Oracle® Retail Merchandising System/Sales Audit
Brazil Localization
User Guide
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■ Does the structure of the information help you with your tasks?
■ Do you need different information or graphics? If so, where, and in what format?
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Preface

The Oracle Retail Merchandising System (RMS)/Sales Audit (ReSA) Brazil Localization User Guide describes the changes made to the RMS and ReSA applications for Brazil.

Audience

This document is intended for the users and administrators of Oracle Retail Merchandising System/Sales Audit Brazil Localization. This may include merchandisers, buyers, and business analysts.

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Related Documents

For more information, see the following documents in the Oracle Retail Merchandising System/Sales Audit Brazil Localization Release 14.1.3 documentation set:

- Oracle Retail Merchandising System with Brazil Localization Installation Guide
- Oracle Retail Tax Integration Layer (RTIL) Installation Guide
- Oracle Retail Fiscal Management User Guide and Online Help
- Oracle Retail RMS-ReSA User Guide for Brazil Localization and Online Help
- Oracle Retail Fiscal Management/RMS Brazil Localization Implementation Guide
- Oracle Retail Fiscal Management Data Model
- Oracle Retail Merchandising Batch Schedule
- Oracle Retail Fiscal Management Release Notes
- Oracle Retail Licensing Guide
Oracle Retail Merchandising System Documentation

Also see the documentation library for Oracle Business Intelligence Enterprise Edition at this URL:


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- 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

When you install the application for the first time, you install either a base release (for example, 14.1) or a later patch release (for example, 14.1.3.) If you are installing the base release, additional patch, and bundled hot fix releases, read the documentation for all releases that have occurred since the base release before you begin installation. Documentation for patch and bundled hot fix releases can contain critical information related to the base release, as well as information about code changes since the base release.

Oracle Retail Documentation on the Oracle Technology Network

Oracle Retail product documentation is available on the following Web site:

http://www.oracle.com/technetwork/documentation/oracle-retail-100266.html

(Data Model documents are not available through Oracle Technology Network. You can obtain them through My Oracle Support.)

Conventions

The following text conventions are used in this document:

<table>
<thead>
<tr>
<th>Convention</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>boldface</td>
<td>Boldface type indicates graphical user interface elements associated with an action, or terms defined in text or the glossary.</td>
</tr>
<tr>
<td>italic</td>
<td>Italic type indicates book titles, emphasis, or placeholder variables for which you supply particular values.</td>
</tr>
<tr>
<td>monospace</td>
<td>Monospace type indicates commands within a paragraph, URLs, code in examples, text that appears on the screen, or text that you enter.</td>
</tr>
</tbody>
</table>
This chapter describes the changes to the forms in the Foundation Data module of the Oracle Retail Merchandising System (RMS). The Organizational Hierarchy, Supplier and Partner Management, and Outside Locations functionalities have been changed to add new fiscal attributes. New localization system option parameters are also added.

Organizational Hierarchy

The organizational hierarchy enables you to create the relationships that are necessary to support the operational structure of a company. You can create a preferred organizational structure to support consolidated reporting at various levels of the company. Also, you can assign responsibility for any level of the hierarchy to a person or persons in order to satisfy internal reporting requirements.

For Brazil localization, the following forms have been changed in the Foundation Data:

- Company Maintenance
- Country Tax Jurisdiction
- Store Maintenance
- Warehouse Maintenance
- Supplier Maintenance
- Partner Maintenance
- Outside Locations
- Legal Entity Maintenance
- System Parameter Maintenance
- Fiscal Classification Codes
Company Maintenance

This section describes the updates in the Company Maintenance window to meet the Brazil market requirements.

To view the changes for the Company menu, do the following:

Navigate: From the RMS Start Menu, select Action, then select Organizational Hierarchy, or Action, then select Merchandise Hierarchy. The Organization Hierarchy Main Form or the Merchandise Hierarchy Main Form is displayed.

1. On the tree structure, select Company.
2. Click Edit or View. The Company Maintenance window appears.

Note: In View mode, the fields are disabled. This is applicable across all windows in RMS.

Figure 1–1 Company Maintenance Window

3. The Company Maintenance window include the following two new fields:

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secondary Name</td>
<td>Enter the secondary name of the company.</td>
</tr>
<tr>
<td>Jurisdiction</td>
<td>Enter the jurisdiction code for the country-state relationship.</td>
</tr>
</tbody>
</table>

Country Maintenance

This section describes the updates in the Country Maintenance window to meet the Brazil market requirements.

To view the changes in the Country Maintenance window, do the following:

Navigate: From the RMS Start Menu, select Control, then select Setup. From the Setup, select Country.
In the Contents Of Country window, select View or Edit. The Country Maintenance window appears.

Figure 1–2  Country Maintenance Window

![Figure 1–2  Country Maintenance Window](image)

**Setting Attributes for the Country**

To set up attributes for a country, do the following:

1. In the Country Maintenance window, set the Country Code as BR. From the Options menu, select Attributes. The Country Attributes window opens.

   Figure 1–3  Country Attributes Window

   ![Figure 1–3  Country Attributes Window](image)

2. For Brazil, the Default Purchase Cost LOV displays Negotiated Item Cost (NIC), and Base Cost (BC). This field defines the cost that has to be used to raise a PO.

3. A new check box, Localized Ind is introduced to indicate whether the Brazil patch is installed. If the Brazil patch is installed, this check box is automatically selected.

4. Select the Item Cost Tax Include check box to indicate that the item cost entered is inclusive of taxes (NIC) or exclusive of taxes (BC).

**Fiscal Attributes**

*Note:* In RMS, you can set the fiscal attributes for the country only once per installation.

To view and set the updates in the Localization Flexible Attributes form, do the following:
1. In the Country Maintenance window, select a country. From the **Options** menu, select **Fiscal Attributes**. The Localization Flexible Attributes window appears.

![Localization Flexible Attributes Window](image)

2. The Country Attributes group displays the fiscal country and code. From the Fiscal Country LOV, select the country. The corresponding fiscal code is displayed.

3. Click **OK** to exit the window.

### Country Tax Jurisdiction

RMS has a new Country Tax Jurisdiction form that enables you to set up tax jurisdictions. It captures the country code, tax/legal jurisdiction code and a description. In Brazil tax rates vary from city to city. The Country Jurisdiction window helps in specifying the tax/legal jurisdiction code, and description. The taxes that are applicable to any location is decided based on the jurisdiction code, and the description provided in the Country Tax Jurisdiction form.

### Viewing the Country Tax Jurisdiction

To view the jurisdiction code for the country, do the following:

**Navigate:** From the **RMS Start Menu**, select **Control**, then select **Setup**. From **Setup**, select **Country Tax Jurisdiction**.

1. In the Contents of Country Tax Jurisdiction, click **View**. The Country Tax Jurisdiction window appears.

2. In the Country Jurisdiction window, select the **Country** and **State** from the LOV. Click **Search**.
Figure 1–5  Country Tax Jurisdiction Window

You can view the Jurisdiction Code, and Description for the selected country and state.

3. Click OK to exit the Country Tax Jurisdiction window.

Adding a Jurisdiction Code

To add a jurisdiction code, do the following:

Navigate: From the RMS Start Menu, select Control, then select Setup. From Setup, select Country Tax Jurisdiction.

1. In the Contents Of Country Tax Jurisdiction, click Edit. The Country Tax Jurisdiction window appears.

2. In the Country Jurisdiction window, select the Country and State from the LOV.

3. Click Add. A highlighted blank row is displayed. Enter the Jurisdiction Code and Description for the selected country and state.

4. Click OK to exit the window.
Deleting a Jurisdiction Code

**Note:** The application does not allow you to delete a jurisdiction code if it is associated with any entity.

To delete a jurisdiction code, do the following:

**Navigate:** From the RMS Start Menu, select Control, then select Setup. From Setup, select Country Tax Jurisdiction.

1. In the Contents of Country Tax Jurisdiction, click Edit. The Country Tax Jurisdiction window appears.
2. In the Country Jurisdiction window, select the Country and State from the LOV.
3. Select the record, and click Delete. A confirmation message appears.
4. Click Yes. The selected Jurisdiction Code and Description are deleted.
5. Click OK to exit from the window.

**Store Maintenance**

This section describes the updates in the Store Maintenance window to meet the Brazil market requirements.

To view/edit the changes made to the Store Maintenance window, do the following:

**Navigate:** From the RMS Start Menu, select Action, then select Organizational Hierarchy. The Organization Hierarchy Main Window is displayed.

1. On the tree structure, select Store.
2. Click View or Edit. The Store Maintenance window appears.

**Figure 1–6 Store Maintenance Window**

3. A new field called Secondary Name has been added. Enter the secondary name of the store here.
4. Click **Address** on the Store Maintenance window. A new column called **Jurisdiction** has been added. This column displays the identification number associated with the tax jurisdiction of the country-state relationship. In this Address window, you can enter multiple addresses for the store.

**Figure 1–7 Store Address Window**

![Store Address Window](image)

**Fiscal Attributes**

A new option called **Fiscal Attributes** has been introduced in the **Options** menu of the Store Maintenance window. The fiscal attributes window captures the fiscal attributes such as address, and other attributes such as CNPJ/CPF number.

In the Store Maintenance window, from the **Options** menu, select **Fiscal Attributes**. The Localization Flexible Attributes window appears.

**Figure 1–8 Localization Flexible Attributes Window**

![Localization Flexible Attributes Window](image)
**Editing/Viewing Fiscal Attributes**

To edit/view the fiscal attributes of the store, do the following:

1. In the Localization Flexible Attributes window, click **Store Fiscal Address** to edit/view the primary address of the selected store.

   **Note:** In View mode, the fields are disabled.

2. Set the Taxpayer Type to be Corporate Taxpayer. The other option available is Individual Taxpayer.

   Enter the Jurisdiction code in the City field.

   Click **Apply** to save the changes.

   *Figure 1–9  Store Fiscal Address*

3. Click **Store Registration Numbers** to edit/view the following attributes of the store:

   - **CPF** – The federal taxpayer number issued by the Brazilian Government to a person. CPF is the short form for Cadastro de Pessoa Física. This field is a required field. You are not allowed to enter Corporate Taxpayer in this field. The system checks if the entered content is valid. If entered code is not valid, the system requests a new code.

   - **CNPJ** – Federal taxpayer number issued by the Brazilian Government to a company. CNPJ is the short form for Cadastro Nacional de Pessoas Jurídicas. This field is a required field. You are not allowed to enter Individual Taxpayer in this field. If the entered code is not valid, the system requests a new code.

   - **NIT** – The worker identification number, also know as PIS number is used for the partner master data if the partner is an individual taxpayer and it is ISS contributor.

   - **SUFRAMA** – Registration code for the government organ (called SUFRAMA) responsible for the free zone of Manaus

   - **City Inscription** – Registration number assigned by a City Municipal Authority

   - **State Inscription** – Registration number assigned by the State

   The State Inscription field is a required field for the Taxpayer Type Corporate Taxpayer. For the Taxpayer Type Individual Taxpayer this field is disabled. If the entered number is not valid, the system requests a new registration number.
If the State Inscription Exempt checkbox is selected, the field is disabled.

Note: The rules listed above do not apply for the State Inscription field in the Tributary Subscription window.

