shipment Tax Details

- **Taxes Based on From-To Tax Region*s:*** If the option is enabled, the From and To Tax Regions are considered for any transaction. If the option is disabled, the tax structure can be defined based on a single Tax Region. The tax calculation will be based on the source VAT region.

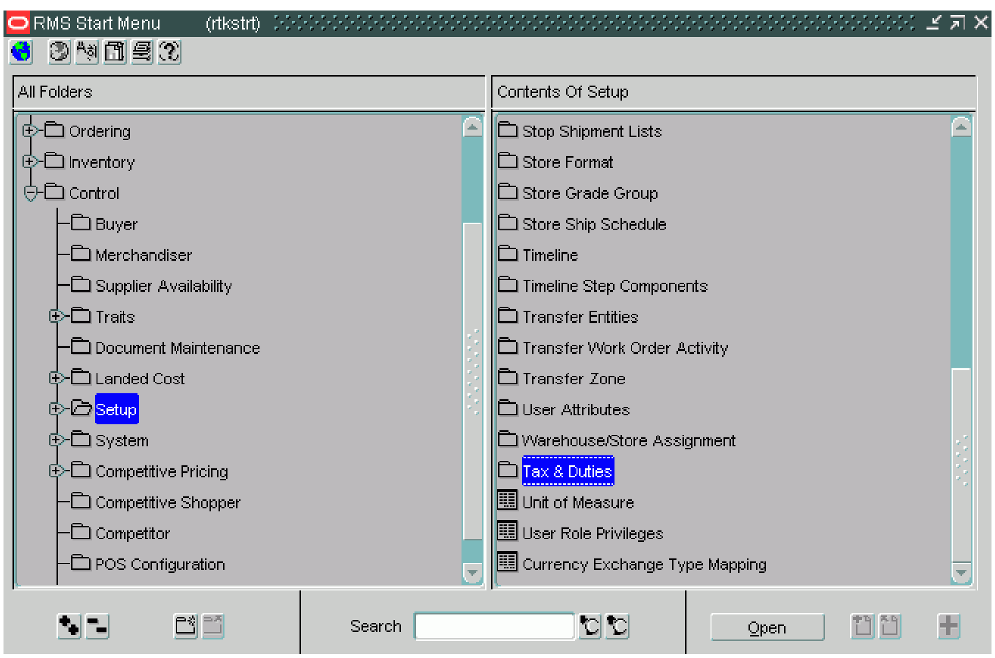
3
Set Up Procedures

Before you start using the application, you need to set up the initial data used in calculating the taxation amount.

Defining Taxes and Duties

On the **Taxes and Duties** menu, setup the following procedures in the recommended sequence below:

- Tax Authority
- VAT Region
- Defining Taxpayer Type
- Defining Tax Type
- Defining VAT Code
- Tax Category
- Assigning Tax Category to an Item
- Adding Assignments



RMS Start Menu

Tax Authority

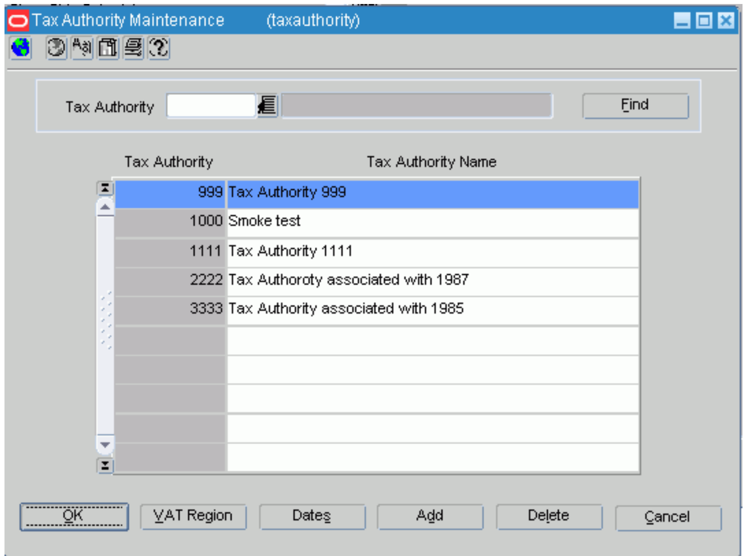
Tax Authorities represent government entities to which taxes should be remitted. Using the Tax Authority Maintenance screen you can add, view or delete Tax Authorities to/from the existing list.

Adding a Tax authority and Associating VAT Region

From the Main Menu > Control > Setup > Taxes and Duties > Tax Authority window, you can add a new tax authority in the **Edit** mode of the Tax Authority Maintenance screen.

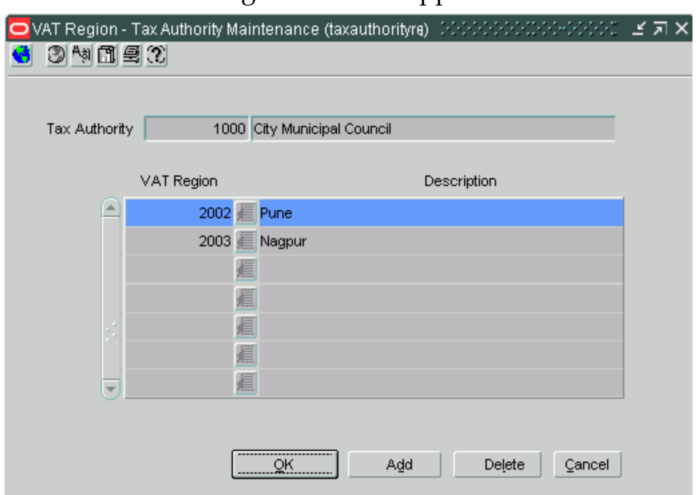
To add the Tax Authority:

1. On the Tax Authority Maintenance screen, click **Add**.



Tax Authority Maintenance window

2. Enter Tax Authority number and Tax Authority Name.
3. You can associate the VAT Region to the Tax Authority by clicking the **VAT Region** button. The VAT Region window appears.



VAT Region – Tax Authority Maintenance screen

4. Click the LOV link to display a List of VAT Regions.
5. Select the region and click **OK**.
6. If you wish to associate another region to the Tax Authority, click **Add** and select from the LOV link.

7. Click **OK** to exit the window.
   You may delete the existing VAT Region by selecting the VAT Region and selecting **Delete**. Click **Cancel** to cancel the operation.

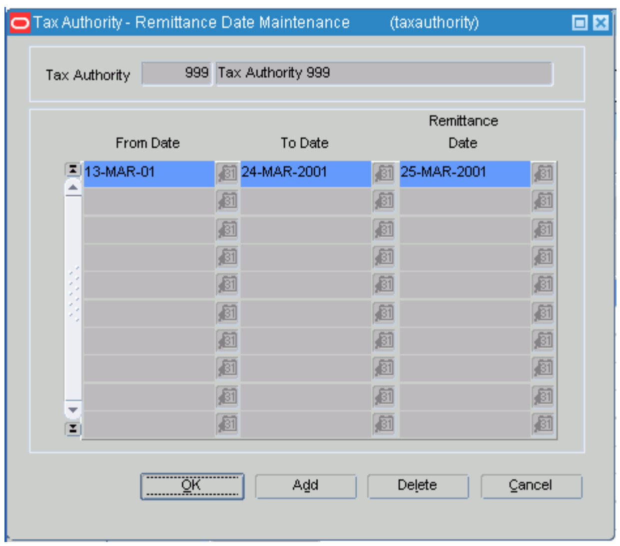
Remittance Date

Taxes must be remitted to the Tax Authority before a particular date. This date is stored on the Tax Authority – Remittance Date Maintenance form which can be accessed from the Tax Authority screen. You can add or delete the remittance dates.

> **Note**: The remittance date is not used in the tax calculation. It is mainly information that can be used to generate a report grouping all the taxes to be paid to a particular tax authority between two remittance dates.

Adding a Remittance Date

1. From the Tax Authority screen, click the Dates button. The Tax Authority – Remittance Date Maintenance window is displayed.



Tax Authority – Remittance Date Maintenance window

2. Click **Add**. An empty row is highlighted.
3. Enter the **From Date** and **To Date** fields using the calendar icon. The **From Date** and **To Date** must not overlap each other.
4. Enter the **Remittance Date** using the calendar icon. The Remittance Date must not be earlier than the **To Date**.
5. Click **Ok** to continue.

Deleting a Remittance Date

1. From the Tax Authority screen, click the Dates button. The Tax Authority – Remittance Date Maintenance window is displayed showing all the records.
2. Select the record you want to delete.
3. Click **Delete**. The confirmation message confirms the delete action.
4. Click Yes to delete the record. Else, click **No** to cancel the delete action.

Deleting a Tax Authority

You can delete a Tax Authority from the list by clicking the **Delete button** on the Tax Authority Maintenance window. You can delete a Tax Authority, only if there are no associations with any VAT Regions.

> If you wish to delete Tax Authority which is associated with VAT Regions, first delete the association between Tax Authority and VAT Regions and then proceed to delete the Tax Authority.

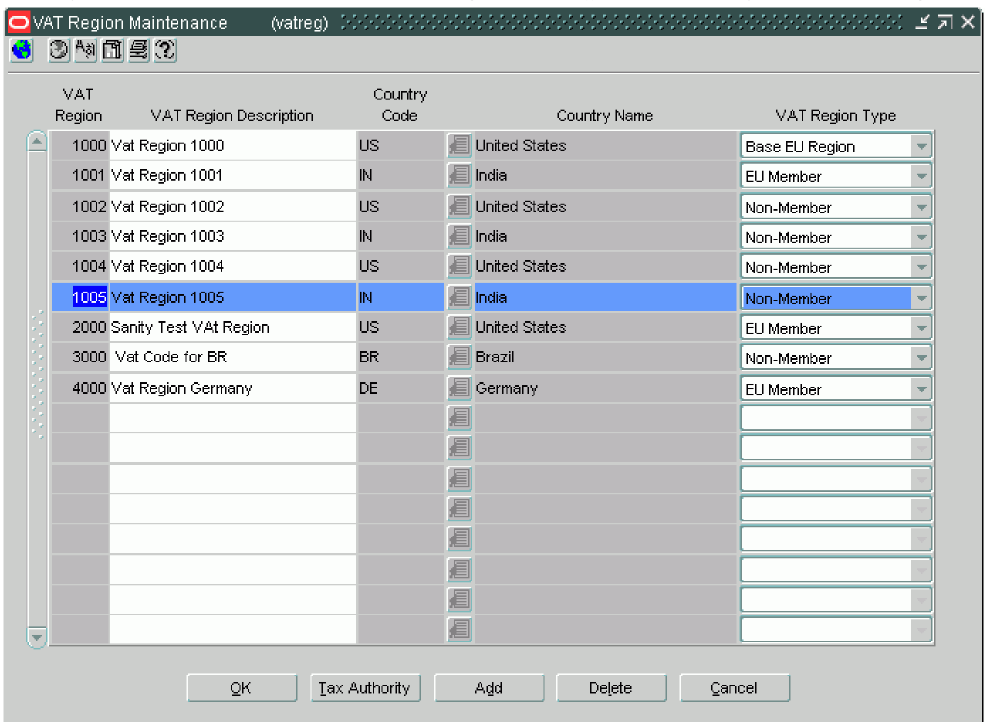
Viewing Tax Authority and VAT Region

You can view the Tax Authority and VAT Region records by selecting the View option on the Tax Authority Maintenance window. You cannot make any changes on the screen.

VAT Region

VAT Region describes the specific region the VAT is applicable to. Each VAT region can have one or more VAT codes.

The existing VAT Region form is modified to include a new **Country Code** field. Each VAT Region is mapped to a country code. For example, if you add a new VAT Region 8000, you need to associate the VAT Region to a specific country and VAT Region Type.



VAT Region Maintenance Screen

VAT Region Type

The following types of VAT regions may be set up in RMS:

- **Base EU Region:** The VAT region encompasses the entire European Union. Only one VAT region can be designated as the Base EU Region.
- **EU Member:** The VAT region is located within the European Union.
- **Non-Member:** The VAT region is not located within the European Union.

Adding VAT Region

From the Main Menu > Control > Setup > Taxes and Duties > VAT Maintenance window, you can add a new VAT Region in the **Edit** mode of the VAT Maintenance screen and also associate country and VAT Region type.

1. Click **Add** on the **VAT Region Maintenance** screen. The next available line is enabled.
2. In the **VAT Region** field, enter a unique ID.
3. In the **VAT Region Description** field, enter a description for the VAT region.
4. In the **Country Code** field, enter or select the country code associated with the VAT Region from the List of Countries screen as shown below.

List of Countries screen

5. In the **VAT Region Type** field, select the type of VAT region. This should be a non member country.
6. Click **OK** to save your changes and close the window.

Deleting a VAT region

1. Select a VAT region and click **Delete**.
2. When prompted to delete the VAT region, click **Yes**.
3. Click **OK** to save your changes and close the window.
   You can delete a VAT Region, only if there is no associated Tax Authority to it.

Assigning Tax Authority to VAT Region

Multiple Tax Authorities can be assigned to one VAT region. For example, a city can be setup as a VAT Region. An Entry Tax is charged when goods enter the city limits. The city civic body collects this entry tax. Additionally the Sales Tax is charged by the State Government and is collected by a state level Government Entity. So the VAT Region representing the city is associated with multiple tax authorities.

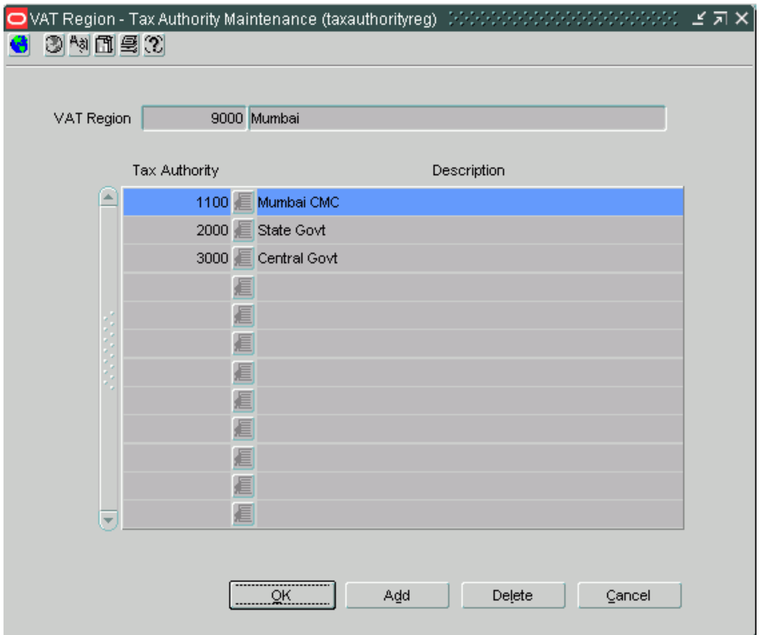
The **VAT Region – Tax Authority Maintenance** screen displays all the Tax Authorities associated with the VAT Region.

You can also access this screen from the Tax Authority Maintenance Screen. When accessed from Tax Authority Maintenance, the screen looks different as shown in the Tax Authority section.

To assign tax authority:

From the Main Menu > Control > Setup > Taxes and Duties >VAT Region Maintenance window, you can assign tax authority to a VAT Region.

1. Click **Tax Authority** on the VAT Region Maintenance screen.



VAT Region – Tax Authority Maintenance screen

The existing Tax Authorities associated with the VAT Region are displayed.

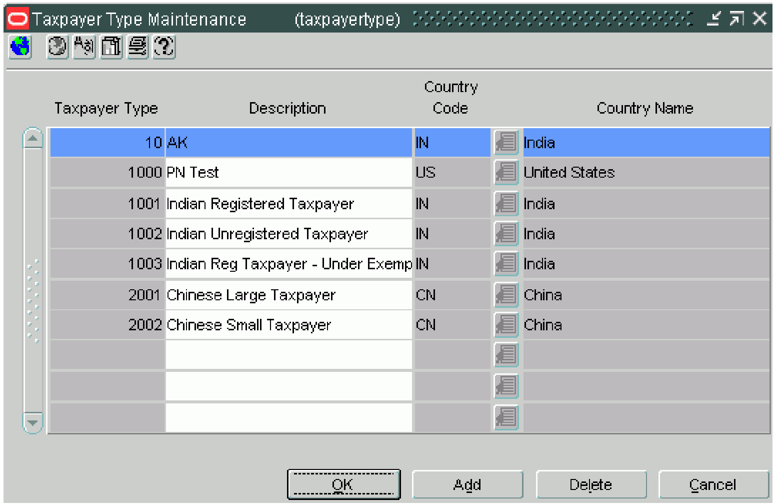
2. Click **Add**. An empty row appears.
3. Select from the LOV drop-down values.
4. If you wish to associate another authority to the VAT Region, click **Add** and select from the LOV link.
5. Click **OK** to exit the window.
   You may delete the existing Tax Authority by selecting the record and clicking **Delete**. A confirmation message confirms if you wish to delete, click **Yes** to continue.

Defining Taxpayer Type

In some countries, the VAT rate applicable on a product within a VAT Region differs based on the type of business entity. This form provides the facility to define different tax payer type.

In Brazil/India, the groups of taxpayers are defined as Registered and Unregistered. The Registered Vendors pay tax based on the product type or tax category; the Unregistered Vendors do not pay any tax.

In China, a business entity may be classified as Normal or Small Tax Payer type. The normal taxpayer pays a tax of 13 % or 17 %, while the small taxpayer pays 4 % or 6 %.



Taxpayer Type Maintenance screen

Adding Taxpayer Type

From the Main Menu > Control > Setup > Taxes and Duties >Taxpayer Type Maintenance window, you can add a new taxpayer type.

To add a taxpayer type:

1. On the **Taxpayer Type Maintenance** screen, click **Add**. An empty row appears at the bottom of the table.
2. Enter the **Taxpayer Type** and **Description**.
3. Using the LOV, select the country code the taxpayer is mapped to.

   > Every taxpayer is mapped to a country code. When adding a new taxpayer type, you will need to map it to a country.

4. Click **OK** to exit the window.
   Click **Cancel** to cancel the operation.

Deleting Taxpayer Type

You can delete a taxpayer type by clicking Delete on the Taxpayer Maintenance screen. You can delete a taxpayer type, only if it is not associated to any store, warehouse or supplier.

Defining Tax Type

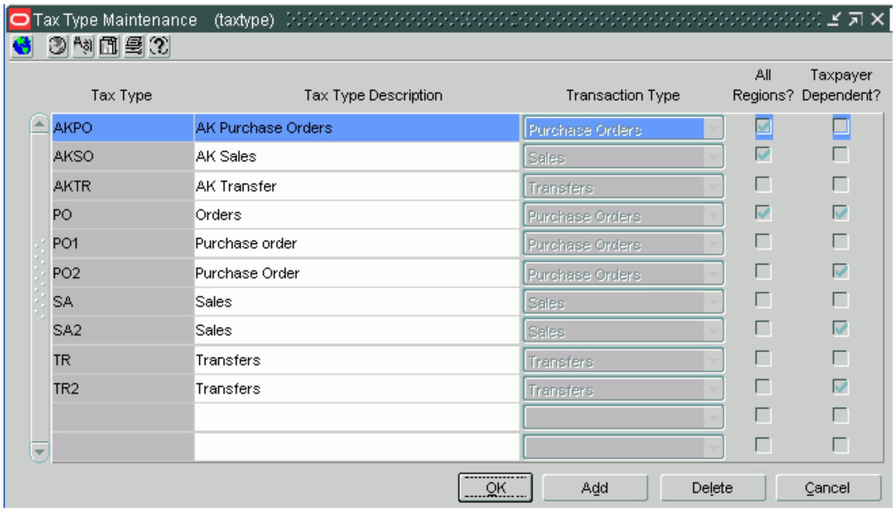
Different taxes and duties are charged by various government agencies for various activity types. For example, Sales Tax/VAT is charged when goods are sold and bought, Excise Duty is charged when goods are sold by an industrial unit, entry tax is charged when goods enter a city, service tax is charged when service is provided by agents / broker.

In India Localized version of RMS, you can create new Tax Types, mapped to various transactions in RMS. The RMS transactions that a tax type is mapped to are:

- Purchase Orders,
- Sales,
- Transfers, and
- Intercompany Transfers

Each tax type can be mapped to a single transaction type only.

> There are certain transfer types such as book transfer and administrative transfer that do not require any tax calculation.



Tax Type Maintenance screen

Adding Tax Type

From the Main Menu > Control > Setup > Taxes and Duties >Tax Type Maintenance window, you can add a new tax type.

To add a tax type:

1. On the **Tax Type Maintenance** screen, click **Add**. An empty row appears at the bottom of the table.
2. Enter the following details:
   - **Tax Type –** type of tax.
   - **Description –** description of tax type.
   - **Transaction Type –** tax type is applicable to Purchase Orders/Sales/Transfers.
   - **Taxpayer Dependent –** whether the tax is tax payer dependent. VAT rates may or may not differ based on the Taxpayer. When the option is checked, the VAT rates need to be defined by VAT Region / Taxpayer; else the VAT rates will only depend on the VAT Region.
3. Click **OK**.

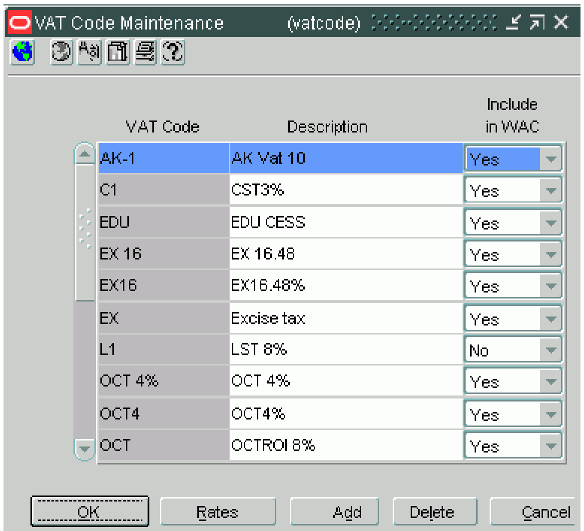
> After clicking OK, you cannot make any changes to the Tax Type. If you wish to modify any of the attributes, delete the Tax Type and add a new Tax type.

Deleting a Tax Type

You can delete a tax type by clicking Delete on the Tax Type Maintenance screen. If there are any existing assignments for that tax type, you cannot delete the tax type.

Defining VAT Code

VAT codes represent the actual taxes imposed by each tax authority. On the VAT Code Maintenance screen, you can add, delete, and specify the rates for each code.



VAT Code Maintenance screen

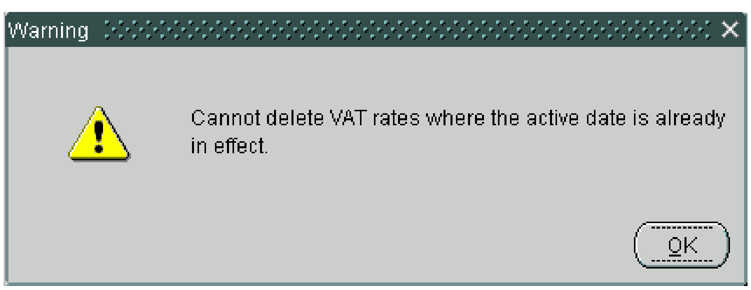
Adding Tax Code

From the Main Menu > Control > Setup > Taxes and Duties >Tax Code Maintenance window, you can add a new tax code.

1. On the **Tax Code Maintenance screen**, click **Add**. An empty row appears at the end of the table.
2. Enter the **VAT Code** and **Description** for the new VAT code.
3. From the drop-down list of **Include in WAC**, select Yes or No. This value will determine if the tax amount calculated for the VAT code should be included in WAC (Weighted Average Cost) calculation.

Deleting Tax Code

You can delete an existing tax code by clicking Delete on the Tax Code Maintenance screen. You cannot delete Tax codes which are currently applicable. If you select to delete a tax rate which is active, a validation error appears as shown below.



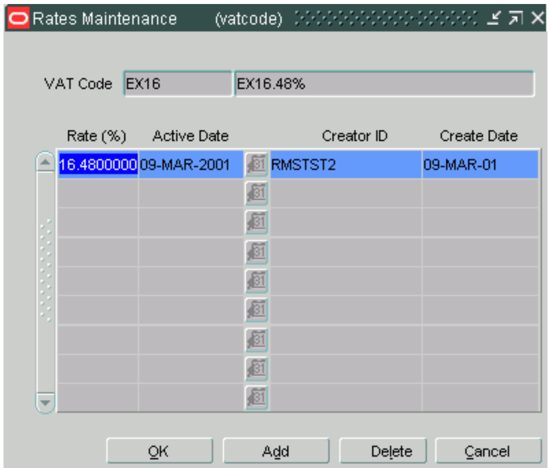
Warning Message

Specifying Tax Rates

You can add or delete the Tax Rates for the tax code.

To add a tax rate:

1. On the **Rates Maintenance** screen, click **Add**. An empty row appears on the screen.



Rates Maintenance

2. Enter **Rate (%)**.

> VAT codes cannot be used if the rate is not specified.

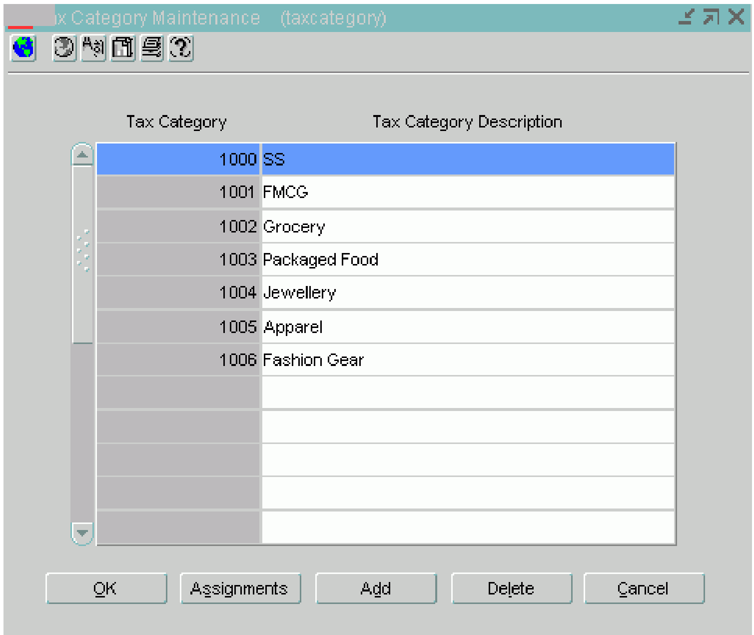
3. Enter the **Active Date** by using the calendar icon. The Active date is the date from when the code rate is applicable.
4. Click **OK** to exit the window.

> The **Creator ID** and **Create Date** are automatically populated on exiting. To view, revisit the Rates Maintenance screen.

Tax Category

Tax is calculated for an item based on the tax category associated to it. Tax category represents a set of items having the same tax structure. You can create tax categories and associate different taxes to the tax categories based on other set up data such as the **VAT regions**, **Tax Payer Types**, and **Tax Type** combination. When adding items to the RMS application, tax category is a mandatory field. An item is associated to only one tax category.

For every transaction for the item, the tax category is used to determine the tax amount. Based on the **VAT Rate**, **Application Order**, **From VAT Region**, **To VAT Region**, **From Taxpayer Type**, and **To Taxpayer Type,** applicable tax types for the transaction are used to calculate the tax amount.



Tax Category Maintenance Window

Adding a Tax Category

From the Main Menu > Control > Setup > Taxes and Duties >Tax Category window, you can add a new tax category.

1. Open the Tax Category window in the Edit mode. The Tax Category Maintenance window opens.
2. Click Add to add a new tax category. Enter the Tax Category ID and Description.
3. Click OK to exit the window. Alternatively, click **Assignments** to create Tax assignments to associate tax details to tax category. When clicked the **Assignments** button, the Tax Assignment screen appears.

> Creating Tax Assignment is the last step in the Tax configuration.
>
> Ensure the assignments are created correctly as per the validations; else there may be miscalculations or the tax may not be calculated.

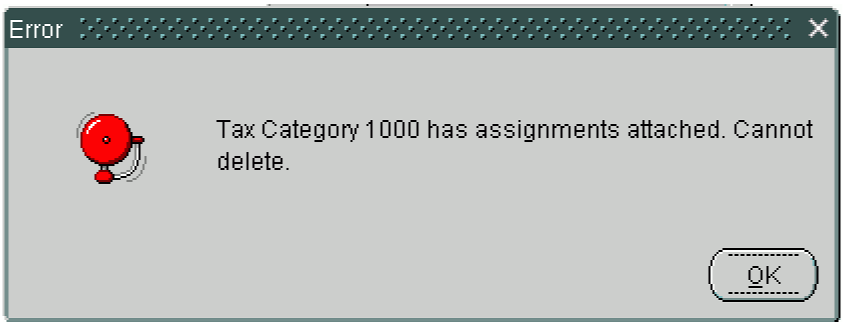
Viewing a Tax Category

From the Main Menu > Control > Setup > Taxes and Duties >Tax Category window, you can view the existing tax categories.

1. Open the Tax Category window in the View mode. The Tax Category Maintenance window opens displaying all the existing Tax Categories. You can access the Assignments form from this window. Refer Adding New Assignments.
2. Click OK to exit the window.

Deleting a Tax Category

You can delete an existing Tax Category by clicking the Delete button on the Tax Category Maintenance form. You can delete the Tax category only if there are no associated assignments to the Category. If you attempt to delete a Tax Category with associated Assignments, a validation error message appears informing that there are assignments associated with the Tax category and you will not be able to delete the Tax Category.



Error when deleting an existing tax category

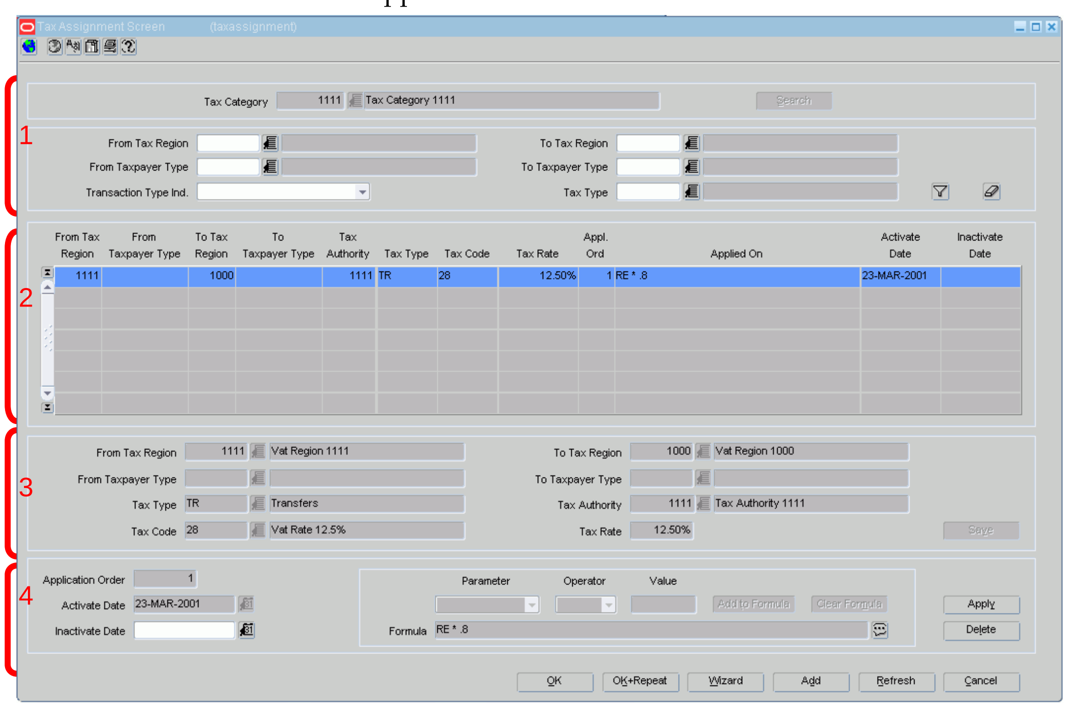
Assigning Tax Category to an Item

The Tax Category is a mandatory field if the India Localization patch is applied. When you create a new item by using the **Copy from existing** functionality, the Tax category of source item is inherited to new item. The tax category of the parent item is inherited to child items.

You can specify the Tax Category for the new item on the Item Maintenance Window. Refer Tax Enhancements section in the Chapter Item Master to know the procedural steps to assign tax category to an item.

Tax Assignments

The Tax Assignments screen helps you create the taxability rule. While processing transactions, the base application passes the item-location-supplier/customer related information to the tax engine. The tax engine matches this information with the appropriate tax assignment record to determine the taxability base. The calculated tax amount is returned to the base application.



Tax Assignment screen

The Tax Assignment screen has three main sections:

- Search section – section 1 as shown in the image above,
- Detail grid view – section 2
- The Tax assignment apply section – section 3 and 4, which is split into two,
  - Section 3 Non-editable section for already existing records
  - Section 4 Formula section

When creating new records, both sections 3 and 4 are editable.

1. When you access the screen from the Tax Category, all the assignments created for the category are displayed in the grid. If the taxpayer filter is used then the result includes the VAT Codes without any taxpayer information with appropriate tax payer selected.
2. You can filter to display assignments on the basis of :

   From Tax Region

   From Taxpayer Type

   Tax Type

   To Tax Region

   To Taxpayer Type
3. Click the Filter icon to display the result.
4. Now you can edit the existing assignments. If you want to edit the details of an existing Tax assignment, select the Tax Assignment in the detail grid and make changes in the Tax assignment section and apply the changes by clicking on the Apply button.

> For existing records, you can only edit **Application Order**', '**Activate Date**',' **Inactivate Date**', and the **formula**.
>
> If the tax category is associated to any item, then only **Inactivate Date** can be edited.

Adding New Assignments

From the Main Menu > Control > Setup > Taxes and Duties >Tax Assignments window, you can add a new tax assignment. Or you can access the Tax assignment screen from the Tax Category window. You can add the tax assignments conveniently by using the Tax Wizard screen.

1. On the Tax Assignments screen, click Add. An empty row appears in the grid table.
2. Enter the following details:

   From Tax Region

   From Taxpayer Type

   Tax Type

   Tax Code

   To Tax Region

   To Taxpayer Type

   Tax Authority

   Tax Rate
3. Click the **Save** button. The fields in Editable section (Section 4 as shown in image above) become active.

4. Enter the following information

   Application Order – In the scenario of multiple taxes (especially tax-on-tax), the application order for calculating the tax is important. The application order is the order in which the tax details are calculated. (E.g. Education cess is on excise duty. The application order of education cess has to be greater than that of excise duty. Here excise duty and education cess are valid tax codes.)

   Activate Date – The date from which the corresponding tax becomes active and is applied during transactions.

   Inactivate Date – The date after which the corresponding tax should not be applied. Hence the record becomes inactive and is not used for tax calculations.

   Parameter – The parameter determines the taxable base which can be any of the following – MRP, Cost, Freight and Retail. As one or more tax assignments are created, the corresponding tax codes are listed in this drop down for subsequent tax codes (provided the application order is higher than those tax codes.)