Figure 1–10 Store Registration Numbers

4. Click **Store Fiscal Classifications**. The following check boxes appear:
   - ISS Contributor – Select this check box if the store is a contributor of the Imposto sobre Serviço (ISS). This is the city tax for services sales.
   - Rural Producer – Select this check box if the store is a rural producer.
   - IPI Contributor – Select this check box if the store is a contributor of the Imposto sobre Produtos Industrializados (IPI). This is the federal tax.
   - ICMS Contributor – Select this check box if the store is a contributor of the Imposto sobre Circulação de Mercadorias e prestação de Serviços (ICMS). ICMS is a state tax.
   - PIS Contributor – Select this check box if the store is a contributor of the Programa de Integração Social (PIS). This is also a federal tax.
   - COFINS Contributor – Select this check box if the store is a contributor of the Contribuição para Financiamento da Seguridade Social (COFINS).

Figure 1–11 Store Fiscal Classifications for Tax Engine

5. Click **Store Fiscal Classifications**. The following check boxes are displayed:
   - Contributor Type: This is the specific classification code provided by Synchro Tax Engine (LOV).
   - Tax Exception Type: This is the second level of tax classification code provided by Synchro Tax Engine (LOV).
Note: ORFM Release 14.1.3 does not support Synchro tax engine integration.

Figure 1–12 Store Fiscal Classifications for Synchro

6. Click Store Control Flags. The following field and check box appear:
   - The Matching Operation Type list is displayed. In Edit mode, two options are displayed: Centralized or De-centralized.
   - Select the Control Recovery of ST check box to indicate that the store has control on the recovery of ICMS-ST. ST is the short form of Substituição Tributária.
   - Select the ST Control Method from the list to determine which method is used by the tax engine solutions to recover ST calculations. By default the list contains the following options:
     - Weighted Average
     - Last In First Out

Figure 1–13 Store Control Flags

Tributary Substitution
The Tributary Substitution is the regime in which the responsibility for the tax payment is attributed to a single taxpayer in the commercial chain. This taxpayer is
called the Substitute. The taxpayer at the receiving side of the operation with the tax already collected is called Substituted.

For inter-state operations, the rule for tax collection and application follows the legislation of the destination state.

Note: The Tributary Substitution feature has been introduced in Warehouse, Supplier, Partners and Outside Locations.

Adding a Tributary Substitution for the store

In the Localization Flexible Attributes of the Store, from the Options menu, select Tributary Substitution. The Tributary Substitution window appears.

Figure 1–14 Tributary Substitution Window

The Tributary Substitution window displays the state, description and tributary substitution of the store.

To add a Tributary Substitution to the store, do the following:

1. Click Add to include a Tributary Substitution record for the store.
2. A row is highlighted. Select the values from the LOV.
3. Click OK. The record is added to the store.

Deleting a Tributary Substitution of the store

To delete a Tributary Substitution for the store, do the following:

1. Select the record that you want to delete from the Tributary Substitution window.
2. Click Delete. A confirmation message appears.
3. Click Yes to delete the record.
CNAE Codes
The CNAE Codes displays the National Code of Economic Activity in Brazil. You can assign more than one CNAE code for the same entity.

Note: The CNAE Codes feature has been introduced in Warehouse, Supplier, Partners and Outside Locations.

In the Localization Flexible Attributes window of the Store, from the Options menu, select CNAE Codes. The CNAE Codes window appears.

Figure 1–15 CNAE Codes Window

Adding a CNAE Code to the store
1. Click Add to include a CNAE Code to the store.
2. A row is highlighted. Select the values from the LOV.
3. Click OK. The CNAE Code is added to the store.

Deleting a CNAE Code of the store
1. Select the CNAE Code that you want to delete from the window.
2. Click Delete. A confirmation message appears.
3. Click Yes to delete the CNAE Code.

Warehouse Maintenance
The Warehouse Maintenance window has been changed to suit Brazilian market requirements.

To view the changes made to the Warehouse Maintenance window, do the following:
Navigate: From the RMS Start Menu, select Action, then select Organizational Hierarchy. The Organization Hierarchy Main Window is displayed.
1. On the tree structure, select Warehouse.
2. Click Edit/View. The Warehouse Maintenance window appears.
3. A new field called **Secondary Name** has been added. Enter the secondary name of the warehouse here.

4. Click **Address** on the Warehouse Maintenance window. A new column called **Jurisdiction** has been added to the Address window. This column displays the jurisdiction code depending on the given state, country or state/country combination.

**Fiscal Attributes**

A new menu option called **Fiscal Attributes** has been introduced in the Warehouse Maintenance window. The fiscal attributes window captures the fiscal attributes such as address, and other attributes such as CNPJ/CPF number.
In the Warehouse Maintenance window, from the Options menu, select Fiscal Attributes. The Localization Flexible Attributes window appears.

**Figure 1–18  Localization Flexible Attributes Window**

**Editing/Viewing Fiscal Attributes**

1. In the Localization Flexible Attributes window, click Warehouse Fiscal Address to edit/view the address of the selected warehouse.

   **Note:** In View mode, the fields are disabled.

   **Figure 1–19  Warehouse Fiscal Address**

2. Click Warehouse Registration Numbers to edit/view the following attributes of the warehouse:

   - **CPF** – The federal taxpayer number issued by the Brazilian Government to a person. CPF is the short form for Cadastro de Pessoa Física. This field is a required field. You are not allowed to enter Corporate Taxpayer in this field. The system checks if the entered content is valid. If the entered code is not valid, the system requests a new code.

   - **CNPJ** – Federal taxpayer number issued by the Brazilian Government to a company. CNPJ is the short form for cadastro Nacional de Pessoas Jurídicas. This field is a required field. You are not allowed to enter Individual Taxpayer in this field. If the entered code is not valid, the system requests a new code.

   - **NIT** – This is also known as PIS number, and is used for the partner master data if the partner is an individual taxpayer and is an ISS contributor.
■ SUFRAMA – Registration code for the government organ (called SUFRAMA) responsible for the free zone of Manaus.

■ City Inscription – Registration number assigned to the warehouse by a City Municipal Authority

■ State Inscription – Registration number assigned by the State. The State Inscription field is a required field for the Taxpayer Type Corporate Taxpayer. For the Taxpayer Type Individual Taxpayer this field is disabled. If the entered number is not valid, the system requests a new registration number. If the State Inscription Exempt check box is selected, the field is disabled.

**Figure 1–20 Warehouse Registration Numbers**

3. Click **Warehouse Fiscal Classifications**. The following check boxes are displayed:

■ ISS Contributor – Select this check box if the warehouse is a contributor of ISS. This is the city tax for services sales.

■ Rural Producer – Select this check box if the warehouse is a rural producer.

■ IPI Contributor – Select this check box if the warehouse is a contributor of IPI. This is the federal tax.

■ ICMS Contributor – Select this check box if the warehouse is a contributor of ICMS. ICMS is a state tax.

■ PIS Contributor – Select this check box if the warehouse is a contributor of PIS. This is also a federal tax.

■ COFINS Contributor – Select this check box if the warehouse is a contributor of COFINS.

**Figure 1–21 Warehouse Fiscal Classifications for Tax Engine**

4. Click **Warehouse Fiscal Classifications**. The following check boxes are displayed:
Contributor Type: This is the specific classification code provided by Synchro Tax Engine (LOV).

Tax Exception Type: This is the second level of tax classification code provided by Synchro Tax Engine (LOV).

**Figure 1–22  Warehouse Fiscal Classifications for Synchro**

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**Note:** Fiscal classification attributes for warehouse may vary depending on the Tax Engine installed.

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5. Click **Warehouse Control Flags**. The Matching Operation Type list, and a check box for Control Recovery of ST is present.

- In the Matching Operation Type list, select Decentralized or Centralized based on the type of operation.
- Select the Control Recovery of ST check box to indicate that the location has control on the recovery of the ICMS-ST.
- Select the ST Control Method from the list to determine which method is used by the tax engine solutions to recover ST calculations. By default the list contains the following options:
  - Weighted Average
  - Last In First Out

6. Click **OK** to exit the window.

**Tributary Substitution for Warehouse**

In the Localization Flexible Attributes of the Warehouse, from the **Options** menu, select **Tributary Substitution**. The Tributary Substitution window opens.
The Tributary Substitution window displays the state, description and tributary substitution of the warehouse.

**Adding a Tributary Substitution to the warehouse**
To add a record to the warehouse, do the following:
1. Click **Add** to include a Tributary Substitution record for the warehouse.
2. A row is highlighted. Select the values from the LOV.
3. Click **OK**. The record is added to the warehouse.

**Deleting a Tributary Substitution**
To delete a record for the warehouse, do the following:
1. Select the record that you want to delete from the Tributary Substitution window.
2. Click **Delete**. A confirmation message appears.
3. Click **Yes** to delete the record.

**CNAE Codes**
In the Localization Flexible Attributes window of the warehouse, from the **Options** menu, select **CNAE Codes**. The CNAE Codes window appears.
Adding a CNAE Code to the warehouse

1. Click **Add** to include a CNAE Code to the warehouse.
2. A row is highlighted. Select from values from the LOV.
3. Click **OK**. The CNAE Code is added to the supplier.

Deleting a CNAE Code

1. Select the CNAE Code that you want to delete from the window.
2. Click **Delete**. A confirmation message appears.
3. Click **Yes** to delete the CNAE Code.
**Supplier Maintenance**

The Supplier Maintenance window has been changed to suit Brazilian market requirements.

**Navigate:** From the RMS Start Menu, select Control, then Supplier.

In the Contents Of Supplier window, select Maintenance. The Supplier Search window appears.

Search for and retrieve a Supplier in Edit mode. The Supplier Maintenance window appears.

*Figure 1–25 Supplier Maintenance Window*

A new field – Secondary Name has been added. Enter the secondary address of the supplier.

**Fiscal Attributes**

The Supplier Maintenance form includes a new Fiscal Attributes menu option. The fiscal attributes window captures the fiscal attributes such as address, and other attributes such as CNPJ/CPF number. The CNPJ code can be changed only by an authorized user and no receiving or cost complement can be made during this change. Additionally, the existing VAT region field on supplier maintenance window has been made non-mandatory when the default tax option is GTAX.

**Note:** The fiscal attributes window of the Supplier Site window is the same as the Supplier Maintenance window. However, the values of the Supplier Site may be different from that of the Supplier.
In the Supplier Maintenance window, from the **Options** menu, select **Fiscal Attributes**. The Localization Flexible Attributes window appears.

**Figure 1–26 Localization Flexible Attributes Window**

**Editing/Viewing Fiscal Attributes**

1. In the Localization Flexible Attributes window, click **Supplier Fiscal Address** to view the address of the selected supplier.

**Note:** In View mode, the fields are disabled.

**Figure 1–27 Supplier Fiscal Address**

2. Click **Supplier Registration Numbers** to view the following attributes of the supplier:
   - CPF – The federal taxpayer number issued by the Brazilian Government to a person. CPF is the short form for Cadastro de Pessoa Física. This field is a required field. You are not allowed to enter Corporate Taxpayer in this field. The system checks if the entered content is valid. If the entered code is not valid, the system requests a new code.
   - CNPJ – Federal taxpayer number issued by the Brazilian Government to a company. CNPJ is the short form for Cadastro Nacional de Pessoas Jurídicas. This field is a required field. You are not allowed to enter Individual Taxpayer in this field. If the entered code is not valid, the system requests a new code.
- NIT – This is also know as PIS number is used for the Partner master data if the partner is an individual taxpayer and it is ISS contributor

- SUFRAMA – Registration code for the government organ (called SUFRAMA) responsible for the free zone of Manaus

- City Inscription – Registration number assigned to the supplier by a City Municipal Authority

- State Inscription – Registration number assigned by the State. The State Inscription field is a required field for the Taxpayer Type Corporate Taxpayer.

For the Taxpayer Type Individual Taxpayer this field is disabled. If the entered number is not valid, the system requests a new registration number.

If the State Inscription Exempt checkbox is selected, the field is disabled.

**Figure 1–28  Supplier Registration Numbers**

3. Click **Supplier Fiscal Classifications**. The following check boxes are present:

- ISS Contributor – Select this check box if the supplier is a contributor of ISS. This is the city tax for services sales.

- SIMPLES Contributor – Select this check box to indicate that the supplier would participate in the Simplified Tax Program of the Brazilian Government. This is needed to determine the rate of ICMS in tax rules.

- ST Contributor – Select this check box if the supplier is a contributor of ICMS-ST.

- Rural Producer – If the supplier is a rural producer, select this check box.

- IPI Contributor – Select this check box if the supplier is a contributor of IPI. This is the federal tax.

- ICMS Contributor – Select this check box if the supplier is a contributor of ICMS. ICMS is a state tax.

- PIS Contributor – Select this check box if the supplier is a contributor of the PIS. This is also a federal tax.

- COFINS Contributor – Select this check box if the supplier is a contributor of the COFINS.

- Is income range eligible – Select this check box if the supplier’s income is eligible for tax benefits.
Note: In certain states of Brazil, the government has defined a range of income for suppliers. If the supplier is within that specific range, all products supplied by them will have a reduction in the base of calculation for ICMS.

- Is distributor a manufacturer – Select this check box if the supplier is a manufacturer.

Note: This is applicable to companies which are into both manufacturing and distribution. In that case, the branches classified as distributors or retailers have similar treatment for tax calculation as the manufacturer.

- ICMS Simples rate – Enter the SIMPLES rate in case the supplier is a SIMPLES contributor.

Note: Since there is no tax presented in the NF, it is necessary to know the rate of ICMS the supplier has paid as the rate may vary depending on the size and annual income range of that supplier.

Figure 1–29 Supplier Fiscal Classifications for Tax Engine

4. Click Supplier Fiscal Classifications. The following check boxes are displayed:
   - SIMPLES Contributor: Inform if the supplier is eligible for the SIMPLES tax.
   - Rural Producer: Inform if the supplier is fiscally classified as Rural Producer.
   - Contributor Type: This is the specific classification code provided by Synchro Tax Engine (LOV).
   - Tax Exception Type: This is the second level of tax classification code provided by Synchro Tax Engine (LOV).
   - ICMS Simples Rate: Inform if the Simples Contributor flag is marked. This should have the SIMPLES rate applicable to the supplier.
Tributary Substitution of Supplier
In the Localization Flexible Attributes of the Supplier, from the Options menu, select Tributary Substitution. The Tributary Substitution window appears.

Adding a record for the supplier
To add a record to the supplier, do the following:
1. Click Add to include a Tributary Substitution record for the supplier.
2. A row is highlighted. Select from values from the LOV.
3. Click OK. The record is added to the supplier.

Deleting a record
To delete a record for the supplier, do the following:
1. Select the record that you want to delete from the Tributary Substitution window.
2. Click Delete. A confirmation message appears.
3. Click Yes to delete the record.

**CNAE Codes**
The CNAE Codes displays the National Code of Economic Activity in Brazil. You can assign more than one CNAE code for the same entity.

In the Localization Flexible Attributes window of the Supplier, from the Options menu, select CNAE Codes. The CNAE Codes window appears.

*Figure 1–32  CNAE Codes Window*

Adding a CNAE Code to the supplier
1. Click Add to include a CNAE Code to the supplier.
2. A row is highlighted. Select from values from the LOV.
3. Click OK. The CNAE Code is added to the supplier.

Deleting a CNAE Code
1. Select the CNAE Code that you want to delete from the window.
2. Click Delete. A confirmation message appears.
3. Click Yes to delete the CNAE Code.
Supplier Tax Regime

There are various types of tax regimes defined at state level in Brazil. These regimes are eligible for supplier reductions on tax basis. The Tax Engine identifies each regime and applies the correct tax calculation if the supplier is classified in any of them. It is possible that one supplier may be classified in more than one regime, but depending on the state the transaction is being made, the regime applicable to that state is calculated.

In the Localization Flexible Attributes window of the Supplier, from the Options menu, select Supplier Tax Regime. The Supplier Tax Regime window appears.

Figure 1–33 Supplier Tax Regime Window

Adding a tax regime to the supplier

1. Click Add to include a tax regime to the supplier.
2. A row is highlighted. Select from values from the LOV.
3. Click OK. The tax regime is added to the supplier.

Deleting a tax regime

1. Select the tax regime that you want to delete from the window.
2. Click Delete. A confirmation message appears.
3. Click Yes to delete the tax regime.
**Partner Maintenance**

The Partner Maintenance window has been changed to suit Brazilian market requirements.

**Navigate:** From the RMS Start Menu, select Control, then Partner. The Partner Find window appears.

Search for and retrieve a partner in Edit mode. The Partner Maintenance window appears.

*Figure 1–34  Partner Maintenance Window*

Two new fields have been added to meet the requirements of the Brazilian market. The two fields are:

- Secondary Name – Enter the formal name of the partner.
- Auto Receive Stock Ind – Select this check box to update the stock for the external finisher after the first leg of the shipment is transferred.

**Note:** The Auto Receive Stock Ind option is highlighted on the Partner Maintenance page only when the Partner Type is chosen as External Finisher on the Partner Find page.
Organizational Hierarchy

Fiscal Attributes
The Partner Maintenance window includes a new Fiscal Attributes menu option. The Localization Fiscal Attributes window captures the fiscal attributes such as address, and other attributes such as CNPJ/CPF number.

In the Partner Maintenance window, from the **Options** menu, select **Fiscal Attributes**. The Localization Flexible Attributes window appears.

*Figure 1–35 Localization Flexible Attributes Window*

![Localization Flexible Attributes Window](image)

**Editing/Viewing Fiscal Attributes**

1. In the Localization Flexible Attributes window, click **Partner Fiscal Address** to view/edit the address of the selected partner.

   **Note:** In View mode, the fields are disabled.

   *Figure 1–36 Partner Fiscal Address*

   ![Partner Fiscal Address](image)

2. Click **Partner Registration Numbers** to edit/view the following attributes of the partner:

   - **CPF** – The federal taxpayer number issued by the Brazilian Government to a person. CPF is the short form for Cadastro de Pessoa Fisica. This field is a required field. You are not allowed to enter Corporate Taxpayer in this field. The system checks if the entered content is valid. If the entered code is not valid, the system requests a new code.

   - **CNPJ** – Federal taxpayer number issued by the Brazilian Government to a company. CNPJ is the short form for Cadastro Nacional de Pessoas Juridicas.
This field is a required field. You are not allowed to enter Individual Taxpayer in this field. If the entered code is not valid, the system requests a new code.

- **NIT** – This is also know as PIS number, and is used for the Partner master data if the partner is an individual taxpayer and it is ISS contributor.
- **SUFRAMA** – Registration code for the government organ (called SUFRAMA) responsible for the free zone of Manaus.
- **City Inscription** – This is the registration number assigned to the partner by a City Municipal Authority
- **State Inscription** – Registration number assigned by the State. The State Inscription field is a required field for the Taxpayer Type Corporate Taxpayer. For the Taxpayer Type Individual Taxpayer this field is disabled. If the entered number is not valid, the system requests a new registration number.
  
  If the State Inscription Exempt check box is selected, the field is disabled.

### Figure 1–37  Partner Registration Numbers

3. Click **Partner Fiscal Classifications**. The following check boxes are displayed:

- **IPI Contributor** – Select this check box if the partner is a contributor of IPI. This is the federal tax.
- **ICMS Contributor** – Select this check box if the partner is a contributor of ICMS. ICMS is a state tax.
- **PIS Contributor** – Select this check box if the partner is a contributor of PIS. This is also a federal tax.
- **COFINS Contributor** – Select this check box if the partner is a contributor of COFINS.

### Figure 1–38  Partner Fiscal Classifications for Tax Engine
4. Click **Partner Fiscal Classifications**. The following check boxes are displayed:

- **Contributor Type**: This is the specific classification code provided by Synchro Tax Engine (LOV).
- **Tax Exception Type**: This is the second level of tax classification code provided by Synchro Tax Engine (LOV).

![Figure 1–39 Partner Fiscal Classifications for Synchro](image)

**Note:** Fiscal classification attributes for partner may vary depending on the Tax Engine installed.

### CNAE Codes

In the Localization Flexible Attributes window of the Partner, from the **Options** menu, select **CNAE Codes**. The CNAE Codes window appears.

![Figure 1–40 CNAE Codes Window](image)

The CNAE Codes window displays the CNAE Code, and the Description of the partner. A check box for Primary Ind is present.

#### Adding a CNAE Code to the partner

1. Click **Add** to include a CNAE Code to the partner.
2. A row is highlighted. Select from values from the LOV.
3. Click **OK**. The CNAE Code is added to the partner.
Deleting a CNAE Code

1. Select the CNAE Code that you want to delete from the window.
2. Click Delete. A confirmation message appears.
3. Click Yes to delete the CNAE Code.

Outside Locations

The Outside Locations window has been changed to suit the requirements of the Brazilian market.

Navigate: From the RMS Start Menu, select Control, then Setup. From Setup, select Outside Locations.

In the Contents Of Outside Locations window, select Edit. The Outside Locations window appears.

Figure 1–41 Outside Locations Window

In order to meet the requirements of the Brazilian market, two new fields have been added:

- Secondary Name – Enter the formal name of the Outside Location.
- Jurisdiction – Select the ID associated to the tax jurisdiction of the country-state relationship.
Fiscal Attributes
The Outside Locations window includes a new Fiscal Attributes menu option. The fiscal attributes window captures the fiscal attributes such as address, and other attributes such as CNPJ/CPF number.

In the Outside Locations window, from the Options menu, select Fiscal Attributes. The Localization Flexible Attributes window appears.

**Figure 1–42 Localization Flexible Attributes Window**

![Localization Flexible Attributes Window](image)

**Editing/Viewing Fiscal Attributes**

To edit/view the fiscal attributes, do the following:

1. In the Localization Flexible Attributes window, click Outside Location Fiscal Address to edit or view the address of the selected outside location.

   **Note:** In View mode, the fields are disabled.

   **Figure 1–43 Outside Location Fiscal Address**

   ![Outside Location Fiscal Address](image)

2. Click Outside Location Registration Numbers to edit/view the following attributes of the outside location:

   - CPF – The federal taxpayer number issued by the Brazilian Government to a person. CPF is the short form for Cadastro de Pessoa Física.
   - CNPJ – Federal taxpayer number issued by the Brazilian Government to a company. CNPJ is the short form for Cadastro Nacional de Pessoas Jurídicas.
- NIT – This is also known as PIS number is used for the Partner master data if the partner is an individual taxpayer and it is ISS contributor.
- SUFRAMA – Registration code for the government organ (called SUFRAMA) responsible for the free zone of Manaus.
- City Inscription – Registration number assigned to the outside location by a City Municipal Authority.
- State Inscription – Registration number assigned to the outside location by the State.

**Figure 1–44 Outside Location Registration Numbers**

3. Click **Outside Location Fiscal Classifications**. Select the IPI Contributor check box for the outside location, if it is applicable for that location.

**Figure 1–45 Outside Location Fiscal Classifications**
CNAE Codes
In the Localization Flexible Attributes window of the Outside Locations, from the Options menu, select CNAE Codes. The CNAE Codes window appears.

**Figure 1–46 CNAE Codes Window**

![CNAE Codes Window](image)

**Adding a CNAE Code to the Outside Locations**
1. Click **Add** to include a CNAE Code to the Outside Locations.
2. A row is highlighted. Select from values from the LOV.
3. Click **OK**. The CNAE Code is added to the Outside Locations.