   Operator – You can enter arithmetic operators like addition (+), subtraction (-), multiplication (*), or division (/).

   Value – Add numeric value in the field **Value**.

   Formula – You can create a new formula to arrive at the tax calculation logic. You can use previously defined tax code as an input to calculate another taxable base.

   Clear Formula – You can clear the entered formula by clicking the Clear Formula button.

> For example, for a particular tax category, the Excise Duty (VAT Code 'EXC') is 11% and is applied on 60% of MRP. Then you can add a formula as MRP X 0.6 and in the tax rate will be 11. That is, apply 11% tax on 60% of MRP and store the value as EXC.
>
> If the next tax type is VAT, which is charged @ 6 % and applied on Cost + Excise Duty + Freight. Freight us calculated using the Expense Type cost components). In the formula section you may enter COST + EXC (Row Created in above step) + Freight. And in the tax rate enter 6. For this record enter the application order as 2.
>
> Now if you want to apply 2% Cess on VAT. In the formula section, enter only VAT. In the tax rate section, enter 2. This implies a 2 % tax is applied on top of VAT. For this record, enter the application order as 3.

5. Click **Apply**. The formula is displayed in the Formula field.
6. Click **OK** to exit the window.
7. You may add another assignment or delete an existing assignment repeat the procedure to add another assignment.

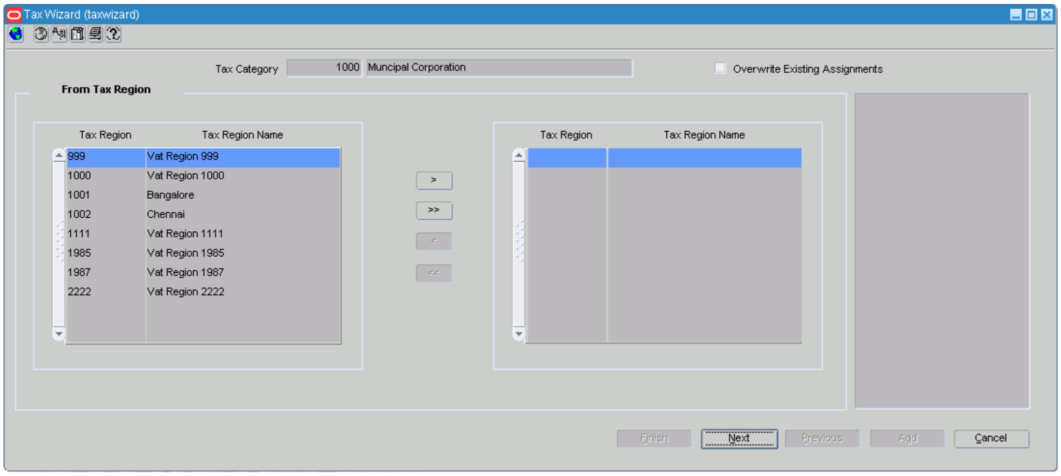
Tax Wizard

The Tax Wizard helps you create tax assignments faster and conveniently. By selecting the From and To Taxpayer Type and From and To Tax Region, for a particular Tax Category, different combinations of Taxpayer Type and Tax region are used to create multiple tax assignments.

To create tax assignments using the Tax Wizard form:

From the Main Menu > Control > Setup > Taxes and Duties > Tax Assignments, select the Edit mode.

1. On the Tax Assignment screen, select a Tax Category and click **Search**. The existing records are displayed on the screen in the detail area.
2. Click the **Wizard** button at the end of the screen. The Tax Wizard screen is displayed.

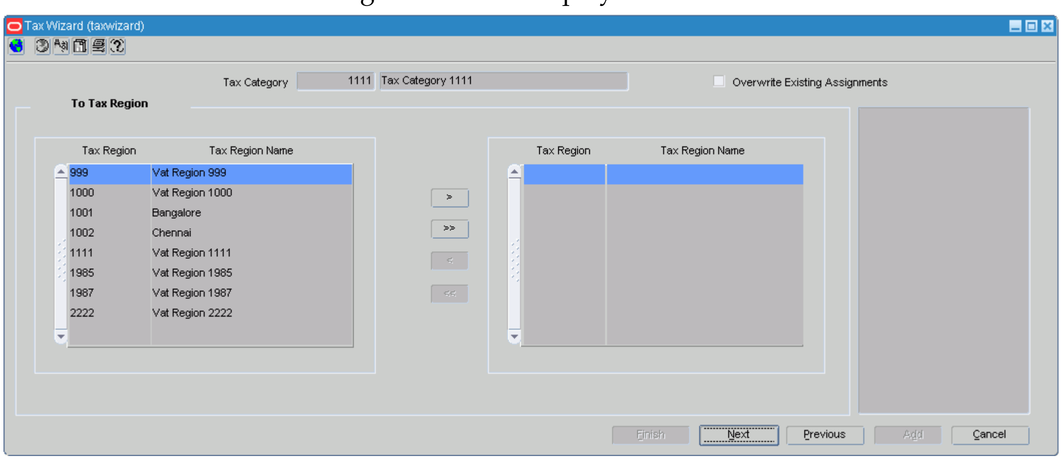


Tax Wizard

On the Tax Wizard screen, you have the option of selecting the following options:

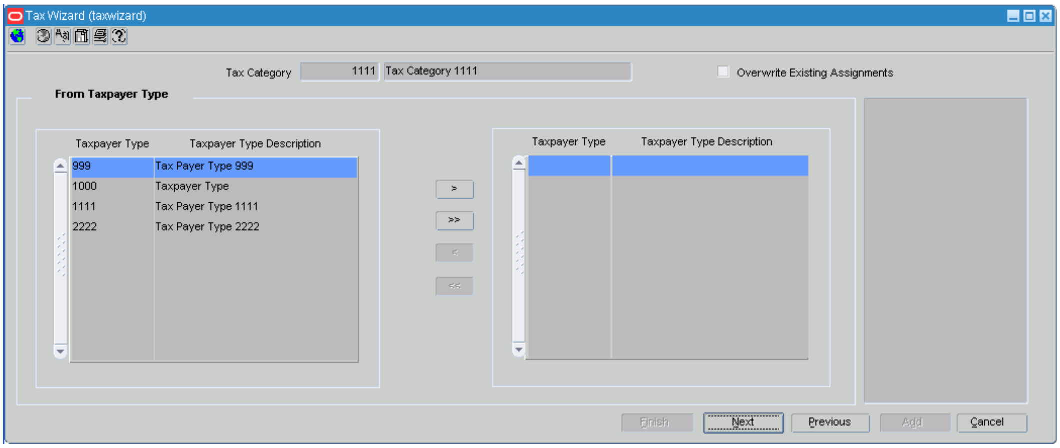
- From Tax Region
- To Tax Region
- From Taxpayer Type
- To Taxpayer Type

3. Select the **From Tax Region** by clicking a tax region from the existing tax regions and pressing the right arrow. You can select more than one Tax Region. If you wish to select all the existing Tax Regions, select the double arrow (>>) symbol.
4. Click Next. The To Tax Region screen is displayed.



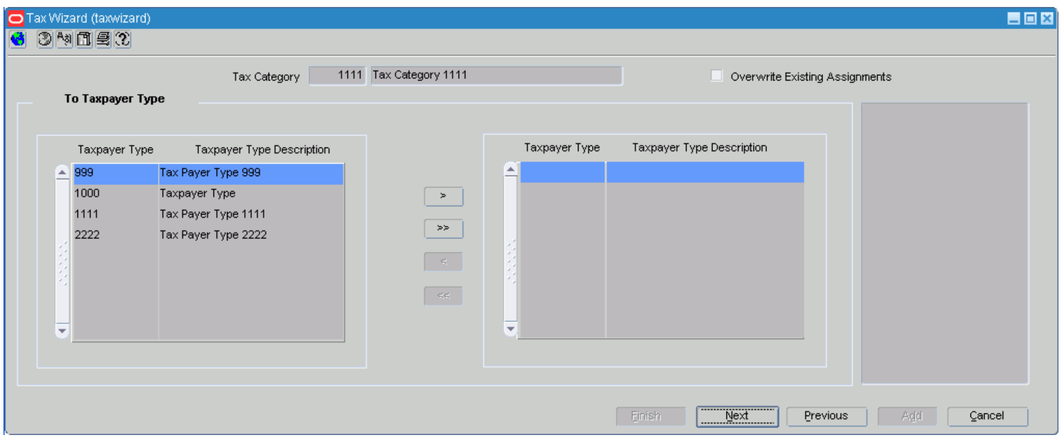
Tax Wizard – To Tax Region

5. Select the To Tax Region by clicking the Tax Region and selecting the right arrow symbol. You can select more than one Tax Region.
6. Click Next. The From Taxpayer Type screen is displayed.



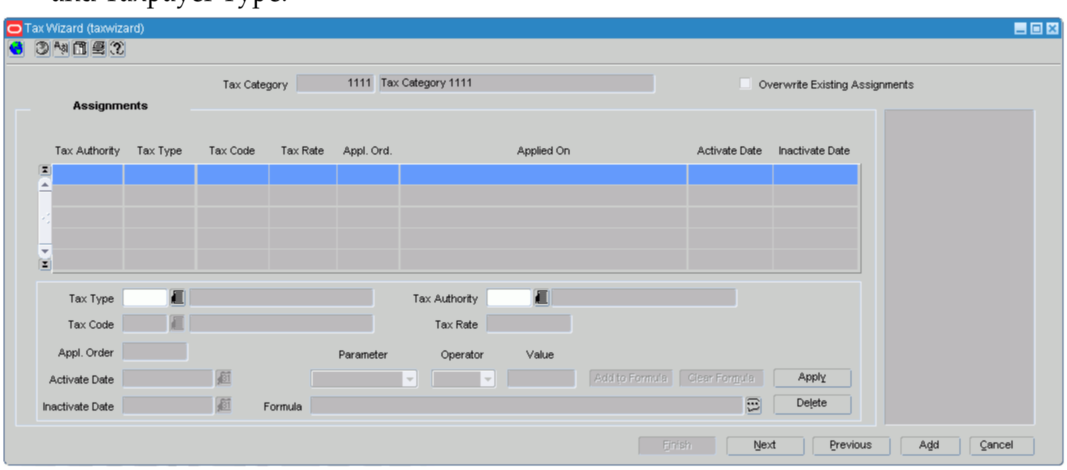
Tax Wizard – From Taxpayer Type

7. Select the From Taxpayer Type from the list and click the right arrow symbol. You can select more than one taxpayer type.
8. Click Next. The To Taxpayer Type is displayed.



Tax Wizard – To Taxpayer Type

9. Select the To Taxpayer Type from the list and click the right arrow symbol. You can select more than one taxpayer type.
10. Click Next. The Assignments screen is displayed. On this screen you can enter the tax structure which is applicable for all the combinations of the From and To Tax region and Taxpayer Type.

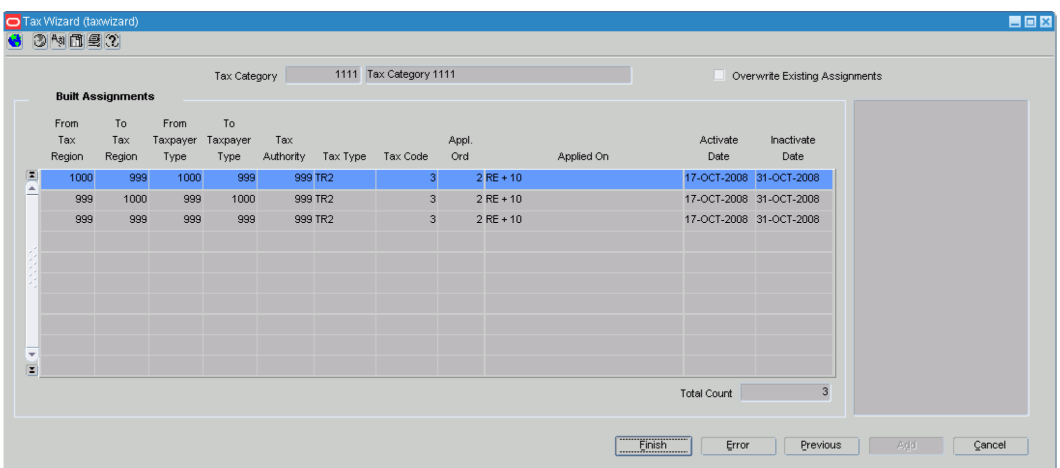


Tax Wizard – Assignments

11. Enter the following criteria to create the tax assignment:

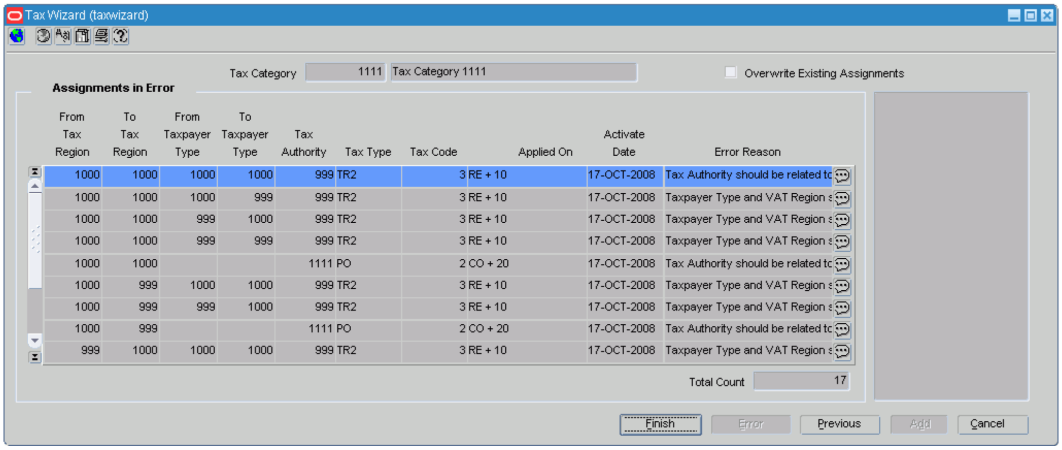
- Tax Type – select the tax type using the LOV button.
- Tax Authority – select the tax authority code using the LOV button.
- Tax Code – select the tax code.
- Tax Rate – the tax rate is auto-populated.
- Appl. Order – enter the application order.
- Activate Date – using the calendar, select the activation date.
- Inactivate Date – select the inactivation date.
- Parameter – select the parameter options Cost, Retail, or MRP.
- Operator – select the arithmetic operators to create the formula.
- Value – enter numeric value.
- Add to Formula – after entering the tax formula, click Add to Formula. The formula is displayed in the Formula field.
- Clear Formula – You can clear the formula to by clicking the Clear Formula button.
- Apply – click Apply when done.
- Delete – You can delete the tax structure by clicking the Delete button.
- Add – Click Add to add more than one tax structure.
- Next – After adding the tax structure, click Next to move to the next screen.
- Previous – Click Previous, if you wish to revise the data.
- Cancel – You can cancel the assignments by clicking the Cancel button.

12. Click Next. The Built Assignments screen is displayed with the tax assignments created using combinations of selected tax regions and taxpayer type.



Tax Wizard - Built Assignments

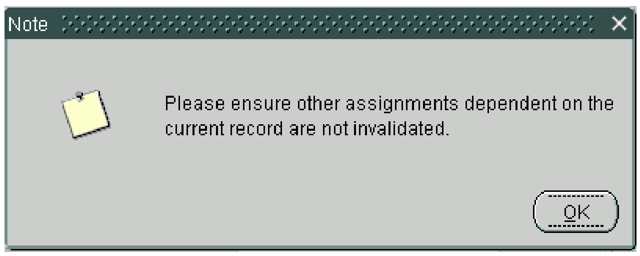
On the Built Assignments screen, you can also view the assignments that were not created due to incorrect data entry. The reason for the error is also displayed on the screen. You can click Previous to go back and correct the data entry or click Finish to accept the error-free tax assignment records in the database.



Tax Wizard – Assignments in Error

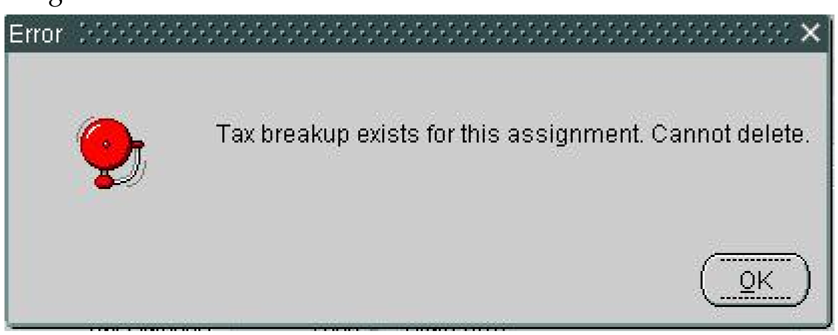
Deleting Assignments

You can delete existing assignments by clicking the **Delete** button on the Tax Assignment screen. If there are other assignments that are dependent on the current assignment, validation errors may appear as shown below.



Validation Message

An assignment can not be deleted if any existing records are associated with the assignment.



Validation Error

Assigning VAT Parameters

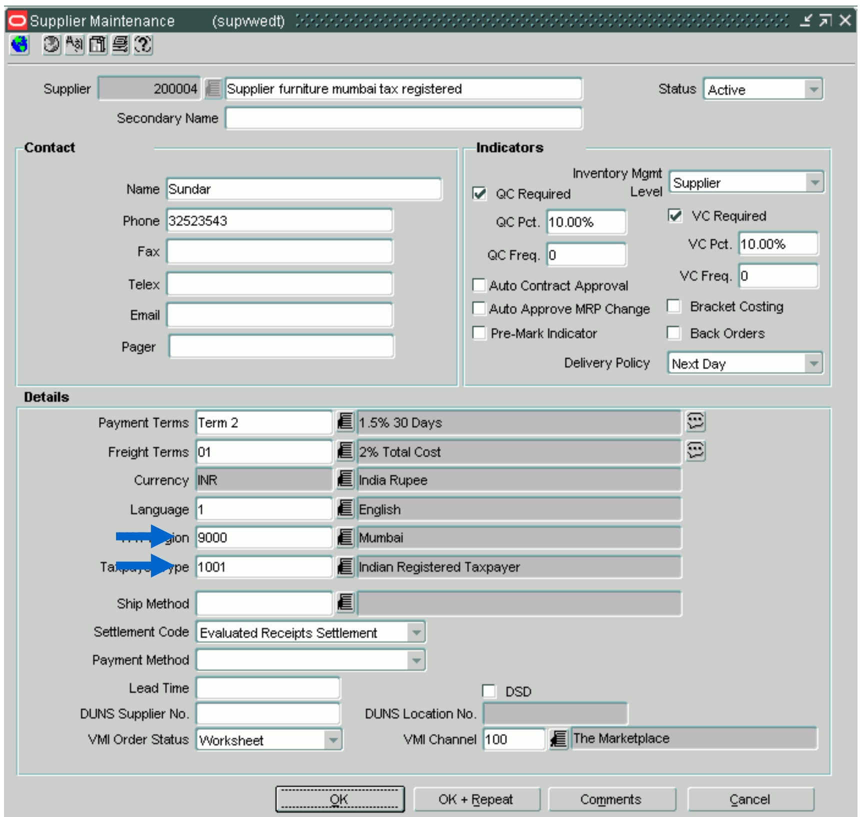
VAT Parameter to Supplier

Suppliers are designated to a particular type of taxpayer. A supplier may supply from multiple source countries and can have different taxpayer classification in different countries. The default value for the taxpayer is mapped at the supplier level. The values mapped in the Supplier form represent the values for primary **Item-Supplier-Origin Country** setup.

You can assign the VAT parameters to the supplier when creating suppliers in RMS.

To assign the VAT parameter to a supplier:

1. From the main menu, select Control > Supplier. The Supplier Search window opens.
2. In the Action field, select New to add a new supplier. You may edit an existing supplier by selecting the Edit option.
3. Click **OK**. The Supplier Maintenance window opens.



Supplier Maintenance window

4. In the Supplier and Contact fields, enter the required information.
5. In the Details fields, select the payment terms, freight terms, currency, language, VAT region, Taxpayer Type, and shipping method. VAT Region and the Taxpayer Type are the two new fields on this screen.

   During the item setup, the taxpayer ID entered on the Supplier Maintenance screen is displayed as the default value on the **Item-Supplier-Origin Country** screen. You can edit the value to alternate Taxpayer for different origin country.
6. Enter information in other fields in the Details section and Indicators section. For detailed procedural information, refer the *RMS User Guide*.
7. Click **OK** to save changes and close the window.

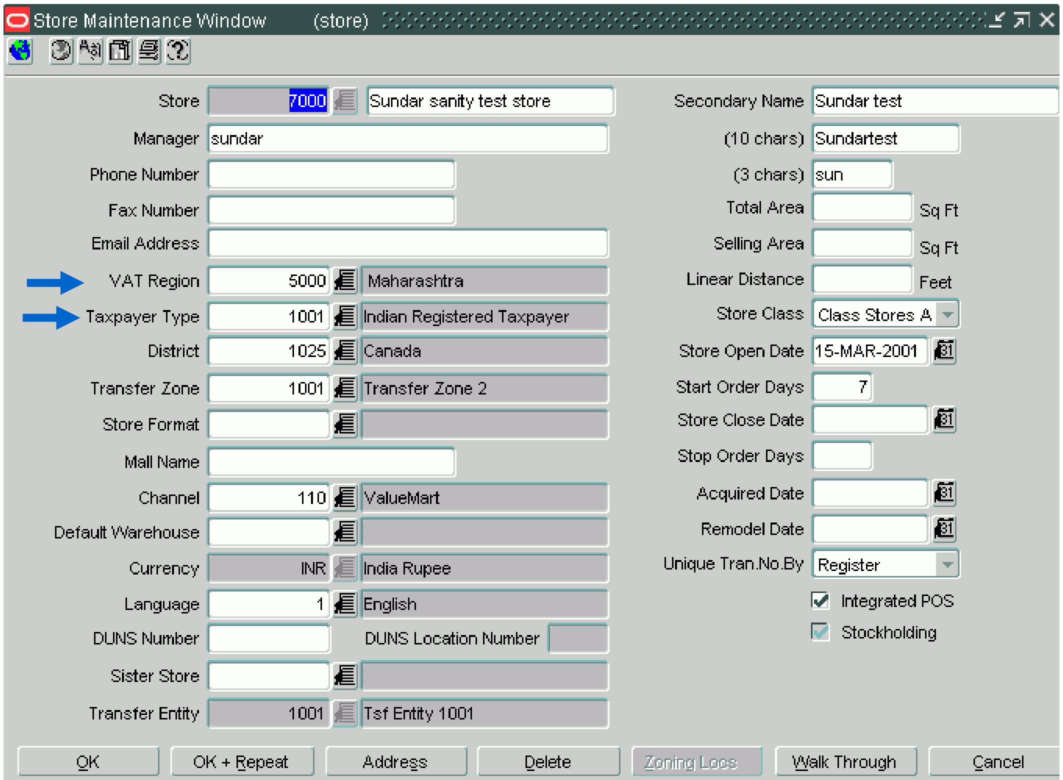
VAT Parameters to Store

The batch program to create new store in RMS is modified to capture and post the new field in the base table. Validations are added to check the taxpayer and store country code.

When creating new stores using the Like Store functionality, the taxpayer type and the primary and active MRPs of the Like Store are inherited to the new store.

To assign the VAT parameter to a store:

1. From the main menu, select Action > Organizational Hierarchy. The Organization Hierarchy Main Form window opens.
2. Select Store on the tree structure.
3. Click **New**. The Store Maintenance window opens.

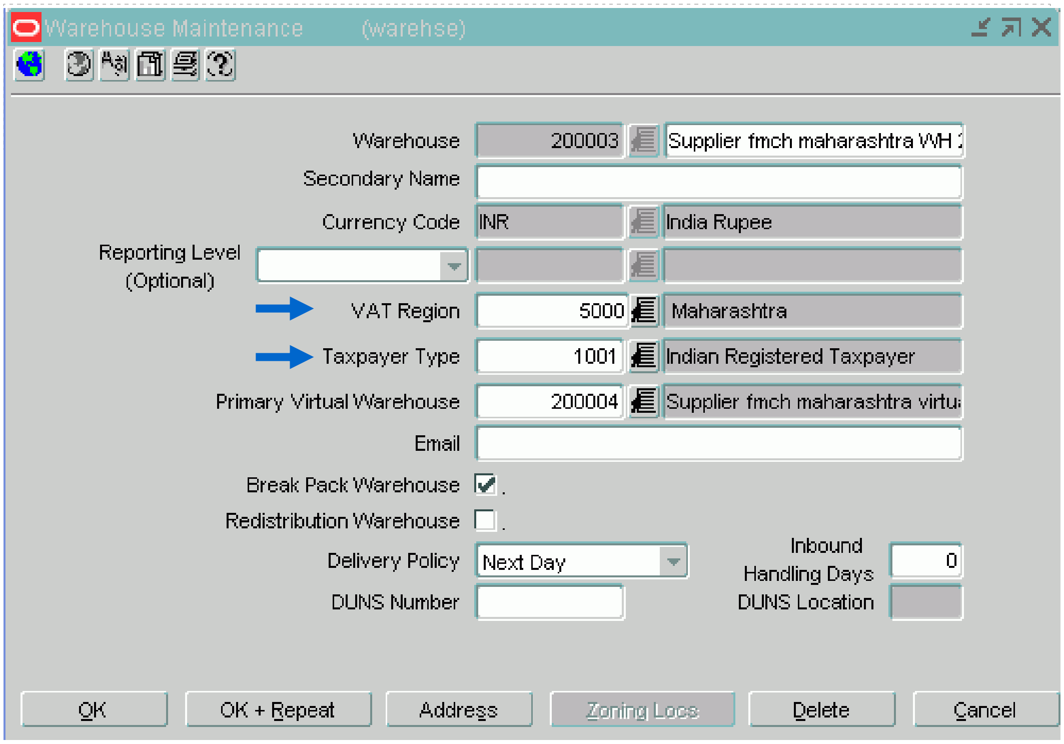


Store Maintenance Window

4. In the Store fields, enter a unique ID and description for the store.
5. In the (10 chars) and (3 chars) fields, enter 10-character and 3-character abbreviations for the store.
6. In the Manager field, enter the name of the manager who is responsible for the store.
7. In the VAT Region field, enter the ID of the VAT region, or click the LOV button and select the VAT region.
8. Select the Taxpayer Type by using the LOV button.
9. Enter information in the remaining fields as necessary. For detailed procedural information, refer the *RMS User Guide*.
10. Click **OK** to save your changes and close the window.

VAT Parameters to Warehouse

Every warehouse in the application is designated to a particular type of taxpayer. Validations have been introduced to check the taxpayer and warehouse country code. New Attributes are captured for physical warehouse and is defaulted to the virtual warehouse.



Warehouse Maintenance Window

1. From the main menu, select Action > Organizational Hierarchy. The Organization Hierarchy Main Form window opens.
2. Select Warehouse on the tree structure and click **New**. The Warehouse Maintenance window opens.

Warehouse Maintenance

3. In the Warehouse fields, enter a unique ID and description for the warehouse.
4. In the Currency Code field, enter the currency code, or click the LOV button and select the currency.
5. In the VAT Region field, enter the ID of a VAT region, or click the LOV button and select the VAT region.
6. In the Taxpayer Type field, enter the taxpayer type associated with the warehouse.
7. Select the Primary Virtual Warehouse from the LOV button.
8. Enter optional information in the remaining fields as necessary. For detailed procedural information on optional fields, refer the *RMS User Guide*.
9. Click **OK** to save any changes and close the window.

4

Items

Maximum Retail Price (MRP) is the maximum selling price that a retailer can charge a consumer for a product. The manufacturer fixes the MRP and the final selling price cannot be greater than the MRP. The retailer has the freedom to sell the product below the MRP. The MRP is inclusive of all taxes.

If the India Localization Indicator is set to Y, the new fields added on the **Item Master** screen appear as shown in the image below. The following new fields are added on the Item Master screen:

Retail Less than MRP

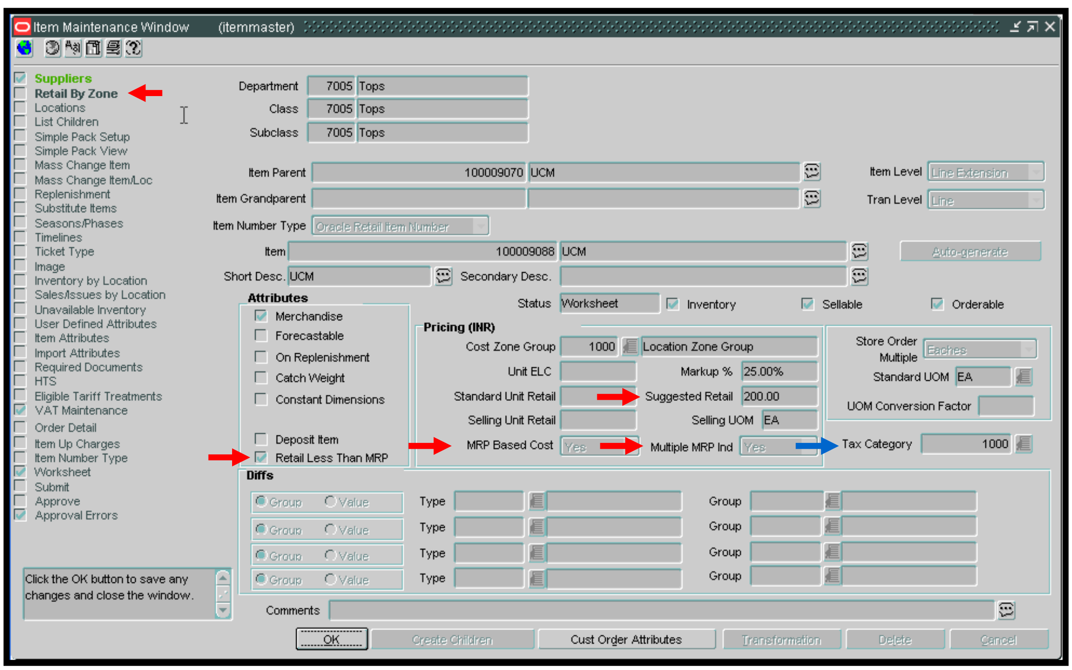
MRP Based Cost

Suggested Retail - modified validation, the field is mandatory if the **Retail Less Than MRP** indicator is enabled.

Multiple MRP Ind

Tax Category

If the item is **Approved**, you cannot edit the new fields.



Item Master screen

Retail Less than MRP

The **Retail Less than MRP** indicator enforces the unit retail price of an item to be less than the MRP at all times. The field needs to be enabled if you want the retail price to be less than the MRP, which is generally the practice in India. If India Localization is enabled, then by default, this check box is enabled to indicate that the unit retail price should be less than the MRP.

If the check box is not checked, then unit retail for that item can be greater than MRP. This setting can be used for private label products or commodities so that pricing can be done freely. In such as case the unit retail would act as the MRP.

MRP Based Cost

> The Consumer Packaged Goods (CPG) manufacturers have a greater control on the supply chain and dictate the trade practices in India. They reserve the right to change the MRP of a product based on the various factors such as input costs, prevailing market conditions etc. Additionally, the products are usually supplied at current MRP rates, irrespective of rates of open purchase orders.
>
> Hence the CPG manufacturers guarantee a ***fixed margin*** to the retailer so that the retailer is always guaranteed a similar profit margin irrespective of the MRP. The margin is based on MRP. For example, the MRP of a soft drink bottle is Rs.20 and the retailer is guaranteed a fixed margin of 10% on the MRP. Hence the cost price to the retailer works to be Rs.18.

MRP based Cost indicator calculates the cost price of the item based on MRP. This field can have values Yes/No. If the value is Yes, then the cost of the item is calculated based on MRP. The cost is calculated using the formula-

Cost = MRP - (Fixed Margin % of MRP)

The fixed margin % is set up at the item supplier level only.

> If India Localization is enabled then MRP Based Cost is a mandatory field and you must select the value for this field before clicking on any link.

Suggested Retail

The value on the Suggested Retail field on item master form is used as the default MRP. This value is defaulted to any new item-location. The user will have the flexibility to edit the value at each location. If India Localization is enabled then this field is a mandatory field. On item approval, this field stores the highest MRP of the location.

Multiple MRP Indicator

> For certain products the MRP changes are frequent e.g. edible oils. The UPC / EAN code printed on the product remains the same for the various MRP, making it difficult to associate it with the right price at the point of sale. As the profit on these products is small, the retailer usually wants to use the source barcode and avoid internal bar coding. The cashier does the identification of the correct price manually at the point of sales. If the MRP is revised upwards, the retailer is legally not allowed to re-price the earlier lot above the printed MRP. This necessitates the application to support multiple MRP and simultaneous multiple regular Selling Price

The **Multiple MRP** indicator field suggests if the item can have multiple MRP. This field can have values Yes/No. If the value is yes, then the item can have multiple MRPs and associated multiple selling prices. When new item is created in RMS, the Multiple MRP indicated on this field is shared with RPM. There is no processing done in RMS based on this indicator.

> If India Localization is enabled then the **Multiple MRP Ind** is a mandatory field and you must select the value for this field before clicking on any link.

> Multiple MRP does not indicate batch/lot control of the product.

Tax Category

A new field, Tax Category, is added to support the new configurable taxation module.

Tax category is an item classification that is used to group together items having similar tax structure. You can create tax category and associate different taxes to it. During Item creation, you will need to associate the tax category to item. Refer Tax Category to know more.

The Tax Category field is editable in Worksheet, Submitted, and Approved state. This is a mandatory field. When you create a new item by using the 'Copy from existing' functionality, the Tax category of source item is inherited to new item. The tax category of the parent item is inherited to child items.

Item Retail Price by Zone

The **Retail by Zone** screen allows you to setup the retail price of the item by zones. On this screen if you can change the retail price for any zone. If the modified retail price is greater than the **Suggested Retail Price** on the Item Master screen, then validation error message is displayed informing that the unit retail can not be greater than MRP.

This indicator is interfaced to RPM for every item.

> Please note that you cannot change this indicator for an approved item.

Steps to Update the Item Master Screen

From the main menu, select Items > Items. The Item Search window opens.

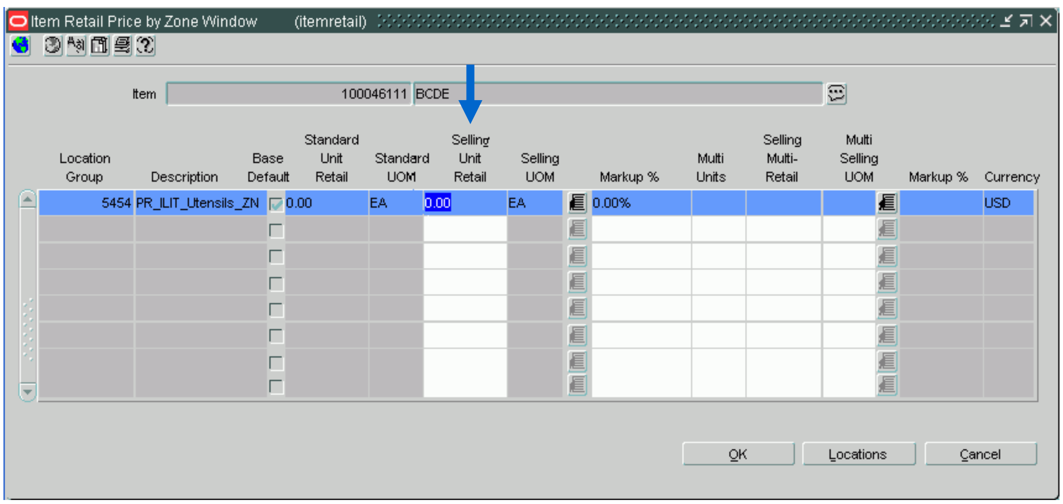
1. In the **Action** field, select **New Item**.
2. In the **Item Type** field, select Regular Item.
3. Select the item type indicators.