**Deleting a CNAE Code of the Outside Locations**
1. Select the CNAE Code that you want to delete from the window.
2. Click **Delete**. A confirmation message appears.
3. Click **Yes** to delete the CNAE Code.

Legal Entity Maintenance
In Brazil, a single company can have multiple business units. These business units are the actual legal entities of the company. These legal entities can be configured either as individual Set of Books or Transfer Entities within RMS.

**Set of Books**
When the individual set of books are identified as the legal entity or business unit (based on system options), the fiscal attributes are set up as follows:

Navigate: From the RMS Start Menu, select Control, then select Setup. From the Setup, select Set Of Books.

In the Contents Of Set Of Books window, select View or Edit. The Set of Books Maintenance window appears.
1. In the Set Of Books Maintenance window, set the Country ID as BR. In the Options menu, the Fiscal Attributes menu item is enabled only after setting the Country ID to Brazil.

2. From the Options menu, select Fiscal Attributes. The Localization Flexible Attributes window opens.

3. In the Localization Flexible Attributes form, click Set of Books Fiscal Address. Enter the address of the different business units here.
4. Click the **Set of Books Registration Numbers** in the Attribute Group column to edit/view the following:

- **CPF** – The federal taxpayer number issued by the Brazilian Government to a person. CPF is the short form for Cadastro de Pessoa Física.
- **CNPJ** – Federal taxpayer number issued by the Brazilian Government to a company. CNPJ is the short form for Cadastro Nacional de Pessoas Jurídicas.
- **NIT** – The worker identification number, also known as PIS number, is used for the partner master data if the partner is an individual taxpayer and it is ISS contributor.
- **SUFRAMA** – Registration code for the government organ (called SUFRAMA) responsible for the free zone of Manaus.
- **City Inscription** – Registration number assigned by a City Municipal Authority.
- **State Inscription** – Registration number assigned by the State.

5. Click the **Set of Books Fiscal Classifications** in the Attribute Group column. Select the **IPI Contributor** check box if the business unit is an IPI contributor.

6. Click **Apply** to save the changes.

7. Click **OK** to close the Localization Flexible Attributes window.

**Transfer Entities**

If the transfer entity is considered as the legal entity (based on system options), the fiscal attributes are set up as follows:

**Navigate:** From the **RMS Start Menu**, select **Control**, then select **Setup**. From the **Setup**, select **Transfer Entities**.

In the **Contents Of Transfer Entities** window, select **View** or **Edit**. The Transfer Entity Maintenance window appears.

**Figure 1–50 Transfer Entity Maintenance Window**

1. In the Transfer Entity Maintenance window, set the **Country ID** as **BR**. In the **Options** menu, the Fiscal Attributes menu item is enabled only after setting the **Country ID** to Brazil.
2. From the **Options** menu, select **Fiscal Attributes**. The Localization Flexible Attributes window opens.

**Figure 1–51  Localization Flexible Attributes Window**

![Localization Flexible Attributes Window](image)

In this window, you can set the address, registration numbers, and fiscal classifications of the transfer entities.

3. In the Localization Flexible Attributes form, click **Transfer Entity Fiscal Address**. Enter the address of the different business units here.

**Figure 1–52  Transfer Entity Fiscal Address**

![Transfer Entity Fiscal Address](image)

4. Click the **Transfer Entity Registration Numbers** in the Attribute Group column to edit/view the following:
   - **CPF** – The federal taxpayer number issued by the Brazilian Government to a person. CPF is the short form for Cadastro de Pessoa Física.
   - **CNPJ** – Federal taxpayer number issued by the Brazilian Government to a company. CNPJ is the short form for Cadastro Nacional de Pessoas Jurídicas.
   - **NIT** – The worker identification number, also know as PIS number is used for the partner master data if the partner is an individual taxpayer and it is ISS contributor.
   - **SUFRAMA** – Registration code for the government organ (called SUFRAMA) responsible for the free zone of Manaus
   - **City Inscription** – Registration number assigned by a City Municipal Authority
   - **State Inscription** – Registration number assigned by the State
5. Click the Transfer Entity Fiscal Classifications in the Attribute Group column. Select the IPI Contributor check box if the business unit is an IPI contributor.

6. Click Apply to save the changes.

7. Click OK to close the Localization Flexible Attributes window.

System Parameter Maintenance

The System Parameter Maintenance window enables you to customize various parameters, defaults, and constants that are used throughout the system. Normally, these elements are set when RMS is installed by the system or database administrator. They tend to remain fixed unless a business practice is changed which necessitates a change in RMS.

In order to suit the Brazilian requirements, a new tax type, Global Tax, is added to the default tax type LOV for RMS system options.

Navigate: From the RMS Start Menu, select Control, then System. From System, select System Variables. The System Parameter Maintenance window appears.

Figure 1–53 System Parameter Maintenance Window

There are several windows associated with this window.

- To view, and edit the values of the various windows that are associated with this window, click Next.
- To go back to the previous window, click the Previous button.
- To set the options for Brazil, in the Corporate HQ Country field, select BR from the LOV.
In the Tax form of the System Parameter Maintenance window, the Default Tax Type field is set to Global Tax.

**Figure 1–54 System Parameter - Tax**
Fiscal Classification Codes

In Brazil, every item has a fiscal classification code called as Nomenclatura Comum do Mercosul or NCM. NCM codes, in general, are a classification of merchandise issued by the Brazilian government and are used to determine the taxes applicable to an item. As NCM codes are applicable to all the Mercosur countries, the new Fiscal Classification window provides the option to capture the country code along with the NCM codes.

Editing/Viewing the Fiscal Classification

To edit/view the fiscal classification, do the following:

Navigate: From the RMS Start Menu, select Items, then Fiscal Classification.

1. In the Contents Of Fiscal Classification window, select Edit or View. The Fiscal Classification window appears.

   Note: In View mode, the fields are disabled.

   ![Figure 1–55 Fiscal Classification Window]

2. Select the country from the LOV in the Country field.

3. Select the NCM codes/fiscal classification in the Fiscal Classification LOV.

4. From the list in the Type column, select Product. Click the filter button.

   The multi-record block displays the country, fiscal classification, description, and the type for the criteria entered in the above fields.

5. If the Type is Service, the multi-record block displays the Federal Service Codes. A Tax Engine supplies these codes.

6. Click OK to close the window.

Consume NCM Codes from a Tax Engine

After RMS is integrated with a Tax Engine, it has to manage the NCM codes. The following changes have been made in RMS to use the NCM codes that are provided by the Tax Engine:

- A new integration mechanism has been provided to consume the NCM codes from a Tax Engine.
New tables are introduced to store the NCM details.

Tax Engine provides the necessary updates to NCM codes. Tax Engine manages adding, deleting, and updating the NCM codes.

**Fiscal Attributes Maintenance**

After an item is approved, you cannot change the fiscal attributes of the item as it is possible that fiscal attributes influence the tax recalculation. If you need to change a fiscal attribute, a new Fiscal Attributes Maintenance window has been added.

The new fiscal attributes maintenance process has a configuration window and a maintenance window. In the configuration window it is possible to setup which fiscal attribute will be enabled for change and which attribute will impact the tax recalculation.

**Configuring Fiscal Attributes Maintenance**

To setup the behavior of the fiscal attributes maintenance process, do the following:

**Navigate:** From the RMS Start Menu, select Items, then Fiscal Attributes Maintenance. In the Content of Fiscal Attributes Maintenance, select Fiscal Attributes Configuration.

*Figure 1–56  Class Configuration - New Window*

**Note:** Through this functionality the user can define which fiscal attributes, previously created in LFAS (Localization Flex Attributes System), will be displayed on the maintenance window. The setup will also determine if these configured attributes will trigger tax recalculation or not. With this setup it will be possible to update fiscal attributes and not recalculate taxes. Foundation updates can happen in the same day. Tax Recalculation will follow the existing batch window schedule. It will also be possible to plan future changes with a future effective date.
In the Class Configuration window, you have to select the country ID in order to start the setup.

The fields in the upper session of the window are available to be used as filters in order to list the existing lines already configured that can be updated. If nothing else but the country ID is selected, you will select the Filter button and the list will be populated with the existing setup if there is any. The Add button will then be enabled.

You can add a new line and fill the columns as following:

- Base Table: LOV with options that identify which level the fiscal attribute belongs to
- Group: Group from LFAS setup
- Attributes: Which attribute from the selected group will be added
- Reclass: Identifies if the attribute added will trigger tax recalculations or not.

You can delete any line using this window. After the setup is done, select the Save and Close button. You can select the Close button and a warning message will be displayed asking whether or not to save the transaction.

**Maintaining Fiscal Attributes**

To edit a fiscal attribute, do the following:

**Navigate:** From the RMS Start Menu, select Items, then Fiscal Attributes Maintenance. In the content of Fiscal Attributes Maintenance, select Fiscal Attributes Maintenance.

*Figure 1–57 Fiscal Attributes Lot Maintenance*

This new window allows you to create a lot for fiscal attributes maintenance. A lot can be one or multiple items to be reclassified. Each lot can be viewed or edited depending on its processing status.

The lots can be selected by using the filters available in the upper section of the window.
### Table 1–2 Available Fields in the Filter Section

<table>
<thead>
<tr>
<th>Fields Label</th>
<th>Fields Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item</td>
<td>Field for insertion or selection through the component &quot;List of Items&quot;, the code and the description of the item for which you want to refer to lots of change.</td>
</tr>
</tbody>
</table>
| Country      | Field for insertion or selection through the component "List of Countries", the country related to the item for which you want to refer to lots of change.  
  **Note:** The system should always automatically load, the country of the item defined in location, by default. |
| Type         | Field to check through the list of values, the type of entity (Location or Supplier Site) for which you want to query lots of change. |
| Sub Type     | Field to check through the list of values, the entity type (Store or Virtual Warehouse) for which you want to query lots of change.  
  **Note:** This field should only be enabled, if the field Type has been selected in the Location option. |
| ID           | Field for insertion or selection through the component "List of Supplier Sites" or "List of Locations" (depending on the selection carried out in the field Type) of the entity for which you want to query lots of change. |
| Lot ID       | Field for insertion or selection through the component "List of Lots", the number of the lot that you want to consult. |
| Status       | Field to check through the list of values, the status of the lots of change that you want to consult (New, Processing, In Queue, and Processed with Errors, Processed Successfully or Canceled). |
| From Create Date | Field for entering or selecting through the "Date Entry" component, the initial date of the creation of the lots of change that you want to consult.  
  **Note:** The system should always automatically load SYSDATE, by default. |
| To Create Date | Field for entering or selecting through the "Date Entry" component, the end date of the creation of the lots of change that you want to consult.  
  **Note:** The system should always automatically load SYSDATE, by default. |
| Active Date  | Field for insertion or selection through component "Data Entry", the date of activation of lots of change that if you want to consult. |
| Create User  | Field for insertion or selection through the component "List of User Ids", the user responsible for the creation of the lots of change that you want to consult. |

### Table 1–3 Available Data in the Result Grid

<table>
<thead>
<tr>
<th>Data Label</th>
<th>Data Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lot ID</td>
<td>Lot number</td>
</tr>
<tr>
<td>Status</td>
<td>Lot status</td>
</tr>
<tr>
<td>Active Date</td>
<td>Allows you to set the activation date of the maintenance (maintenance and reclassification). Must be compulsorily reported (from VDate + X days, set in System Options).</td>
</tr>
</tbody>
</table>
Table 1–3  (Cont.) Available Data in the Result Grid