> **Note:** The indicators that you select for the Level 1 item will be applied to all items in the item group and cannot be changed.

4. In the Department, Class, and Subclass fields, enter the IDs of the merchandise hierarchy, or click the LOV buttons and select the merchandise hierarchy.
5. Click **OK**. The Item Maintenance window opens.
6. In the Item Number Type field, select the type of item number that you want to associate with the item.
7. In the Item field, enter the item number and description of the item.

> **Note:** If you select Oracle Retail Item Number or UPC-A in the Item Type field, the item number is automatically added. If you select EAN/UCC-13, you can automatically generate the EAN number by clicking **Auto-generate**.

8. In the Tran Level field, select the level.
9. In the Attributes area, select or clear the check boxes as needed. The **Retail Less than MRP** is a new field that indicates whether the price of the item can be less than the MRP.
10. In the Pricing area,
    - In the **Cost Zone Group** field, enter the cost zone group ID or click the LOV buttons and select the cost zone group.
    - Select the **MRP Based Cost** indicator. When set to Yes, the unit cost is always calculated based on the Cost formula.
    - Enter the **Suggested Retail** Price of the item.
    - Indicate the **Multiple MRP** for the item.
11. Add a supplier for the item by selecting the **Supplier** link on the right hand panel.
    - Add an origin country for a supplier of an item.
12. Edit the **Selling Unit Retail** price of the item by selecting the **Retail By Zone** link.



Item Retail Price by Zone Window

> Once you have updated the Selling Unit Retail price of the item, the Retail By Zone link becomes un-editable and cannot be modified.

13. Click **OK** to save any changes and close the window.

Modifications to Item Supplier Screen

The Item Supplier screen displays the Fixed Margin set at the item supplier level. Fixed Margin is the profit margin set by the supplier. The fixed margin is represented as percentage (%) of MRP. The cost of an item is determined by backward calculating the cost by applying a fixed margin to the MRP. The cost is calculated as MRP - (Fixed Margin % of MRP). The cost is exclusive of purchase taxes.

The fixed margin is displayed at the item supplier level. The fixed margin at item-supplier level is used to calculate the unit cost at the item - supplier - origin country level.

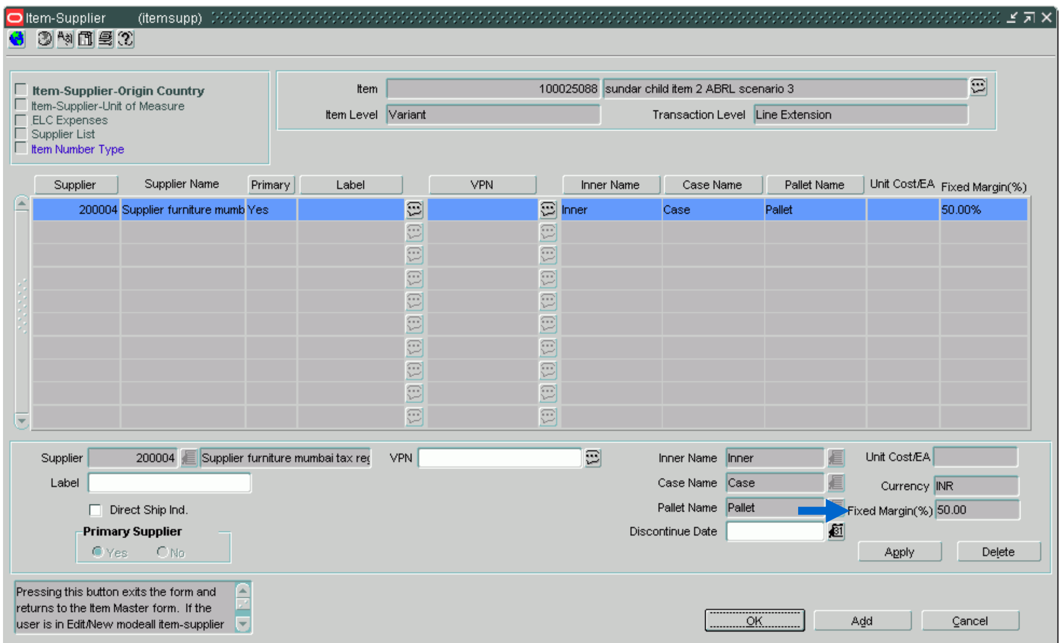
The **Fixed Margin** field is displayed on the item supplier screen only if the **MRP Based Cost** indicator is set to Yes. This field is mandatory when a new supplier is added for an item. For existing item-suppliers relationship, this field is non-editable, if the item is in Approved status.

> The fixed margin cannot be defined at Supplier - Origin Country level or at Location level.

Adding Fixed Margin on the Item Supplier Screen

1. After adding the item in item master screen, click the supplier link on the right panel. The item supplier screen appears.

> Ensure that the mandatory fields are updated on the Item master screen.



Item Supplier

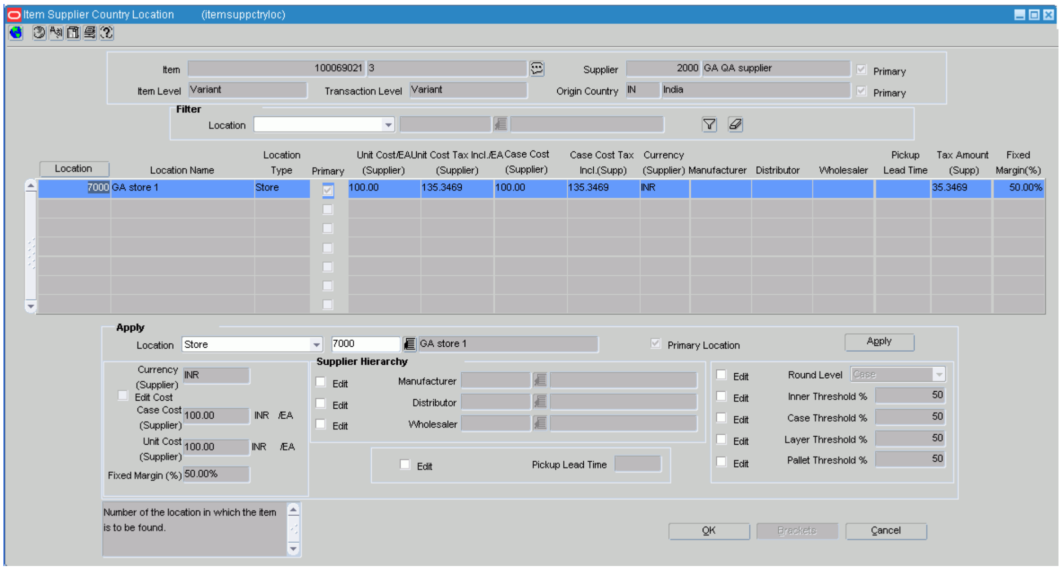
2. Enter the Supplier details and the **Fixed Margin** (%) and click **Apply**. The fixed margin for the primary supplier is used to calculate the unit cost.

   Please note that this field is editable only when you are adding a new supplier. This field cannot be null for items for which the MRP Based Cost is enabled. You may enter a numeric value ranging from 0 to 100, up to a maximum of two decimal points.
3. Click **OK** to exit the screen.

> When creating the item using the 'create from existing' option, the MRP, Fixed Margin, MRP Based Cost, MRP less than retail, and Multiple MRP indicators of the source item are copied to the new item.

Item Supplier Country Location Screen

A supplier may supply merchandise at different fixed margins to different locations. The fixed margin can be maintained at the item-supplier-origin country-location level, defaulted from the item-supplier level. You can edit the fixed margin for non-approved items at the item-supplier-country-location level.



Item Supplier Country Location Screen

The fixed margin is not editable after locations are added to the item. When a new location added, the fixed margin, defined at the primary location, is defaulted to the Item Supplier Country Location screen.

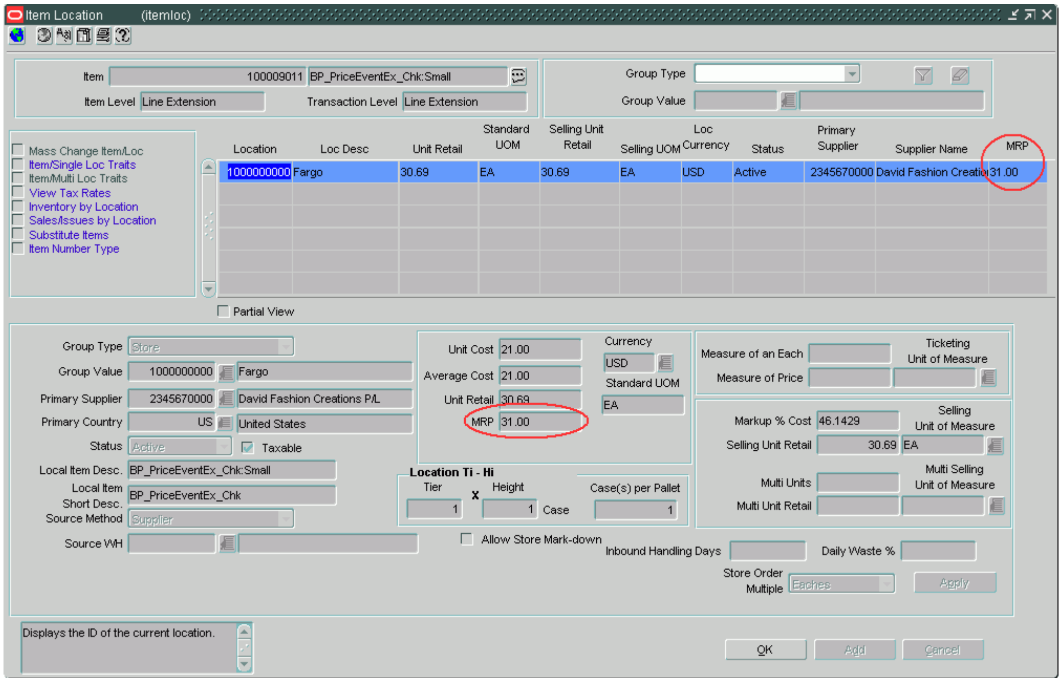
To change the fixed margin:

1. On the Item Supplier Country Location screen, select the location for which you want to edit the fixed margin.
2. In the Apply section, check the box against the field **Edit Cost**.
3. Enter the new fixed margin in the **Fixed Margin** field. You can edit the Unit Cost or the Case Cost of the item on this screen.
4. Click Ok. The new fixed margin is applicable at the selected item-supplier-country-location level.

Item Location Screen

A new column is added on the Item Location screen to capture the MRP. When a new item-location relation is created, the MRP defined in the **Suggested Retail Price** field on the Item Master screen is defaulted to the Item-Location level.

You cannot edit or update the MRP value for an approved item from the item location screen.



Item Location screen

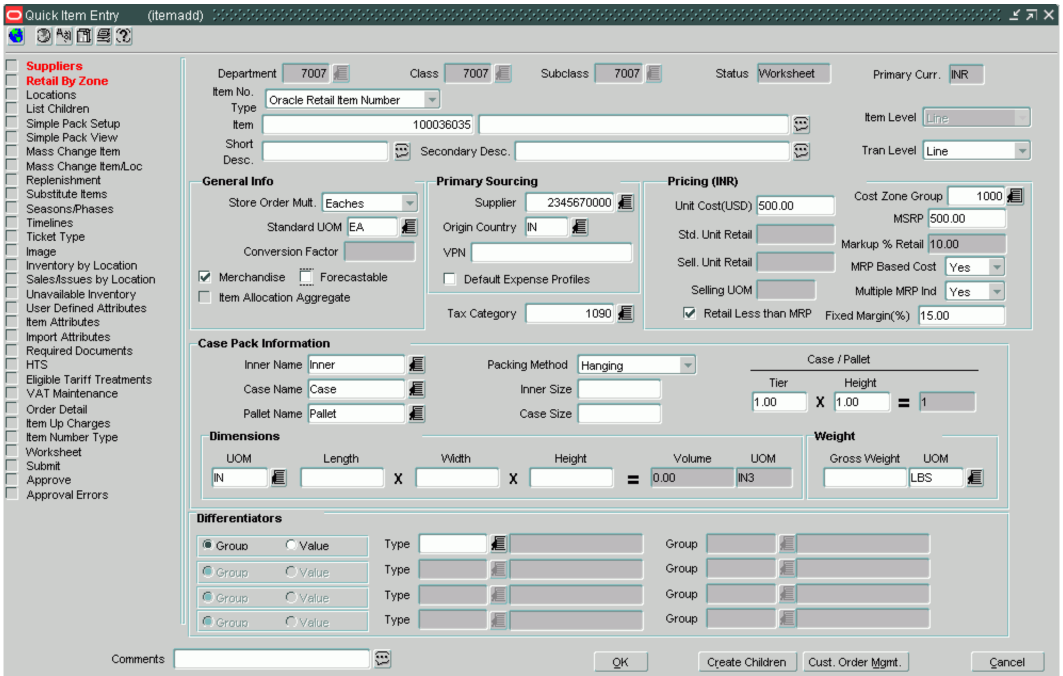
If the **MRP based Cost** indicator on the item master screen is set to 'Yes', the unit cost and the average cost of the item is recalculated based on the location MRP.

The **Unit Cost** is stored in the Supplier currency and the **Average cost**, and **Unit Retail** is stored in the local currency.

If **Retail Less than MRP** indicator is enabled on the Item Master screen, then the **Unit Retail** for that item - location cannot be greater than the MRP at the location.

RMS Quick Item Entry Screen

The **Quick Item Entry** screen enables you to add an item and other mandatory information related to the item like the supplier information, pricing, sourcing, case pack information, etc using a single screen.



Quick Item Entry Screen

New fields related to India Localization are added to this screen:

- **Manufacturer Suggested Retail Price (MSRP)**
- **MRP Based Cost**
- **Multiple MRP Indicator**
- **Retail less Than MRP Indicator**
- **Fixed Margin**

  Refer to Item Master for more information.

Item Retail Price by Zone

The Item Retail Price by Zone (item retail) screen in RMS is modified to validate the retail price. On this screen, if you change the retail for any group and the changed retail is greater than MRP for any location associated to that group, then you will get a validation error saying that Unit retail can not be greater than MRP if this indicator is enabled. This indicator is interfaced to RPM for every item. Refer to Item Retail Price by Zone for more information.

Adding Item using Quick Item Entry Screen

From the main menu, select Items > Quick Item Entry. The Quick Item Entry window opens as shown in the image above.

1. In the Department, Class, and Subclass fields, enter the IDs of the merchandise hierarchy, or click the LOV buttons and select the merchandise hierarchy.
2. In the Item Type field, select the type of item number that you want to associate with the item.
3. In the Tran Level field, select the item level at which transactions will be tracked for this item group.
4. In the Item field, enter the item number and description of the item.

> **Note:** If you select Oracle Retail Item Number or UPC-A in the Item Type field, the item number is automatically added.

5. You can edit the abbreviated description in the Short Desc field.
6. For information on how to enter data in General Information, Primary Sourcing, Pricing, Case Pack, and Differentiators areas, refer the RMS User Guide.
7. Click OK to save any changes and close the window.

5 Purchase Orders

The Purchasing module in the RMS application provides the means to obtain merchandise from a supplier and move the product through the retail supply chain to the customer. With India Localization RMS, the processing of purchase orders has been modified to support the MRP and the taxation related enhancements.

MRP Related Enhancements

When India Localization parameter is enabled, the MRP is captured at the item-location level when creating Purchase Orders.

Processing Purchase Orders

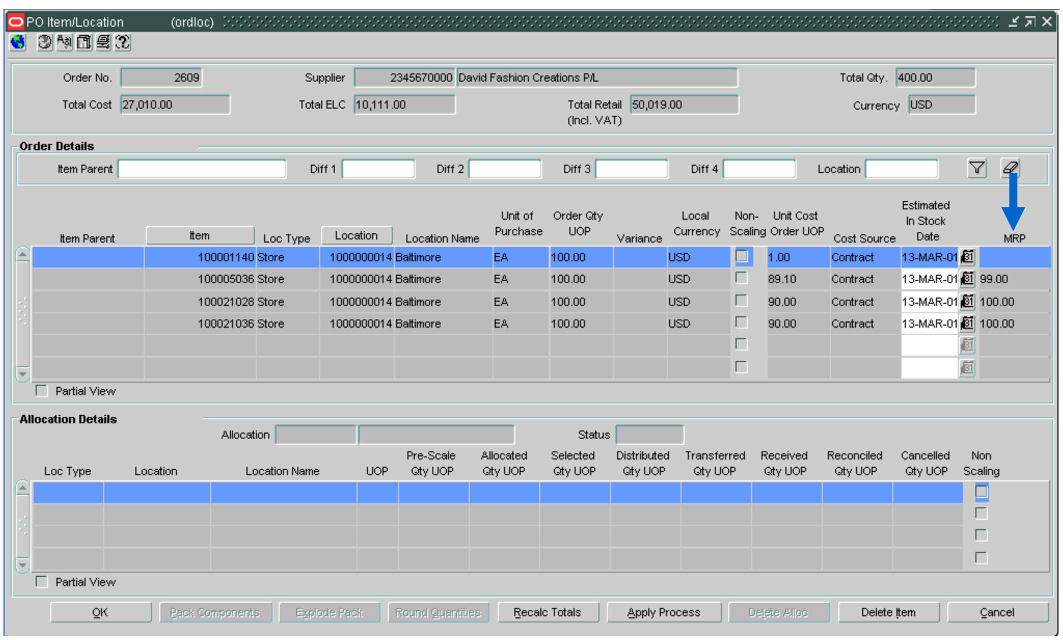
The PO form is modified to capture the MRP at an item-location level. When a new item-location is added to a PO, the MRP associated with that item-location is displayed on the PO Item Location screen.

You can change the MRP or the cost price of the item. If the **MRP Based Cost** indicator is enabled for the item, then:

- the MRP is calculated based on the unit cost and fixed margin, if the unit cost is modified on this screen, then the MRP is recalculated.
- if the MRP is modified, then the unit cost value is recalculated.

When the MRP is changed and PO is approved, a MRP Change Request (MCR) is created for that item-location.

There are no changes to PO message sent through EDI.



PO Item Location screen

Creating POs

When creating a PO from existing PO or existing contracts, the MRP set at the parent level or at the item location level is populated to the new PO.

To create a PO:

1. From the main menu, select **Ordering** > **Orders**. The Order Search window opens.
2. In the **Action** field, select from the following options:

   New Order

   New order with Contract

   Create from Existing

   Create from Pre-Issued Number

   View Order

   Edit Order

   Create from Contract

   When creating a PO from **Create from existing** option, the MRP of the parent PO is applied to the new PO. If PO is created using the **New Order with Contract** option, the MRP at the item-location level, gets populated from the existing PO.

   Creating POs using other options remains same as the base RMS. To know how to create PO, refer to the *RMS User Guide*.

   ---

3. Click **Ok**. The PO Header Maintenance window opens.
4. Enter the necessary information in the fields. To know more on how to enter the information, refer to the *RMS User Guide*.

Tax Enhancements

The Purchase Order forms are modified to capture the Cost Tax inclusive values and Taxation amount.

- PO Header Maintenance
- PO Item Maintenance
- PO Item Location

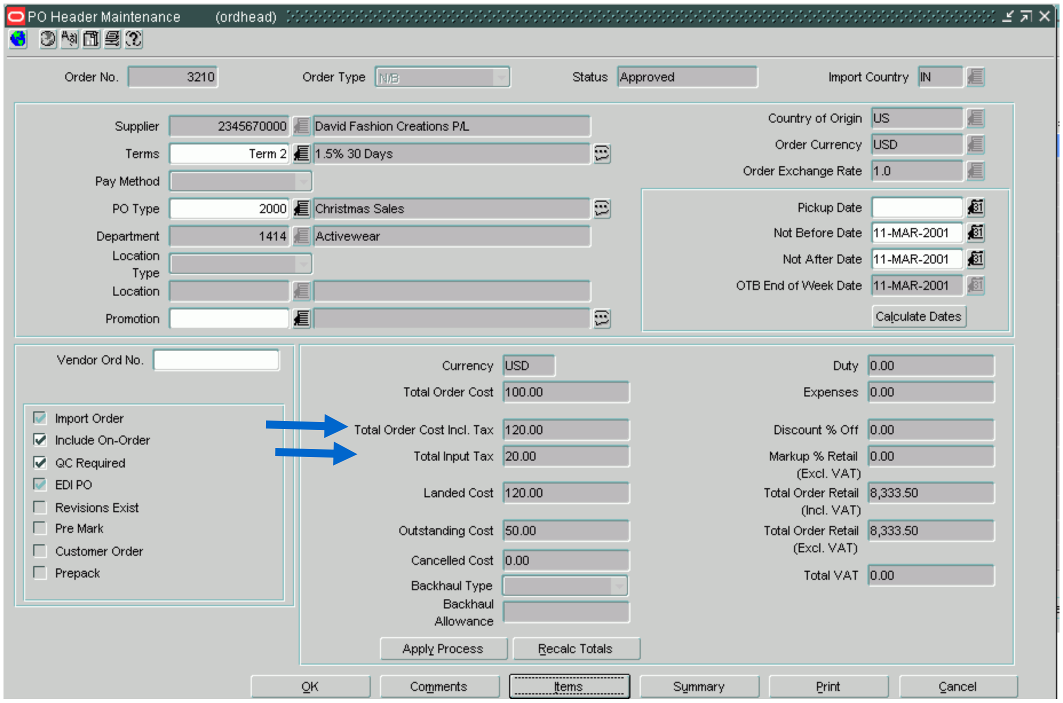
PO Header Maintenance Screen

On the PO header form, the following new total value fields are added:

- Total order cost (Incl. Input Tax)
- Total Input Tax

These new taxation fields can be viewed by customizing the default view option. The tax details are saved in the database tables for audit purposes.

On receiving a PO, the tax amount is calculated for each shipment with the latest values for the formula.



PO Header Maintenance Screen

Creating POs

POs can be created using one of the following options:

- New Order
- New order with Contract
- Create from Existing
- Create from Pre-Issued Number
- View Order
- Edit Order
- Create from Contract

When POs are created using the **Create from existing** option, the tax amounts are copied from source PO to new the PO.

> Creating POs using the other options remain unchanged. For more information, refer the *RMS User Guide*.

PO Item Maintenance Screen

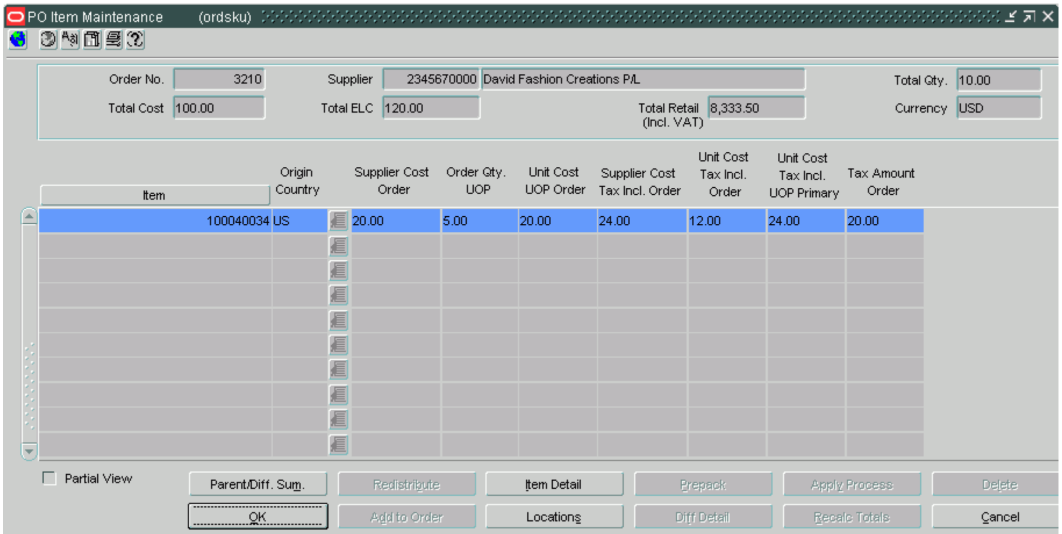
On the PO Item Maintenance form, the following taxation related columns are added:

- Supplier Cost Tax Incl Order
- Supplier Cost Tax Incl Primary
- Unit Cost Tax Incl Order
- Unit Cost Tax Incl Primary
- Unit Cost Tax Incl UOP Order
- Unit Cost Tax Incl UOP Primary
- Tax Amount Order
- Tax Amount Primary

- The purchase order forms also display the existing Tax Exclusive columns.

> The tax amount shown at a line level is the aggregate tax applicable on the item across all location. Hence you will not be able to view the breakup of the tax amount in this form. For the tax breakup, access the PO Item / Location Form.

> You may not see all the columns related to the Cost Tax Inclusive values, you can modify the view to change the default view of the existing form.



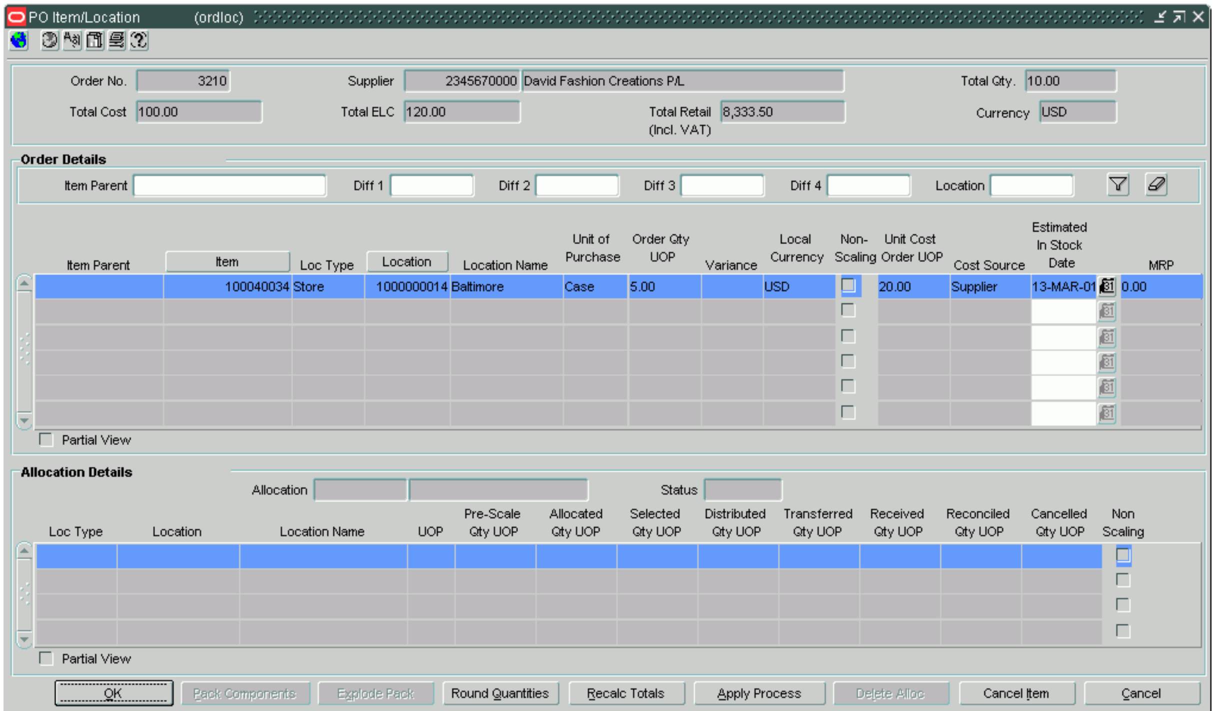
PO Item Maintenance Screen

PO Item / Location Screen

On the PO Item Maintenance form the following taxation related columns have been added:

- Unit Cost Tax Incl Order
- Unit Cost Tax Incl Primary
- Unit Cost Tax Incl UOP Order
- Unit Cost Tax Incl UOP Primary
- Supp Cost Tax Incl Order
- Supp Cost Tax Incl Primary
- Supp Cost Tax Incl UOP Order
- Supp Cost Incl UOP Primary
- Tax Amount Order
- Tax Amount Primary

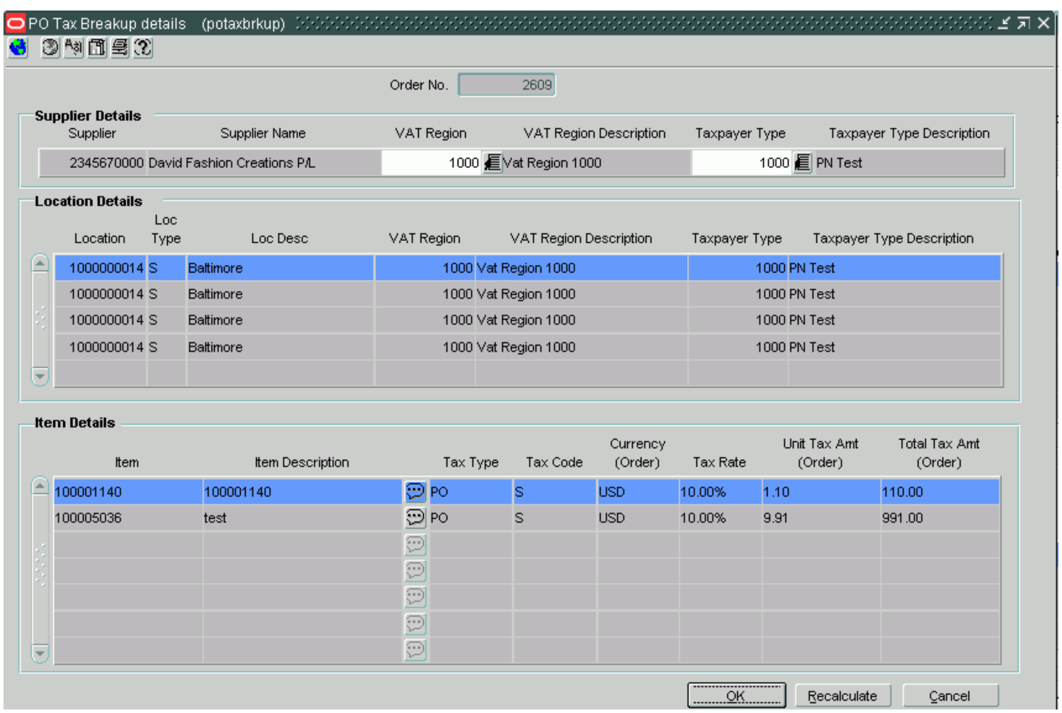
> On the PO Item Location form, there are few predefined View options. The tax inclusive fields needs to be added to each of the views.



PO Item/Location screen

Viewing VAT Break up Details

On the PO Item/Location form, the VAT Break up Detail form is populated with the PO tax values. You can access the VAT Break up Details form from the **Option**s menu of the PO Item/Location form.



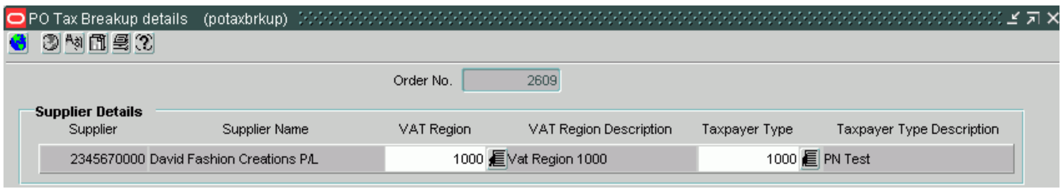
PO Tax Breakup Details Screen

The PO Tax Breakup Details screen has three sections.

- **Supplier Details** - The first section displays the supplier information.
- **Location Details** - The second section displays the locations on the order.
- **Item Details** - The third section displays the items and VAT details for each location. One item can have multiple VAT codes attached to it, so multiple rows for one item are listed in this section. The VAT region and taxpayer type can be modified, once approved, these fields cannot be edited.

To edit the VAT Region and the Taxpayer Type:

1. On the **PO Tax Breakup Details** screen, Supplier Details section, click on the LOV button of the **VAT Region**.



PO Tax Breakup Details Screen

2. Select from the VAT Region.
3. Click on the LOV button of the **Taxpayer Type** and select from the options.
4. Click **OK**.
   If the PO is approved, the VAT Region and the Taxpayer Type fields are editable.

PO Replenishment Changes

- Replenishment PO creation program (*rplbld.pc*) is modified to populate the MRP of the item-location.
- Replenishment program *rplbld.pc* processes the replenishment data. For Direct to store, Cross Docked and Wh-Cross-docked stock category, *rplbld.pc* creates PO. It processes the records and creates PO.
- This program is modified to insert the MRP at the item-location level.

EDI PO Creation Changes

- EDI PO creation program (*vrplbld.pc*) is modified to populate the MRP of the item-location.
- *Ediupack.pc* batch program accepts the vendor generated PO and moves it to EDI stage table. Then *vrplbld.pc* processes the records from EDI staging tables to RMS PO tables. These POs can be seen on the PO Header Maintenance screen.
- The program *vrplbld.pc* is modified to populate the MRP field in *ordloc* table while inserting records in *ordloc* field. (The MRP to be populated is the MRP for that item-location stored in item_loc table)

6 Receiving

When RMS receives any receipt message from external receiving systems (SIM or WMS) against any PO, RMS receives the MRP of the item received at that location. If the MRP is new, RMS adds the new price to its list of new MRPs.

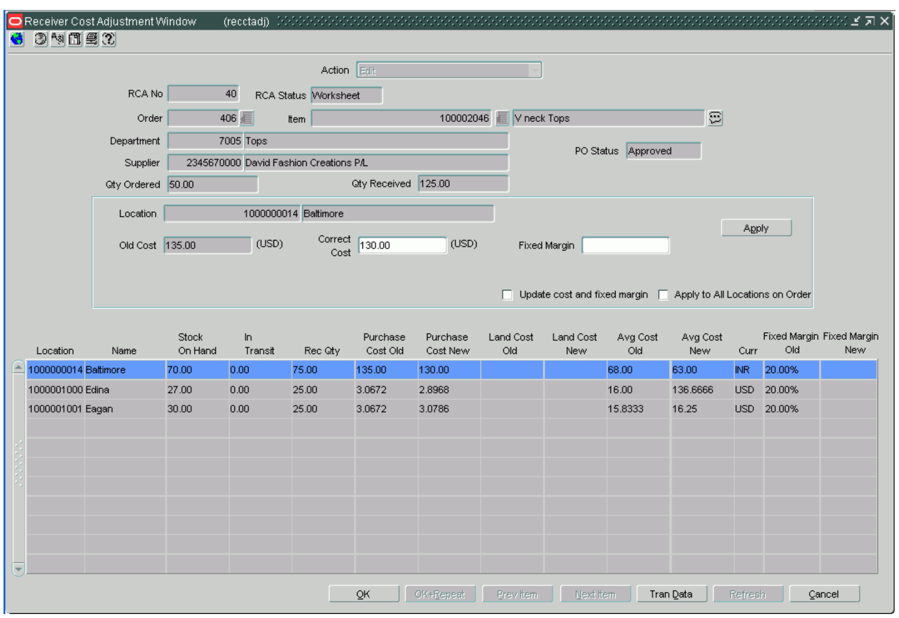
The receiving process automatically posts a receiver cost adjustment (RCA) in the worksheet status when a MRP change takes place during the receipt process, only if **MRP Based Cost** indicator is enabled for that item. If the received MRP is different from the MRP on the PO for that item, then a new RCA is created.