<table>
<thead>
<tr>
<th>Data Label</th>
<th>Data Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processed Date</td>
<td>Lot processing date</td>
</tr>
<tr>
<td>Create Date</td>
<td>Lot creation date</td>
</tr>
<tr>
<td>Create User</td>
<td>Lot creation user</td>
</tr>
<tr>
<td>Online</td>
<td>Indicates, if the maintenance must occur immediately, without ties to the reclassification. The use of this flag is subject to a System Option.</td>
</tr>
<tr>
<td>Bulk</td>
<td>Indicates, whether the lot comes change in bulk.</td>
</tr>
</tbody>
</table>

Table 1–4  Available Buttons at the Window Bottom

<table>
<thead>
<tr>
<th>Button Label</th>
<th>Button Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ok</td>
<td>Allows you to confirm maintenance actions performed on the screen “Fiscal Attributes Maintenance View” and return to the menu.</td>
</tr>
<tr>
<td>Add</td>
<td>Allows you to create a new lot by opening the “Fiscal Attributes Maintenance” window in edit mode.</td>
</tr>
<tr>
<td>Detail</td>
<td>Allows you to access the contents of a lot previously created, providing the “Fiscal Attributes Maintenance” window in edit mode or query mode (depending on the status of the lot).</td>
</tr>
<tr>
<td>View Errors</td>
<td>Allows you to view the reason of errors that prevented the change of all attributes contained in the lot.</td>
</tr>
<tr>
<td>Delete</td>
<td>Allows you to logically delete a previously created lot that has not yet been processed (depending on the status of the lot).</td>
</tr>
<tr>
<td>Cancel</td>
<td>Allows you to exit the “Fiscal Attributes Maintenance View” window and return to the menu without confirming the maintenance actions performed.</td>
</tr>
</tbody>
</table>

You can add a new lot without using any of the filters. Once the new lot line is created, click **Details** to start building your reclassification lot.

After clicking **Detail**, the Lot details window appears.
In this window you can create the lot for reclassification by selecting items to be part of the lot, using the filters available in the upper section of the window.

### Table 1–5  Available Fields in the Filter Section

<table>
<thead>
<tr>
<th>Field Label</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lot ID</td>
<td>Field, unavailable for editing, which indicates the number of the lots that is being created.</td>
</tr>
<tr>
<td>Item</td>
<td>Field for insertion or selection through the component &quot;List of Items&quot;, the code and description of the item for which you want to create the lot.</td>
</tr>
<tr>
<td>Item List</td>
<td>Field for insertion or selection through the component &quot;List of Item Lists&quot;, the code and description of the list of items for which you want to create the lot.</td>
</tr>
<tr>
<td>Division</td>
<td>Field for insertion or selection through the component &quot;List of Divisions&quot;, the code and description of the Division in which they are associated with the items for which you want to create the lot.</td>
</tr>
<tr>
<td>Group</td>
<td>Field for insertion or selection through the component &quot;List of Groups&quot;, the code and description of the group associated with the items for which you want to create the lot.</td>
</tr>
<tr>
<td>Department</td>
<td>Field for insertion or selection through the component &quot;List of Departments&quot;, the code and description of the department which is associated with the items for which you want to create the lot.</td>
</tr>
<tr>
<td>Class</td>
<td>Field for insertion or selection through the component &quot;List of Classes&quot;, the code and description of the class associated with the items for which you want to create the lot.</td>
</tr>
<tr>
<td>Subclass</td>
<td>Field for insertion or selection through the component &quot;List of Subclasses&quot;, the code and description of the subclass associated with the items for which you want to create the lot.</td>
</tr>
</tbody>
</table>
Fiscal Classification Codes

**Table 1–5  (Cont.) Available Fields in the Filter Section**

<table>
<thead>
<tr>
<th>Field Label</th>
<th>Field Description</th>
</tr>
</thead>
</table>
| Group       | Field to check through list of values, the attribute group (Item/Country, Item/Supplier, or Item/Location).  
  **Note:** If a value is set for this field, it is mandatory to set a value for the field 'Attribute'. |
| Attribute   | Field for selection through attribute values list (the list should consider the group defined above in the "Group").  
  **Note:** If set value for that field, it is mandatory to set value to "Value" field. |
| Value       | Field for insertion or selection through the component or a list of values (* as provided in LFAS), the value of the attribute the items for which you want to create the lot, must have. |
| Type        | Field to check through the list of values, the type of entity (Location or Supplier Site). |
| Sub Type    | Field to check through the list of values, the entity type (Store or Virtual Warehouse).  
  **Note:** This field is only enabled, if the field Type has been selected the Location option. |
| ID          | Field for insertion or selection through the component "List of Supplier Sites" or "List of Locations" (depending on the selection carried out in the field Type) of the entity for which you want to create the lot. |

**Table 1–6  Available Data in the Item/Country Items Results Grid (left hand side)**

<table>
<thead>
<tr>
<th>Field Label</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checkbox</td>
<td>This flag is purely informative, indicating that for that particular item a fiscal attribute value change was held. A list of multiple items, serves the user to know which items have already been treated.</td>
</tr>
<tr>
<td>Item</td>
<td>Code of the items that attended the selection criteria set for creation of the lot.</td>
</tr>
<tr>
<td>Description</td>
<td>Description of items that attended the selection criteria set for creation of the lot.</td>
</tr>
</tbody>
</table>

**Table 1–7  Available Data in the Item/Country Attributes Results Grid (right hand side)**

<table>
<thead>
<tr>
<th>Field Label</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attribute</td>
<td>Related attributes to the item selected in the grid (left).</td>
</tr>
<tr>
<td>OLD Value</td>
<td>Current values (before the change) of the attributes related to the selected item in the grid (left).</td>
</tr>
</tbody>
</table>
Through this new form, using the selection filters, you will define which items will be part of the lot. You can do so by passing the item code (in this case the lot must have a single item), a list of items, a merchandise structure (and may make the selection by levels), a location, a supplier, or even a specific fiscal attribute.

When you select the items you want to edit, they will be displayed in the results grid in the left side of the window. The maintenance grid at the right side of the window is then available to inform you about the new value of each selected attribute.

**Figure 1–59  Fiscal Attributes Maintenance - Item/Country**

The available attributes to be changed will be displayed according to the item line selected.
The Item/Supplier tab can also be used for the attributes at item/supplier level. The left side of the tab lists the suppliers related to the selected item in the "Item/Country" tab and on the right side you see their respective attributes.

Even if there is no attribute to be listed, the suppliers associated with the item will be listed so that you can add attributes.

**Figure 1–60 Fiscal Attributes Maintenance - Item/Supplier**

![Fiscal Attributes Maintenance - Item/Supplier](image)

<table>
<thead>
<tr>
<th>Table 1–8 Available Fields in the Item/Supplier Tab</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Field Label</strong></td>
</tr>
<tr>
<td>Item</td>
</tr>
<tr>
<td>Description</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 1–9 Available Fields in the Item/Supplier Supplier Results Grid (left hand side)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Field Label</strong></td>
</tr>
<tr>
<td>Checkbox</td>
</tr>
<tr>
<td>Supplier</td>
</tr>
<tr>
<td>Description</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 1–10 Available Fields in the Item/Supplier Attributes Results Grid (right hand side)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Field Label</strong></td>
</tr>
<tr>
<td>Attribute</td>
</tr>
<tr>
<td>OLD Value</td>
</tr>
</tbody>
</table>
The item location tab is also available for the item/location attributes maintenance. A similar display behavior as previous tabs is present.

**Figure 1–61  Fiscal Attributes Maintenance - Item/Location**

<table>
<thead>
<tr>
<th>Field Label</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEW Value</td>
<td>New values (after change) of the related attributes to the supplier selected in the grid (left). This value can be overridden through the <strong>Apply</strong> button (below the grid). The <strong>Apply</strong> button works together with the other two fields to your left: In the first select the attribute that you want to change, and in the second, through free insertion, selection through the component, or list of values (<em>as provided in LFAS</em>), you must define the new attribute value.</td>
</tr>
<tr>
<td>Reclass</td>
<td>This flag purely informative, identifying whether the attribute change will require a reclassification.</td>
</tr>
</tbody>
</table>

The item location tab is also available for the item/location attributes maintenance. A similar display behavior as previous tabs is present.

**Table 1–11  Available Fields in the Item/Location Tab**

<table>
<thead>
<tr>
<th>Field Label</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item</td>
<td>Code of the previously selected item in the tab “Item/Country”.</td>
</tr>
<tr>
<td>Description</td>
<td>Description of the previously selected item in the tab “Item/Country”.</td>
</tr>
</tbody>
</table>
### Table 1–12  Available Data in the Item/Location Location Results Grid (left hand side)

<table>
<thead>
<tr>
<th>Field Label</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checkbox</td>
<td>This flag is purely informative, indicating that for that particular location a fiscal attribute value change was held. A list of various locations, serves the user to know which locations have already been dealt with.</td>
</tr>
<tr>
<td>Location</td>
<td>Code of locations that are associated with the previously selected item in the tab &quot;Item/Country&quot;.</td>
</tr>
<tr>
<td>Location Type</td>
<td>Type of locations (Store/Warehouse) that are associated with the previously selected item in the tab &quot;Item/Country&quot;.</td>
</tr>
<tr>
<td>Description</td>
<td>Business name of the locations that are associated with the previously selected item in the tab &quot;Item/Country&quot;.</td>
</tr>
</tbody>
</table>

### Table 1–13  Available Data in the Item/Location Attributes Results Grid (right hand side)

<table>
<thead>
<tr>
<th>Field Label</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attribute</td>
<td>Related attributes to the location selected in the grid (left).</td>
</tr>
<tr>
<td>OLD Value</td>
<td>Current values (before the change) related attributes to the location selected in the grid (left).</td>
</tr>
<tr>
<td>NEW Value</td>
<td>New values (after the change) related attributes to the location selected in the grid (left). This value can be overridden through the Apply button (below the grid). The Apply button works together with the other two fields to your left: In the first select the attribute that you want to change, and in the second, through free insertion, selection through the component, or list of values (* as provided in LFAS), you must define the new attribute value.</td>
</tr>
<tr>
<td>Reclass</td>
<td>This flag is purely informative, identifies whether the attribute change will require a reclassification.</td>
</tr>
</tbody>
</table>
In any of the three tabs, the updating process is the same.

1. Select the item and attribute to be updated in the selection field.

   **Figure 1–62 Fiscal Attributes Maintenance - Attribute New Value**

   ![Fiscal Attributes Maintenance - Attribute New Value](image)

2. From the LOV select the attribute to be changed. Then the value for you to select will be displayed and click the **Apply** button.

3. After performing all necessary updates, click the **OK** button. For multiple updates in the same log, you can use the **Ok + Repeat** button.

   **Note:** If at the time of the creation of a new lot of fiscal attributes for a change identified the existence of an attribute (item/key/country_id/group_id/attribute_id) with a scheduled change and open (status "IN QUEUE"), the system does not allow the new change to take place.

4. When you have completed editing the lot and after clicking **OK**, the following results are expected:
   - Update Lot status. The statuses for lots are as below
   - NEW - New lot being created/updated
   - N QUEUE – Lot maintenance finished
   - PROCESSING – Lot with foundation data changes being processed
   - PROCESSED SUCCESSFULLY – foundation data changes processed
   - PROCESSED WITH ERRORS – when any issue happens during foundation data update

   In case the foundation data is processed successfully, a new record will be created in the fiscal reclassification log table. This will happen if the attribute is configured for tax recalculation. This new record will be inserted with the status NEW. The tax recalculation table have the statuses as listed below:
- NEW – new record to be processed
- ERROR – error in processing the record
- COMPLETED – record processed successfully

**Updating Fiscal Attributes in Bulk**

The new Fiscal Attributes Maintenance window allows you to create lots for mass updates. In order to do so, you have to use the filters in the upper section of the window to select the set of items to be changed. When all items are selected based on the filtering criteria, you can select the fiscal attribute in the action button and perform the mass update.