The WAC (Weighted Average Cost) is recalculated inclusive of the input tax amount during PO receipts, Purchase Returns and Inter-company Receipts. Input Tax amount is added to the landed cost of item, if the WAC Inclusive indicator is enabled for the VAT code.

Approving Receiver Cost Adjustment (RCA)

When the MRP of an item is different from the PO, it has to be manually updated in RMS (if the item **MRP Based Cost** of the item is enabled). When the price of an item is different from the purchase orders created from RMS, a RCA is created in the worksheet status.

On the RCA screen, you can approve the RCA created by the receipt process. The new cost, after approval, is calculated based upon received MRP and fixed margin, if the **MRP Based Cost** indicator is set to Yes.



Receiver Cost Adjustment Window

Fixed margin

A new field **Fixed Margin** in the column header displays the Fixed Margin set at the item supplier level. You can update the correct cost by updating the fixed margin, only for items with **MRP Based Cost** indicator set to Yes.

Update Cost and Fixed Margin

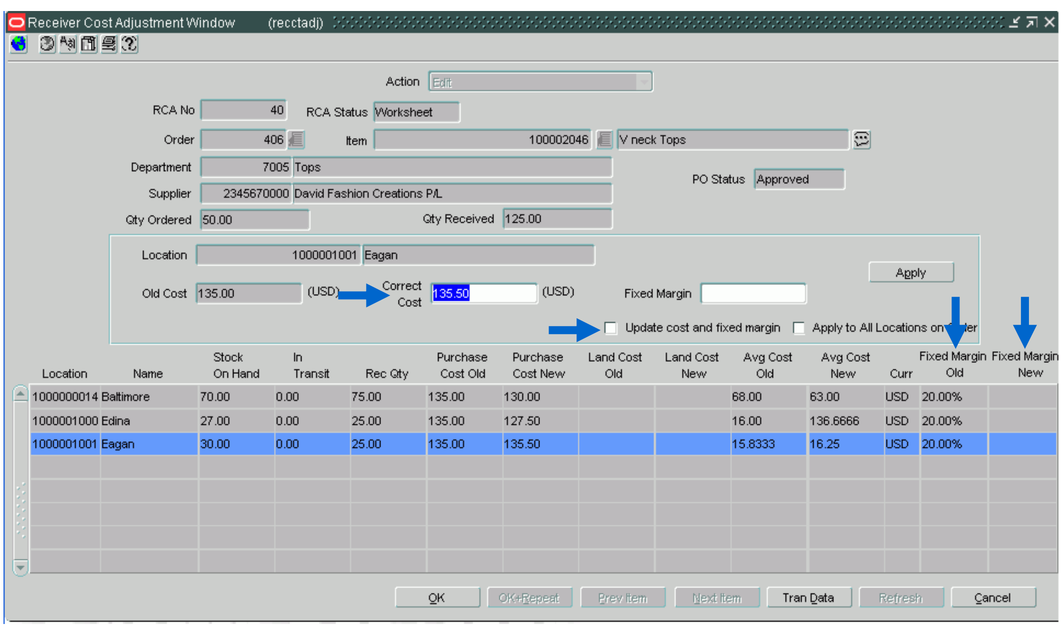
A new check box **Update Cost and Fixed Margin** is added to the screen. If this check box is selected, the change in the fixed margin field is updated in the item-supplier table and the cost change is initiated in the nightly batch. If this check box is not checked then the fixed margin entered is used to calculate the correct cost only for the RCA and it will not initiate a cost change. This cost change is possible for items with **MRP Based Cost** indicator enabled.

Approving RCA

The Receiver Cost Adjustment screen can be accessed through Main menu>Finance > Receiver Cost Adjustment.

To adjust cost adjustments:

1. From the **Action** menu, select from the available options. The RCA Search Action menu has three options:
   - **New** - In New mode, you can create new RCA for an item. You can approve it or save it to approve later. Select New and click OK. Enter the required information to create a new RCA.
   - **Edit** - In Edit mode, you can process the RCA created earlier. You cannot edit an approved or cancelled RCA change request. Select Edit and enter the filter criteria and click Search.
   - **View** - In View mode you can only view existing RCA. Select View and enter the filter criteria and click Search.
2. When editing a RCA, select the RCA you want to edit and click **OK**. The Receiver Cost Adjustment Window appears.



RCA Search Window

3. Modify the cost of the item on the **Correct Cost** field and check to **Update Cost and Fixed Margin.** If you want the new cost to be updated across locations, check the box against **Apply to All Locations on Order**.

   > During the RCA approval process, if the 'Update Cost and Fixed Margin Option' is selected, then a Cost Change is created in approved status.

   The unit costs and fixed margin are updated for the selected location and can be viewed in the **Purchase Cost New** column**.**

4. Click Next Item or Prev Item to edit unit costs for another item on the current purchase order.
5. Click OK to save the changes and close the window.

7 Cost Changes

The initial cost of an item is established at the item-supplier-origin country level and can also be set at the item-supplier-origin country-location level. The cost of the item can be adjusted at the item-supplier-origin country-location level when the item is in worksheet status. After the item has been approved, any cost change need to be done through Cost Change.

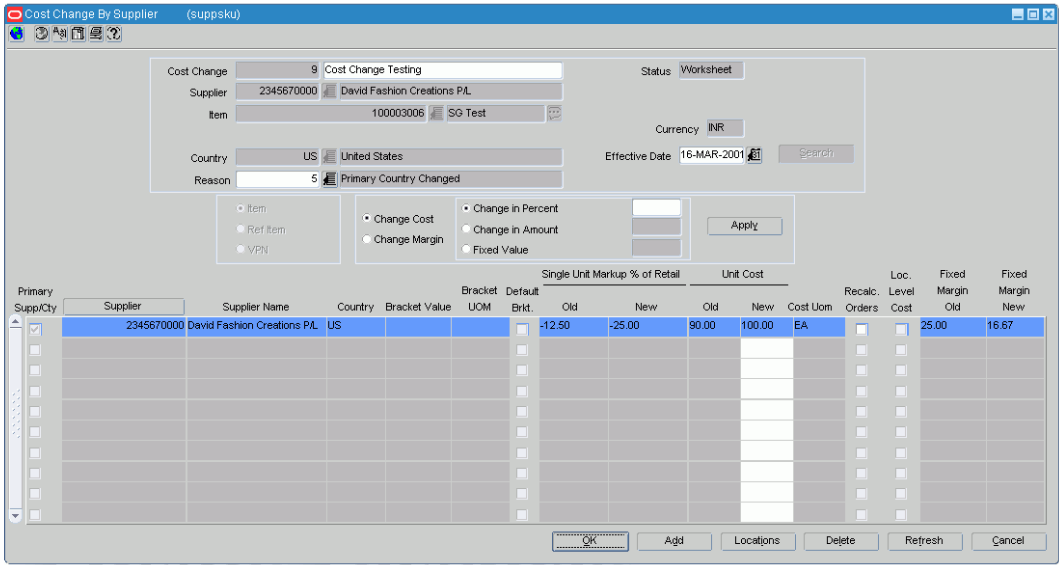
With Localization enabled, the Cost functionality reflects the fixed margin at the Item-Supplier and Item-Supplier-Country-Location levels. The fixed margin is maintained at the item supplier level, if the **MRP Based Cost** indicator is enabled. This affects the cost of the item. These cost changes can be entered into the system manually or via EDI. When entered manually using the Cost Change screen, the cost change is submitted for approval. Once approved, the cost change batch process updates the Item-Supplier-Country cost record based on MRP and the new fixed margin.

The **Cost Change by Supplier** form allows you to change:

- Change in Percentage - Enter the percent by which the cost changes.
- Change in Amount - Enter the amount by which the cost changes.
- Fixed Value - Enter the new fixed value change of Cost or Fixed Margin of the item.

If the cost is modified on the **Cost Change by Supplier** form, the fixed margin changes are displayed and the cost for that item is changed for all the locations.

> When the price is changed across location, you cannot change the cost for specific locations using this screen.



Cost Change by Supplier Window

Updating Cost Change By Supplier

You can access the Cost Change By Supplier screen by navigating from the Main Menu > Costing > Cost Adjustments.

To make the cost adjustments:

1. Select from the **Action** Menu.

   a. **New** - you can create new Cost Adjustments. Select New and click OK. Enter the required information to create the new cost adjustment.

      > You cannot edit an approved or cancelled RCA change request.

   b. **View** – you can only view existing Cost Adjustments. Select View and enter the filter criteria and click Search.

   c. **Edit** - you can process the existing cost adjustments. Select Edit and enter the filter criteria and click Search. Approved Cost Adjustments cannot be edited.

2. When editing, to modify the fixed margin, select the Change Margin checkbox and select the option from Change in Percent/Change in Amount/Fixed Value.
3. Enter the changed value in the corresponding field.
   When opening a new cost adjustment, you will need to provide **Cost Change**, **Item**, **Supplier**, **Country**, **Item number**, **Reason** for the cost change, and **Effective Date.**
4. Click **Apply**. The modified fixed margin is updated and displayed in the **Fixed Margin Old** and **Fixed Margin New** columns.
5. Click **OK** to exit.
   The cost change batch updates the new cost based on MRP and new fixed margin.

Updating MRP at Item-Location-MRP Screen

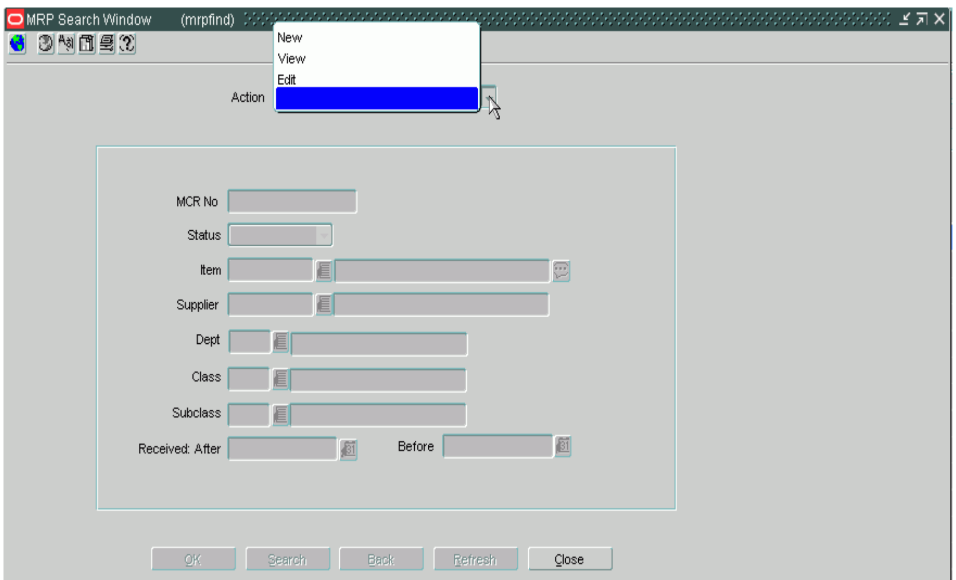
When a new MRP is received in RMS, it is initially staged in RMS. For every received message processing in RMS, data is captured in the staging table, if the MRP on the PO is different from the receipt message.

> The item level information received from SIM/WMS has the MRP at a given location. RMS receiving process uses this MRP to update the MRP in the *item-loc* table. The MRP is updated at the item-location level in RMS.

MCR or **MRP Change Request** is created during any of the following scenarios:

- MRP change without any PO transaction
- MRP change during PO creation
- MRP change on PO receipt – Warehouse
- MRP change on PO receipt – Store

Alternatively, MCR may be created manually to update the change in the MRP. A new screen **MRP Change Request (MCR)** is used to modify the MRP at Item-Master and Item-Location level. If more than one MRP is received for same item-location, then both MRPs will be available for processing.



MRP Search Window

The MRP Search Window has three options in action field namely:

- **New** - In New mode, you can create MRP change request for an item location, even though it was not received against any PO. You can approve it or save it to approve later.
- **Edit** - In Edit mode, you can process the MRP change for new MRPs that were received. You can also process previously saved MRP Change Requests created using the New mode.

> You can not edit an approved or cancelled MRP change request.

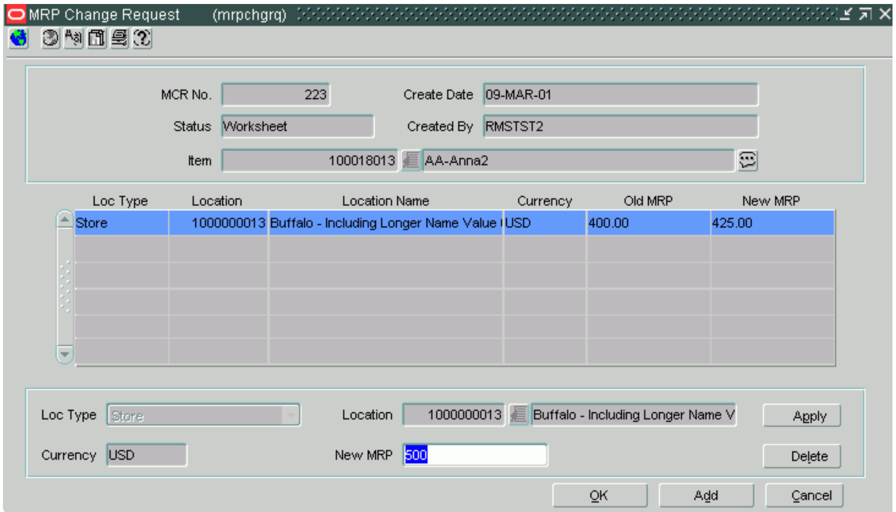
- **View** - In View mode you can only view the existing MRP Change requests.

Updating New MRP

You can access the **MRP Maintenance** screen from Items links on the RMS main menu. You can enter one or more search criteria and search for the saved MRP change requests.

To change the MRP:

1. Navigate to Main Menu>Items> **MRP Maintenance.**
2. Enter one or more search criteria and search for the saved MRP change requests.
3. If you have selected to edit the MRP Change Requests, the following MRP Change Request window appears where you can modify the MRP.



MRP Change Request Screen

4. Enter the **New MRP** and click **Apply**. You may select a different location to apply the new MRP.
5. Click **OK**. You can now see the new MRP displayed on the screen in the **New MRP** field.

8 Transfers

A transfer is a movement of stock on hand from one stock holding location within the company to another. There are many types of transfers in the RMS system such as intra-company or inter company transfers.

For more information on transfers, refer to the *RMS User Guide*.

Types of Transfers

Intra-company Transfer

Transfers within the company are referred to as intra-company transfer. The tax types assigned to transfers are used to calculate tax for intra-company transfers. If the system option parameter **Apply Purchase / Sales Taxes on Inter-Company Transfers** is enabled, the purchase or sales type of taxes along with inter-company taxes are applicable for transfers across legal entities.

For Intra-company transfers, Intercompany Transfer (ICT) types of taxes are used. The From and To locations **Taxpayer Type** and **VAT Region** are used for tax calculation.

Inter-company Transfer

Stock being transferred between two legal entities is referred to as Inter company transfer. For example, transfer between two companies. In addition to ICT type of taxes, the transaction is considered as a sale for the sending location and a purchase for the receiving location. Output tax is recorded on the sale portion and input tax is recorded on the purchase part.