*Figure 1–63  Fiscal Attributes Maintenance - Bulk Mode*

**Note:** In the mass update mode, the existing attributes are not listed in the left grid. Only the action button is enabled to select the attributes to be changed. The values selected for each attribute will be applied to all items in the selection criteria.

**Exception Processes**

Multiple lots created for the same item – impacts on tax recalculation:

In case a new lot is created for an item that is already part of a lot that has tax recalculation not yet completed, the tax recalculation request will be canceled. You will be warned in case you try to create a lot in this scenario.

*Figure 1–64  Warning Message Canceling Fiscal Reclass in Conflicting Lots*
New System Options

In order to properly use the new Fiscal Attributes Maintenance process, the system options listed below must be configured:

- FM_FRECLASS_ONLINE_IND - Controls if online process is enable or disable in item fiscal reclassification.
- FM_FRECLASS_COPY_DOWN_CHILD – Enables/disables the extension of changes from item parent to children.
- FM_FRECLASS_PURGE – Determine number of days for purge in lots tables.

Note: With the new fiscal attributes maintenance process, any fiscal attribute that may be enabled for edition directly in the item master windows will be disabled for edition.
In the Brazilian tax system, many taxes can be applied on the same item. The tax system also includes:

- There are indicators for exempts or reduced taxes.
- Taxes can differ based on a “to” and “from” location for inventory movement transactions.
- For the same item, suppliers can have different taxes and different rates.

This chapter describes the update to the VAT Maintenance form to implement the Brazilian taxation process. It includes the following section:

- **Editing VAT Codes**

Additionally this chapter describes the changes made for determining the average tax rates for sale transactions.

### Editing VAT Codes

The VAT Codes Maintenance window enables you to view and maintain a list of value added tax (VAT) codes.

To edit the VAT Codes, do the following:

**Navigate:** From the RMS Start Menu, select Control, then select Setup. From Contents Of Setup, select VAT Codes Maintenance.

- In the Contents Of VAT Codes Maintenance window, click Edit. The VAT Code Maintenance window appears.
For Brazil, a new indicator, **Included in NIC**, has been added to the VAT Code Maintenance window.

Select this check box to include the particular VAT code in the Negotiated Item Cost.

---

**Note:** The Rates button is disabled for Brazil and VAT Codes Rates screen is not available in Brazil.

---

**Adding a VAT Code**

To add a VAT code, do the following:

1. Click **Add** in the VAT Code Maintenance window. The next available line is enabled.
2. In the VAT Code and Description fields, enter a relevant VAT code and description.
3. In case you want to make the VAT code part of the NIC, select the Included in NIC check box.
4. Click **OK** to save your changes, and close the window.
Deleting a VAT Code

1. Select a VAT Code, and click Delete. A confirmation message appears.
2. Click Yes to delete the VAT Code.
3. Click OK to save the changes, and close the window.

Tax Regions

The department level VAT maintenance is not used in Brazil because the retail taxes in Brazil are applied according to the NCM code (item level). A tax code can have more than one rate, based on the NCM code and the state or city where the item is transacted.

Tax Burden Display at POS and Sales NF

In Brazil, new legislation related to the consumer protection code was released determining that the tax burden included in products and services sold to end consumer must be highlighted in the fiscal documents or fiscal tickets in a specific field.

The purpose of this law is to provide transparency to consumers on the amount of taxes included in retail prices.

In that way, the law determines that the total amount of federal, state and municipal taxes levied on the sale of goods or services needs to be stated in the fiscal documents.

Companies must provide the "approximate amount of taxes", per item or service sold in a specific field. Also, the header of the fiscal document should include the total amount of taxes, considering all items and services sold.

These changes impact the NF-e layout, as well as the DANFE report (NFE report).

As the rate cannot be calculated or determined by calculations in the system, it must be uploaded from an external source.

It is necessary to have the average tax rate coming from authorized entities, approved to provide such information. One of the authorized entities that publishes the average tax rate for all types of products is the IBPT - Brazilian Institute of Tax Planning.

IBPT provides, through downloadable file, the rates for the determination of the approximate values of taxes to the consumer, making it possible for businesses issuing fiscal documents or POS fiscal tickets in full compliance with the law, exempting them from any responsibility for the calculation of this tax, since the source is acknowledged in the documents.

The authorized entities such as the IBPT provide the rate information associated to the NCM (Nomenclatura Comum do Mercosul) code.

Note: In case of service items which do not have NCM, the federal service code standard NSB (Brazilian Nomenclature of Service) is used.
The following information is uploaded.

### Table 2-1 Average Tax Rates

<table>
<thead>
<tr>
<th>Columns</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCM/NBS code</td>
<td>This column displays the NCM code in case of regular products and the NBS code in case of service items.</td>
</tr>
<tr>
<td>NCM exTIPI</td>
<td>This column contains the exTIPI exception classification.</td>
</tr>
<tr>
<td>NCM/NBS identification</td>
<td>This column contains '0' for regular items, '1' or '2' for service items.</td>
</tr>
<tr>
<td>Description</td>
<td>This column contains the NCM or NBS codes description.</td>
</tr>
<tr>
<td>AliqNacFederal</td>
<td>This column contains the average tax rate for items with domestic origin. The origin code equals 0, 3, 4 or 5.</td>
</tr>
<tr>
<td>AliqImportFederal</td>
<td>This column contains the average tax rate for items with imported origin. The origin code is different from 0, 3, 4 or 5.</td>
</tr>
<tr>
<td>AliqEstadual</td>
<td>This column contains the average tax rate for items for state.</td>
</tr>
<tr>
<td>AliqMunicipio</td>
<td>This column contains the average tax rate for items for Municipal.</td>
</tr>
<tr>
<td>VigenciaIni</td>
<td>This column contains the beginning date.</td>
</tr>
<tr>
<td>VigenciaFim</td>
<td>This column contains the end date.</td>
</tr>
<tr>
<td>Chave</td>
<td>This column contains the key code generate by IBPT.</td>
</tr>
<tr>
<td>Versao</td>
<td>This column contains the version of this available table.</td>
</tr>
<tr>
<td>Fonte</td>
<td>This column contains the code of the government organization.</td>
</tr>
<tr>
<td>UF</td>
<td>This column contains the code of the federal unit (state) which is valid for calculation of each Location (Store or Warehouse).</td>
</tr>
</tbody>
</table>

### Business Flow

To upload average tax rates files from an external source that publishes the tax rates for all types of products, follow the steps below.

1. Open each file using Excel and rename sheet with IBPT.
2. Save the file with the extension .ods.
3. To access the Tax Burden Induct window, follow the steps below.

**Navigate**: From the RMS Start Menu, select Fiscal Management, then select Fiscal Configuration. In the Contents of Fiscal Configuration, open Tax Burden Induct. The Tax Burden Induct window appears.
1. Click **Browse** to choose the file you want to upload.
2. In the **State** field, select the state for the tax rates that will be uploaded.

   **Note:** The state must be the same as the source file.

3. Click **Submit**.
4. Confirm the message to upload the file.

**Filtering Processes**

You can also view executed processes by using the filter section.

1. You can filter the processes by the following criteria:
   - **Process Id** - Select a process Id.
   - **Start and End Date** - Enter or use the calendar to select a start and end date.
2. Then click **Filter**. The results matching your search criteria are displayed in the Upload Results section.
3. Press **Clear/Refresh** to reset the filter or press **Close** to close the window.

**Viewing Process Issues**

In case problems occur during the upload, you can view the details of an issue by using the following steps.

1. In the Upload Results section select the record.
2. Then click **View Issues**. The Tax Burden Induct - Issues View window appears. All issues that occurred during the upload are displayed.
3. Click **Refresh** to reset, or click **Close** to exit the window.

**Posting Average Tax Rates used by POS Systems**

POS solutions are required to print the average tax amount in each and every fiscal ticket issued in sales to end consumers. To calculate and print the necessary information, POS receives the average tax rate applicable to each item from RMS.

The POS_MODS_TAX_INFO table has been updated to hold the correct average tax rate information. Additionally the POS download batch has been adjusted to account for the additional information.

The changes in these processes consist in fetching the correct average tax rate from the new average tax rate table, by using the following criteria:

For each item in the POS_MODS_TAX_INFO table, the correspondent average tax rate using the NCM or NBS codification as well as the item origin from RMS fiscal attributes and the location for which the item will update the price and taxes must be found.
In order to meet certain requirements in Brazil, changes have been made at the item master level. This chapter describes the updates to the forms in the Item Maintenance module.

The following changes have been made:

- A new form Item Country window is added to the Item Maintenance form. For more details about this window, see the Item Country Window section.
- The Item Supplier Localization Fiscal Attributes window has been modified. For more details see the Fiscal Attributes section.
- The Item Supplier Country of Sourcing window has been modified. For more details about this window, see the Item Supplier Country Of Sourcing section.

**Item Country Window**

The Item Attributes window enables you to record and edit information specific to a selected item. The Item Attribute window is a customizable window, and it has been modified to suit Brazilian requirements.

**Navigate:** From the RMS Start Menu, select Items.

1. In the Contents Of Items window, select Items. The Item Search window appears.
2. Search for and retrieve an item in Edit mode. The Item Maintenance window appears.
3. Click the **Country** option. The Item-Country window appears.

![Item Maintenance Window](image1)

*Figure 3–1 Item Maintenance Window*

In the Item-Country window, you can link the item to the countries where it will be sold.

4. Click **Add**. A row is highlighted. From the Country ID LOV, select the country. This country is linked to the item.

5. Click **Delete** to remove the link between the country and item.

6. Click **OK** to exit the window.

**Fiscal Attributes**

To view/edit the fiscal attributes, do the following:
1. From the **Options** menu in the Item-Country window, select **Fiscal Attributes**. The Localization Flexible Attributes window appears.

*Figure 3–3  Localization Flexible Attributes Window*

2. The Localization Flexible Attributes section contains the following fields:
   - Service Item – Select the check box to indicate that the item is a service item.
   - Merchandise Origin – Select the origin country of the item from the list box.
   - NCM – Select the NCM Code from the LOV.
   - NCM Characteristic – The characteristic of the NCM that defines the fiscal classification.
   - EX IPI – IPI Exception Code
   - Pauta – Pauta means a pre-defined base of calculation for ICMS-ST controlled at item level by the Government
   - Service Code – Fiscal Reclassification of a service item provided by a Tax Engine, which provides additional information over federal service code.
   - Federal Service – Service code provided by Federal Government of Brazil (based on the regulation number 116 from July 31st, 2003)
   - State of Manufacture – The state where the product is manufactured, each state has its own set of taxes for each item
   - Pharmaceutical List Type – Three different lists of medicines can be associated to the product and determines the tax calculation behavior. The list contains the following three values:
     - Negative – The product is associated with the negative list.
     - Positive – The product is associated with the positive list.
     - Neutral – The product is associated with the neutral list.
     - NULL – The product is not associated with any list.

3. The Other Fiscal Attributes section contains the following fields:
   - CEST - This field displays the Código Especificador da Substituição Tributária (CEST) code. The CEST code is used for the fiscal classification for items,
which is used by the Brazilian government in Nota Fiscal audits and associated transactions.

Figure 3–4  Item Fiscal Attributes Window

Note: The fiscal attributes cannot be set for pack items.

Figure 3–5  Other Fiscal Attributes

Item Supplier Window

The Item Supplier window enables you to add, edit, and view the suppliers for the current item.

Navigate: From the RMS Start Menu, select Items.

1. In the Contents Of Items window, select Items. The Item Search window appears.
2. Search for and retrieve an item in Edit mode. The Item Maintenance window appears.
3. Click the Suppliers option. The Item-Supplier window appears.

In the Item-Supplier window, you can link the item to the suppliers where it will be sold.

**Fiscal Attributes**

To view/edit the fiscal attributes, do the following:

1. From the Options menu in the Item-Supplier window, select Item Country. The Item-Country window appears.
2. From the Options menu in the Item-Country window, select Fiscal Attributes. The Localization Flexible Attributes window appears.

3. The Localization Flexible Attributes section contains the following field:
   - Merchandise Origin – Select the origin country of the item from the list box.
   - FUOM Unit - Enter or change the fiscal unit of measure. This field is optional.
   - FUOM Conversion Factor - Enter or change the fiscal unit of measure conversion factor. This field is optional.

4. Click OK to save your changes, and close the window.
5. Click Apply. The Merchandise Origin is associated with that item supplier.
6. Click Cancel to undo the changes you specified in Localization Flexible Attributes window.
Item Location Window

The Item Location window enables you to change the attributes for one or more items at multiple locations.

Navigate: From the RMS Start Menu, select Items.

1. In the Contents Of Items window, select Items. The Item Search window appears.
2. Search for and retrieve an item in Edit mode. The Item Maintenance window appears.

Figure 3–10  Item Maintenance Window

3. Click the Locations option. The Item Location window appears.
In the Item Location window, you can link the item to the locations where it will be sold.

**Fiscal Attributes**

To view/edit the fiscal attributes, do the following:

**Note:** These attributes are available for editing only during the item creation. After the item is approved these attributes are available for view only.

1. From the **Options** menu in the Item Location window, select **Fiscal Attributes**. The Localization Flexible Attributes window appears.
2. The Localization Flexible Attributes section contains the following fields:

- **Item under ST regime?** - This check box is enabled when a location belongs to a country for which item fiscal attributes are already defined.
- **Merchandise Origin** - This field is the code used by the system to determine the origin of the merchandise by location.
- **Merchandise FCI** - This field is the FCI Code (Import Content Sheet) to control items with imported components.
- **Last Update Date** - This field is the last date change log (Origin/FCI/Item/Location).
- **Last Update User** - This field is the last user change log (Origin/FCI/Item/Location).

3. Click **OK** to save your changes, and close the window.

4. Click **Apply**. The Item under ST regime check box is associated with that item location.

5. Click **Cancel** to undo the changes you specified in Localization Flexible Attributes window.

### Item Supplier Country Of Sourcing

The Item Supplier Country of Sourcing window enables you to enter the cost negotiated with the supplier. Based on this, you can view cost exclusive of all taxes, cost inclusive of all taxes, and the taxes applicable for that supplier.

**Navigate:** From the RMS Start Menu, select **Items**. In the Contents Of Items window, select **Items**. The Item Search window appears.

1. Search for and retrieve an item in **Edit** mode. The Item Maintenance window appears.

2. Click the **Suppliers** option. The Item-Supplier window appears.
3. Click the **Item-Supplier-Country of Sourcing** option on the Item-Supplier window. The Item-Supplier-Country of Sourcing window appears.

   **Figure 3–13 Item-Supplier-Country of Sourcing Window**

4. In the Item-Supplier-Country of Sourcing window, set the Country of Sourcing to BR. Click **View**.

5. In the Country of Sourcing Details section of the window, the Item Costing link is highlighted. Enter the details of the item. The Item-Supplier-Country of Sourcing window appears as given below.

   **Figure 3–14 Item-Supplier-Country of Sourcing Window**
**Item Costing**

In the Item Costing window, you can define the item costing details to set up an item.

---

**Note:** The Item Costing window can be accessed from the Quick Item Entry window and the Item Supplier Country Location window.

To define the item costing details, do the following:

**Navigate:** From the RMS Start Menu, select Items. In the Contents Of Items window, select Items. The Item Search window appears.

1. Search for and retrieve an item in **Edit** mode. The Item Maintenance window appears.

2. Click the **Suppliers** option. The Item-Supplier window appears.

3. Click the **Item-Supplier-Country of Sourcing** option on the Item-Supplier window. The Item-Supplier-Country of Sourcing window appears.

4. In the Item-Supplier-Country of Sourcing window, set the Country of Sourcing to BR. Click **View**.

5. In the Country of Sourcing Details section of the window, the Item Costing link is highlighted. Click **Item Costing**.

In the Item Costing window, you can define the item costing details to set up an item.
6. In the Filter section of the Item Costing window, some fields are non-editable and the values are defaulted from the previous window. The fields are as follows:
   - Item – This field displays the item code set from the previous form/window.
   - Supplier Site – This field displays the supplier site.
   - Country of Sourcing – This field displays the country of sourcing.

7. In the Delivery Country field, enter the country to which the item will be shipped to. The LOV displays only the countries associated with the item.

8. The Default Location is a non-editable field and is based on the delivery country selected.

9. Select the Primary Delivery Country check box for the designated primary delivery country.

   This defines multiple delivery countries for one supplier and country of sourcing combination. However, only one delivery country can be a primary delivery country.

10. Select the Item Costing Inclusive of Tax check box based on the delivery country. This is a non-editable field, and the check box is selected, if for the delivery country, the cost is inclusive of the tax.

11. Enter the Input Cost. Enter cost inclusive of taxes (NIC) or cost exclusive of taxes (BC).

   If the delivery country considers the item costing to be inclusive of tax, the input cost is interpreted as NIC, else it is interpreted as BC.

12. The Currency field is non-editable field. This field displays the currency based on the currency set for the delivery country.

13. Select the NIC is Static check box, in case you want to retain the same NIC for all locations ranged for the supplier and item combination.

   RMS makes a call to a Tax Engine by passing this NIC and location attributes. Based on the taxes fetched by the Tax Engine, RMS calculates the other costs. You can override the NIC at a location level. In case you do not select this check box, for all locations ranged, the BC will remain the same. RMS makes a call to the Tax
Engine by passing this BC and location attributes. Based on the taxes fetched by the Tax Engine, RMS calculates the other costs.

14. Click the **Calculate Tax** button. The multi-record block displays the following:

**Table 3–1  Item Costing Fields and Description**

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fields on the Multi-Record Block</strong></td>
<td></td>
</tr>
<tr>
<td>Condition Type</td>
<td>The individual tax codes are displayed as returned by the Tax Engine. The following costs are displayed:</td>
</tr>
<tr>
<td></td>
<td>■ Base Cost (BC) – Cost exclusive of all taxes.</td>
</tr>
<tr>
<td></td>
<td>■ Negotiated Item Cost (NIC) – Cost Inclusive of some taxes. Taxes which are included in the cost is mentioned on the VAT Code window.</td>
</tr>
<tr>
<td></td>
<td>■ Extended Base Cost (EBC) – BC+ non-recoverable tax amount returned by the Tax Engine.</td>
</tr>
<tr>
<td></td>
<td>■ IC (Cost Inclusive of all taxes) – BC+ tax amount returned by the Tax Engine.</td>
</tr>
<tr>
<td>The records are displayed in the following order:</td>
<td></td>
</tr>
<tr>
<td>1. Base Cost</td>
<td></td>
</tr>
<tr>
<td>2. Taxes included in NIC</td>
<td></td>
</tr>
<tr>
<td>3. NIC</td>
<td></td>
</tr>
<tr>
<td>4. Non-recoverable Taxes</td>
<td></td>
</tr>
<tr>
<td>5. Extended Base Cost</td>
<td></td>
</tr>
<tr>
<td>6. Completely Recoverable Taxes</td>
<td></td>
</tr>
<tr>
<td>7. Cost inclusive of taxes</td>
<td></td>
</tr>
<tr>
<td>Condition Name</td>
<td>This field provides the description of the condition type. In case of tax codes, the tax code description is displayed in this field.</td>
</tr>
<tr>
<td>Each</td>
<td>Value of condition type in terms of EACH.</td>
</tr>
<tr>
<td>Case</td>
<td>Value of condition type in terms of CASE.</td>
</tr>
<tr>
<td>Taxable Base</td>
<td>This field is populated only when the Condition Type is set to Tax Codes. This is the value on which the Tax Engine has applied the tax. This value is passed by the Tax Engine, and RMS uses the passed value to display on the window.</td>
</tr>
<tr>
<td>Modified Taxable Base</td>
<td>This field displays the modified tax base that is calculated and sent by the Tax Engine. In some cases, the item is applicable to a tax rule that modifies the taxable basis, mostly in the form a lower taxable basis. In such cases the tax rate is applied on the modified taxable basis. Tax Engine calculates the modified base and then calculates the tax values accordingly.</td>
</tr>
<tr>
<td>Tax Rate Type</td>
<td>Taxes can be applied as percentage or amount off or amount/unit. This field is populated only when the Condition Type is set to Tax Codes. This is passed by the Tax Engine against each tax code and RMS uses the passed value to display on the window.</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>Tax rate of the tax code. This field is populated only when the condition type is set to Tax Codes. This is passed by the Tax Engine against each tax code and RMS uses the passed value to display on the window.</td>
</tr>
</tbody>
</table>
Quick Item Entry

The Quick Item Entry window enables you to quickly create items in approved status. The required item information is available in one user interface of the application. Select the options that are available in the options list to add details to an item.

You can access the Item Costing window from the Quick Item Entry window.

Navigate: From the RMS Start Menu, select Items, then Quick Item Entry. The Quick Item Entry window opens.

1. In the Quick Item Entry window, enter the Department, Class, and Subclass details or select the values from their respective LOVs. Set the Country to BR.

![Quick Item Entry Window]

2. Select the Item No Type from the LOV.

3. Select the Country link to access the Item-Country window. Set the fiscal attributes for the item.

4. In the Quick Item Country window, the Suppliers and Retail By Zone links are highlighted.

5. In the Primary Sourcing section of the Quick Item Country window, enter the values or select the values from the LOV for the following fields.
   - Supplier – Enter the supplier of the item here.
   - Country of Sourcing – Enter the country from which the item is sourced.
   - Country of Manufacture – Enter the country where the item was manufactured.

6. In the Pricing section of the Quick Item Country window, enter the Unit Cost(BRL).

7. Select the NIC is static check box.
8. In the Case Pack Information section of the Quick Item Entry window, enter the values for the **Inner Size** and **Case Size**. The Quick Item Entry window with the values is given below.

**Figure 3–18 Quick Item Entry Window**

![Quick Item Entry Window](image)

9. Select the **Suppliers** link. The Item-Supplier window appears.

10. In the Item-Supplier window, select the Item-Supplier-Country of Sourcing link. The Item-Supplier-Country of Sourcing window appears.

11. In the Item-Supplier-Country of Sourcing window, select the **Country of Sourcing**. Click **Create**. The Item Costing link is highlighted.

12. Select the **Item Costing** link. The Item Costing window appears.
The Item Costing window displays all the costs associated with the item for that supplier.

**Item Costing at Item-Supplier-Country-Location**

You can view the item costing for an item for a given supplier for a particular location. To view the item costing, do the following:

**Navigate:** From the RMS Start Menu, select Items, then select Items. The Item Search window opens.

1. In the Item Search window, search for and retrieve an item in Edit mode. The Item Maintenance window appears.

2. In the Item Maintenance window, click the Suppliers link. The Item-Supplier window appears.
3. In the Item-Supplier window, select the **Item-Supplier-Country of Sourcing** link. The Item-Supplier Country of Sourcing window appears.