The following logic for calculating tax is used:

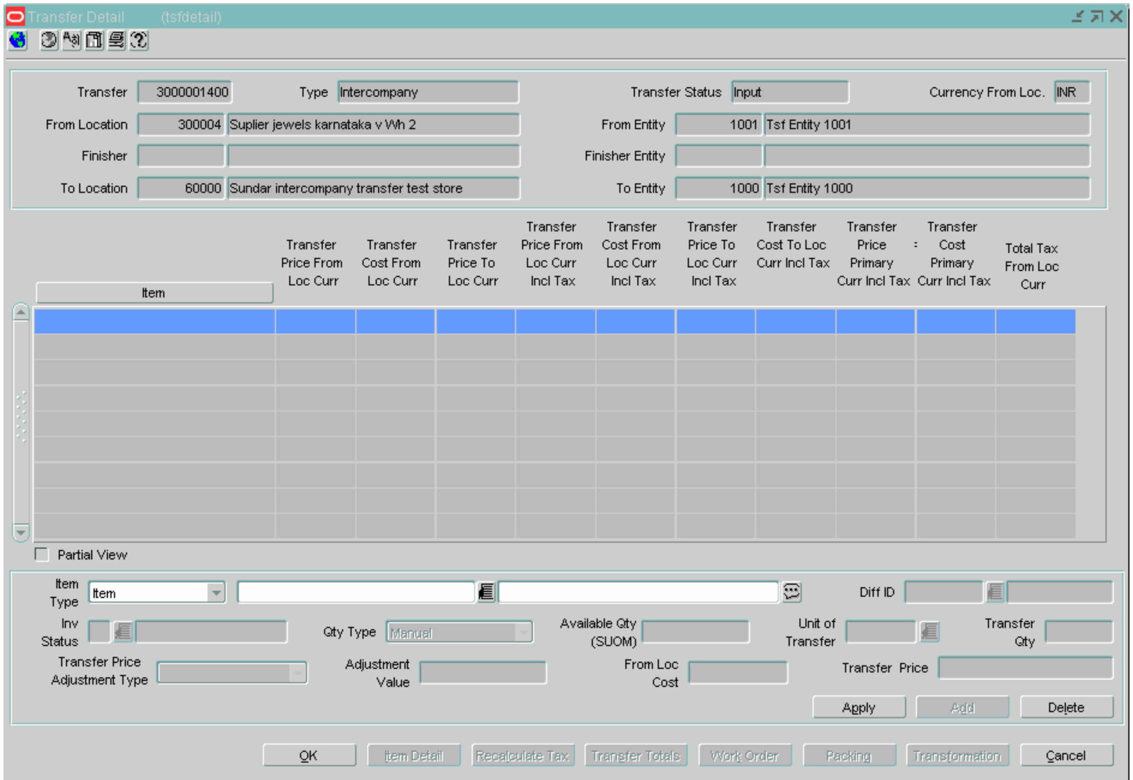
- If both the locations are in the same country then Sales type of taxes are calculated for sending location and is posted as out put tax for sending location. The same amount is posted as input tax for receiving location. This is posted in addition to ICT type of taxes. If the sales type of tax is having retail as a field, then the transfer cost is used as retail to calculate tax.
- If both the locations are in the different country then PO type of taxes will be calculated for receiving location and will be posted as out put tax for sending location. The same amount will be posted as input tax for receiving location. This should be posted in addition to ICT type of taxes will be posted as Input tax for receiving location.

Transfer Detail Screen

On the Transfer Detail form, the following fields have been added to calculate tax. These fields are available on the Customs View option.

- Transfer Price From Loc Curr Incl Tax
- Transfer Cost From Loc Curr Incl Tax
- Transfer Price To Loc Curr Incl Tax
- Transfer Cost To Loc Curr Incl Tax
- Transfer Price Primary Curr Incl Tax

- Transfer Cost Primary Curr Incl Tax
- Total Tax From Loc Curr
- Total Tax To Loc Curr
- Total Tax Primary Curr

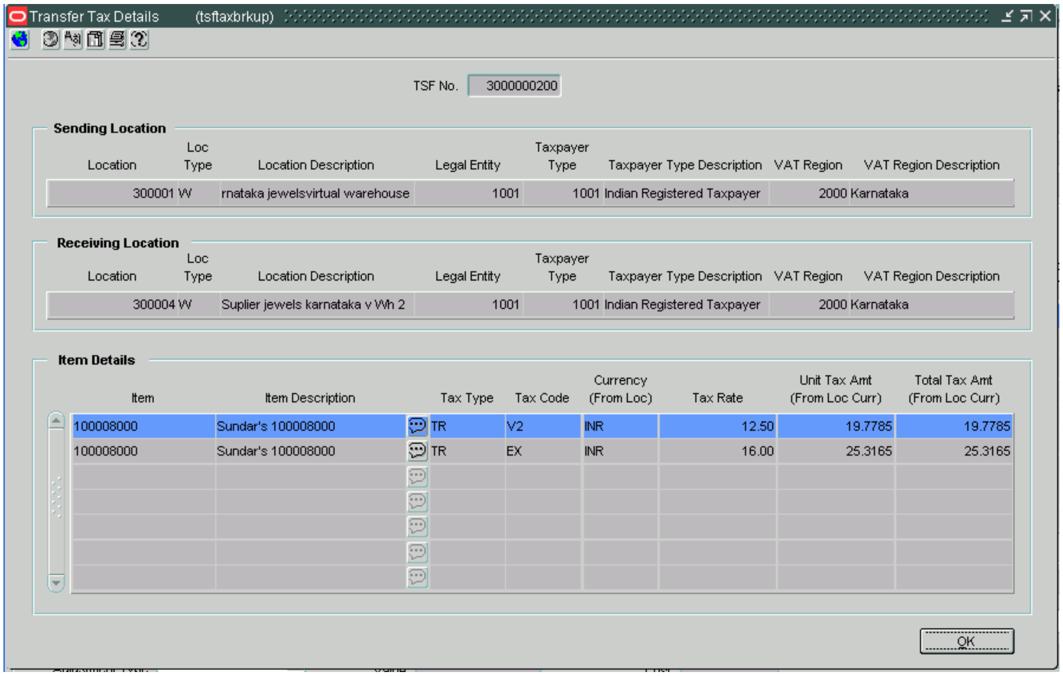


Transfer Detail Screen

As multiple taxes can be applicable on the each line item, the tax details at each VAT Code level is saved in the *tax_breakup* table. The *tran_data* entries for the tax amount are posted for the output tax and the input tax for intercompany transfers. Input tax is posted for the intra company transfer. The total tax applicable for the item is posted to the *tran_data* table.

The reference number field in the *tran_data* table stores the transfer number so that if required the breakup can be retrieved from the *tax_breakup* table. The current *tran_codes* 37 / 38 continue to post the tax exclusive values for intercompany transfer and *tran_codes* 30/32 for intra company transfers. The aggregate tax amount is displayed in the **Total Tax** field on the form.

A new link **Transfer tax Details** is added to the **Options** menu of the Transfer Detail screen to view the tax breakup as shown in the image below on the Transfer tax Details form.



Transfer Tax Details Screen

9

Return to Vendor

A transfer is any internal movement of stock from one location to another location with a location being either a store or warehouse. There can be different kinds of transfers such as Stock Allocation, Book Transfer, Customer Order, or Return to Vendor.

Return to Vendor (RTV) is a transfer from a receipt location to a warehouse. RTV being referred here is when the merchandise is being returned from the retailer to the supplier for reason such as damaged goods or overstock.

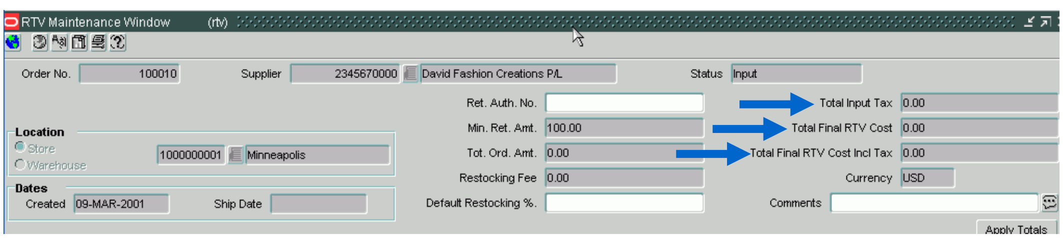
On return of the merchandise, a return to vendor is created in RMS and treated as a negative PO for tax calculation. If an item is received at a warehouse against a PO and then transferred to a store, a RTV is created for that item from store to supplier, RTV tax is calculated as all PO type of taxes from the supplier to the store.

In India Localization RMS, when the retailer returns the merchandise to the supplier, RMS determines the tax amount to be reclaimed by the retailer.

Tax Enhancements

On the RTV Maintenance form, at the RTV header level, the following three fields have been added:

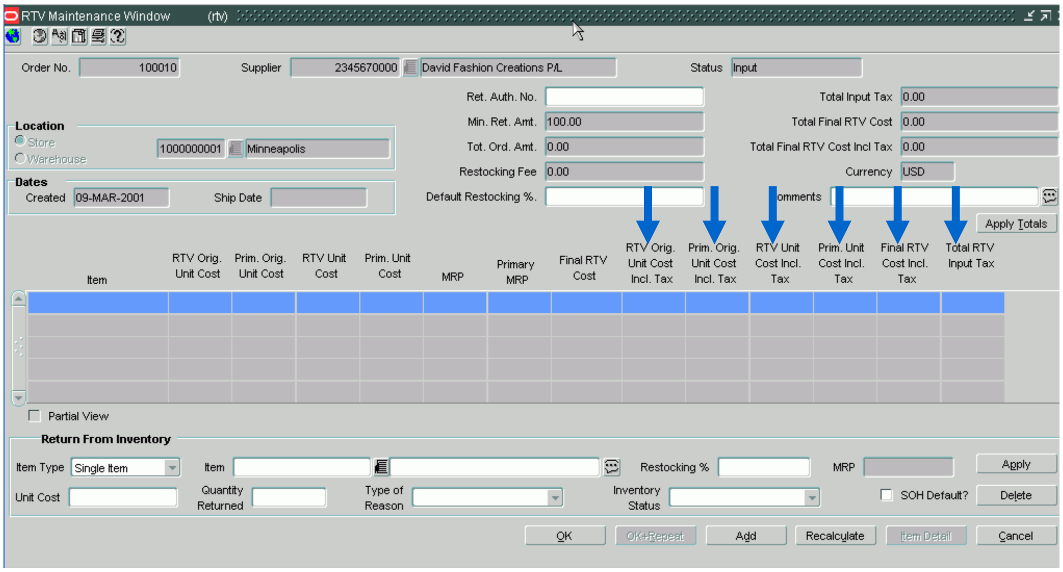
- Total Input Tax
- Total Final RTV Cost (modified from base)
- Total Final RTV Cost Incl Tax



RTV Maintenance Screen

On the RTV Maintenance form, the following taxation fields have been added. These fields can be customized from the **Options** menu to display the columns as per requirement.

- RTV Origin Unit Cost Incl Tax
- Primary Origin Unit Cost Incl Tax
- RTV Unit Cost Incl Tax
- Primary Unit Cost Incl Tax
- Final RTV Cost Incl Tax
- Total RTV Input Tax
- Total Primary Input Tax



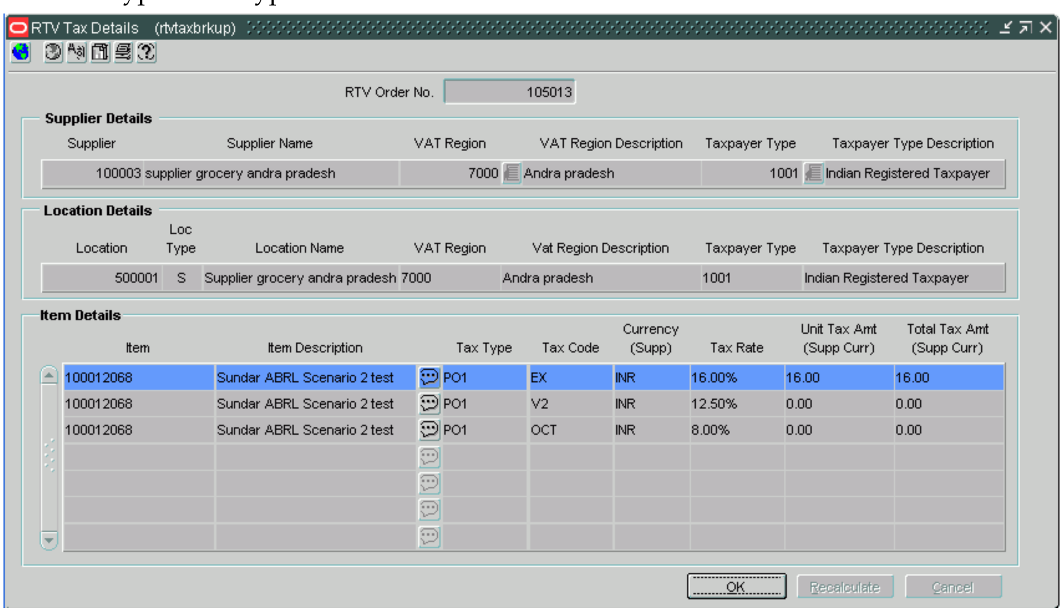
RTV Maintenance Screen

> The Shipping Information previously existing on the RTV Maintenance form is now available from the Options Menu as a link **Shipping Info**.

Viewing RTV VAT Details

The details of the taxation amount and the breakup can be viewed on the new form **RTV VAT Details**. The form can be accessed from the **Options** menu of the RTV Maintenance screen.

The tax types assigned to the Purchase Orders is considered to calculate the tax for an RTV. PO type of tax types are used to calculate the tax amount.



RTV Tax Details Screen

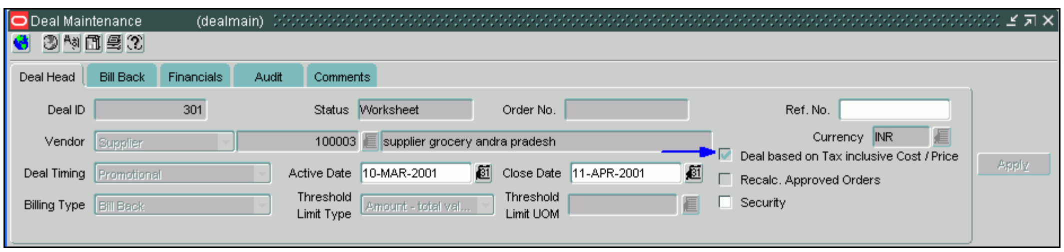
On the RTV Tax Details form, the **VAT Region** and **Taxpayer Type** fields are editable for unapproved RTVs. PO type of tax is calculated using the RTV VAT Region and Taxpayer type values. The VAT Region and Taxpayer Type values are saved in the database tables for audit purposes.

10
Deals

Deals management allows you to create and maintain deals with partners or suppliers. Users can create deal components, specify the items for each deal component, and define thresholds. There are different types of deals such as off-invoice deal, Bill Back deal, Fixed deal, or Bracket deal.

> No changes have been made to Fixed Deals and Off-Invoice Deals in the India Localization RMS.

With India Localization enabled, user can create deals either with Tax Inclusive or Tax Exclusive values. A new indicator **Deal based on Tax inclusive Cost / Price** has been added to the Deal header as shown in the image below.



Deals Maintenance screen

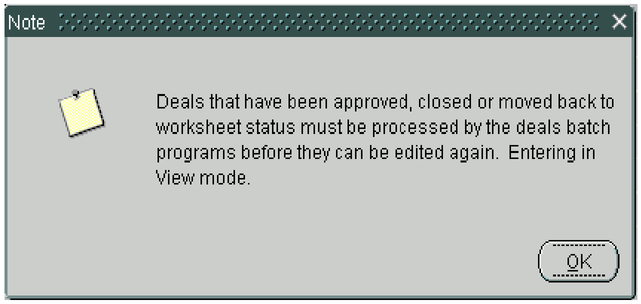
If this indicator is checked, the threshold values defined to calculate deal discounts will be based on **Tax Inclusive Cost / Price**.

- For Off-invoice deal, the deal discount is always calculated based on Tax Exclusive Cost. In this case the **Deal based on Tax inclusive Cost / Price** indicator will have no effect.
- For Bill Back deal types, if the deal income is set as 'Percent off per unit', then the percentage value is applied on the Tax Inclusive Cost /Price and negative Input Tax is recorded.
- For Rebate Deal, negative Input VAT is recorded where the deal income is linked to purchase related targets.

> Negative Input Tax should not be recorded for deal income that is linked to sales.

- For Rebates linked to sales, Vendor Funded Markdown and Vendor Funded Promotion types of deals, the **Deals based on Tax Inclusive Cost** indicator determines the display of sales value inclusive or exclusive of tax.
- The Open To Buy (OTB) value released because of deal income is calculated on Tax Exclusive values.

You cannot edit deals that are approved or closed or in Worksheet status. These deals can only be edited after the batch programs have processed them. If you attempt to edit the approved or closed deals, a validation note appears as shown below:



Validation error message

Click **Ok** to view the approved or closed deal in View mode. For more information on Deals, refer to the RMS User's Guide.

11 POS Upload Changes

The sales and sales return posting from the POS System is uploaded to RMS by the batch program **POSUPLD**. This batch program has been modified to post the tax amount into *tran_data* table. The total tax amount is posted as separate *tran_code 88*. The current *tran_data* posting for *tran_code* 1, 3 and 4 is tax inclusive values.

The **POSUPLD** file posts the POS recorded value that is passed through RTLOG > ReSA > POSU file. As an item can have multiple taxes, the tax breakup from the Transaction Detail section of the POSU file is posted to Sales *tax_breakup* table, so that the tax details at each VAT code level is available.

12 Stock Ledger Changes

Three new *tran_data* codes (87, 88, and 89) have been introduced in RMS. The new code 87 represents the Input Tax including WAC, 89 represents the Input tax excluding WAC and 88 represents the Output Tax.

Positive values of Input Tax (WAC inclusive and WAC exclusive) are posted for Purchase Receipts and Inter-company Receipts. Negative values of Input Tax are posted for Purchase Returns.

Positive values of Output Tax are posted for Sales and Inter-company Outwards. Negative values of Out Tax are posted for Sales Returns.

All existing postings for purchase, inter-company transfers, sales, purchase returns and sales returns continue to be tax exclusive values.

When the *tran_data* values are rolled into *daily_data*, *week_data* and *month_dat*a tables, the postings for purchase, inter-company transfers, sales, purchase returns, and sales returns are modified to post into new buckets for Input tax exclusive, Input tax inclusive and Output tax.

Margin calculation and opening and closing inventory calculation logic remain same. The new buckets are not be used in these calculations. The current option of recording Tax Inclusive Sales remains optional.

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Glossary

Terminology	Description
Fixed Margin	Fixed Margin is the profit margin set by the supplier. The fixed margin is represented as percentage (%) of MRP.
MRP	Maximum Retail Price
MMRP	Multiple MRP
MCR	MRP Change Request
OTB	Open To Buy
RTV	Return To Vendor
RCA	Receiver Cost Adjustment
POS	Point of Sales
VAT	Value Added Tax
WAC	Weighted Average Cost