4. In the Item-Supplier Country of Sourcing window, set the Country of Sourcing to BR. Click **View**. The Item Costing and Item-Supplier-Country-Loc links are highlighted.

5. Click the **Item-Supplier-Country-Loc** link in the Item-Supplier-Country of Sourcing window. The Item Supplier Country Location window appears.
6. In the Item Supplier Country Location window, from the **Options** menu, select **Item Cost**.

**Figure 3–22  Item Supplier Country Location window**

7. The Item Costing window appears. This window displays the cost of the items at that particular location.

**Figure 3–23  Item Costing Window**
This chapter describes the new forms and updates to the forms in the Purchasing module. It includes the following:

- Utilization Code
- About Triangulation Purchase
- PO Header Maintenance

**Utilization Code**

In Brazil, every transaction type such as the purchase order, transfer, and return to vendor (RTV) has the information about the purpose of buying/selling/transfer. This is referred to as Fiscal Utilization. The fiscal utilization determines the appropriate taxes for the retail operation, the impact on stocks and costs, and the type of information to be sent to other systems.

To meet this requirement, the following windows now include the Utilization Code in the Options menu:

- PO Header Maintenance
- Transfer Maintenance
- Mass Return Transfer Utilization Code

**Purchase Order Utilization Code**

This section describes the Utilization option in the PO Header Maintenance window.

---

**Note:** The procedure described in this section is applicable to transfers, and mass returns transfer.

---

**Adding Utilization Code**

**Navigate:** From the RMS Start Menu, select Ordering, then select Orders. The Order Search window appears.

Search for and retrieve an order in Edit Order mode. The PO Header Maintenance window appears.

1. In the PO Header Maintenance window, from the Options menu, select Utilization.
2. Click **Utilization**. The Localization Flexible Attributes window appears.

![Localization Flexible Attributes Window](image)

3. Click the **Utilization Code** LOV. Select the relevant utilization code from the Utilization Code LOV.

4. Click **Apply**. The utilization code is associated with that PO. A PO cannot be approved without a valid utilization code associated with it.
About Triangulation Purchase

In Brazil, when creating a purchase order, you can set the supplier (referred to as the main supplier) to whom the payment will be made and another supplier (a distributor or facilitator) who will deliver the merchandise on behalf of the main supplier (referred to as the delivery supplier). This mechanism is referred to as the triangulation purchase.

The order is placed on a primary supplier who co-ordinates merchandise delivery from its trading partners. This helps the retailer with the hassles of negotiating with multiple suppliers. It can also be used where the supplier engages supply chain partners, such as clearing and forwarding agents/consolidators to deliver merchandise to the final destination.

For triangulation, one Nota Fiscal is sent by the supplier for whom the order is raised. Another complimentary Nota Fiscal is sent by the delivery supplier to charge any additional expenses (such as a change in tax rate/transportation expenses) incurred during the shipping of merchandise.

PO Header Maintenance

A few changes have been made to the PO Header Maintenance window to support the triangulation operations in Brazil.

Navigate: From the RMS Start Menu, select Ordering. In the Contents Of Ordering window, select Orders. The Order Search window appears.

Search for and retrieve an order in Edit Order mode. The PO Header Maintenance window appears.

Figure 4–3 PO Header Maintenance Window
In case you select the **Triangulation** check box, the values in the Supplier-Order and Supplier-Delivery fields will be different. The Supplier/Site-Delivery field is not enabled, if the triangulation check box is not selected.

**Note:** The Triangulation operation is not supported for POs created using Allocation, Replenishment, xOrder API, EDI, and SIM. It is not applicable for contract PO as well.

Triangulation is applicable only for manually-created orders.

### Viewing Tax Details

The Options menu of the PO Header Maintenance window has been updated to enable you to view the tax details.

In order to view the tax details of the purchase order, do the following:

1. On the PO Header Maintenance window, from the **Options** menu, select **Tax Breakup**. The Transaction Tax Breakup Details window appears.

2. In this window, you can only view the tax details for the items in a PO.
In the above window, the Tax Breakup section displays the tax details for each item.

3. A new column called Modified Taxable Base has been added in the Tax Breakup section of the Transaction Tax Breakup window.

For some items in Brazil, a tax rule is applicable that modifies the taxable basis. For such items, the tax rate is applied on the modified taxable basis. The Modified Taxable Base column displays the modified taxable basis applicable for the item.

Calculating Taxes

In the Transaction Tax Breakup Details window, click the Calculate Tax button.

Figure 4–5  Transaction Tax Breakup Details Window

A call is made to the Tax Engine. Relevant transaction details such as PO number, PO date, supplier, store/warehouse, item code, cost, utilization code, quantity and necessary calculations for tax are sent. The Tax Engine sends the tax back to RMS. The calculation of tax happens on an on-demand basis.

If the tax calculation is not done before PO approval, it takes place during the PO approval. For externally or automatically generated orders, the tax calculation during approval is automatic and not on demand.

For items that are eligible for a change in the taxable basis, the tax rate is applied on the modified taxable basis. The Modified Taxable Basis column depicts the basis at which the tax is applied.

Viewing Tax Details at Item-Location

To view the tax details at the item/location level, a new Tax Breakup button has been added on the PO Item/Location window.

To view the changes, do the following:

Navigate: From the RMS Start Menu, select Ordering. In the Contents of Ordering window, select Orders. The Order Search window appears.
Search for and retrieve an order in **Edit Order** mode. The PO Header Maintenance window appears.

1. Click **Items** on the PO Header Maintenance window. The PO Item Maintenance window appears.

   **Figure 4–6 PO Item Maintenance Window**

2. Click **Locations** on the PO Item Maintenance window. The PO/Item Location window appears.

   **Figure 4–7 PO/Item Location Window**

3. A new button called **Tax Breakup** is added on the PO/Item Location window to view the tax details at the item/location level. Click the **Tax Breakup** button, and the Transaction Tax Breakup Details window opens.
This window displays the tax details for the items. The new column called Modified Taxable Base displays the changed taxable base applicable for certain items in Brazil.
This chapter contains the following section:

- **Define an Expense**

**Landed Cost**
Landed Cost is the total cost of an item received from a vendor, inclusive of the supplier cost and all costs associated with moving the item from the supplier’s warehouse or factory to the final destination (warehouse or store).

**Estimated Landed Cost**
Estimated Landed Cost (ELC) is the bottom-up cost estimate created by the buying organization. ELC is composed of cost components from the supplier, trading partners, item, country of sourcing/manufacturing, and banks that are brought together during the PO creation to develop an estimate of costs associated with purchasing a particular item on the current PO.

**Cost Components**
Cost components are combinations of individual expenses, assessments and the calculations associated with that expense or assessment.

**Define an Expense**
The Cost Component Maintenance window has been updated to include the expenses in Brazil.

To view the new expenses, do the following:

**Navigate**: From the RMS Start Menu, select Control, then select Landed Cost.

1. In the Contents Of Landed Cost, select Cost Component Maintenance.
In Brazil, apart from item’s unit cost, the other cost components that may appear on the NF are – Freight, Insurance and Other Expenses.

The Expense Category list in the Cost Component Maintenance window now includes two new options. The two options are as follows:

- Freight – This expense category is used to identify freight type expenses.
- Insurance – To identify insurance type expenses

The expense category Misc is used for Other Expenses.
This chapter describes the new forms and updates to the forms in the transfers and inventory control modules of RMS.

The chapter contains the following sections:

- Transfer Maintenance
- Mass Return Transfer Utilization Code

**Transfer Maintenance**

The Transfer Maintenance window includes updates to address the Repairing type of transaction. The changes are as follows:

- A new Context Type called Repairing is added in the Transfer Maintenance window. This is to indicate the transfer is meant for repairing.
- The Utilization Code menu item has been introduced in the Options menu for the Transfer Maintenance window.

**Edit a Transfer**

To edit a transfer, do the following:

**Navigate:** From the RMS Start Menu, select Inventory, then select Transfer. The Transfer Search window appears.

Search for, and retrieve a transfer in New/Edit mode. The Transfer Maintenance window appears.

- To enable two-legged transfers, a new context type called Repairing has been added as shown below.

---

**Note:** For more information about creating two-legged transfers, refer to Creating two-legged transfers.

---
Edit the remaining fields on the Transfer Maintenance as required.

### About Two-Legged Transfers

A retailer may send merchandise to the external finisher or the supplier for finishing work (such as printing, dyeing, and embroidery), or repair (in case of damaged merchandise). After the finishing or repairing work is done, the finisher or the supplier may return the merchandise back to the same location or to a different location. The merchandise may be sent to a third party warehouse merely for temporary stocking and as required, the third party warehouse may send them back. While the merchandise are out of warehouse or store for stocking, repair, or finishing, RMS accounts for the inventory as the retailer’s inventory.

This flow is handled in RMS through two-legged transfers. In the first leg, inventory is sent from the retailer’s location (warehouse or store) to the finisher’s location. In the second leg, finished or repaired merchandise are received back from the finisher at the retailer’s location. Because the finisher’s location is an outside location, the retailer is not responsible for the receiving or shipping activities at those locations.

### Creating two-legged transfers

Repairing activity can be initiated from any downstream application. The details of the activity are published to RMS to create a two-legged transfer. The following changes have been made in RMS to create a two-legged transfer:

1. The downstream application has to publish the transfer details for the first leg such as the warehouse/store–external finisher.
2. RMS checks the “To location” on the transfer. If the “To location” is an external finisher, it creates a two-legged transfer using the “from” and “to” locations. The first leg will have the “From location” and “To location”. This location information is published by the downstream applications, and the second leg will have the “To location” as “From Location” and “From Location” as “To Location.”
Transfer Utilization Code

In Brazil, every transaction types such as purchase order, transfer, return to vendor will have the information about the purpose of buying or selling or transfer. This is typically referred to as Utilization. Each utilization code is associated with one or more CFOP codes. CFOP codes are provided by the Federal government which is used to do the tax calculation in ORFM.

Adding Utilization Code

To add an utilization code, do the following:

Navigate: From the RMS Start Menu, select Inventory, then select Transfer. The Transfer Search window appears.

1. Search for, and retrieve a transfer in New/Edit mode. The Transfer Maintenance window appears.

2. Click the Options menu. Utilization is part of the Options menu in the Transfer Maintenance window.

3. Click Utilization. The Localization Flexible Attributes window appears.
4. Click the Utilization Code LOV. Select the applicable utilization code from the List of Util Codes for TSF/MRT that is displayed.

5. Click Apply. The utilization code is associated with that transfer.

Transfer Returns

Changes have been made to relate transfer returns to the original transaction. The association process has not been changed. The following rules remain valid:

- For transfer requests created directly in RMS, the association with new utilization is done manually.
- For transfer requests created in the Store Inventory Management (SIM), the association is done automatically during the integration with RMS, using the new Context Type and the new System Option, setting the utilization default.

Requesting a Transfer Return in RMS

To identify the transaction as a Transfer Return in RMS, follow the steps below:

Navigate: From the RMS Start Menu, select Inventory, then select Transfer. The Transfer Search window appears.

1. Search for, and retrieve a transfer in New/Edit mode. The Transfer Maintenance window appears.
2. In the **Context Type** field, select Return Transfer. By selecting the context type, RMS automatically defaults to the **Utilization** for transfer returns.

**Figure 6–5  Localization Flexible Attributes - Return Transfer**

**Transfer Return Requested in SIM**

The process of generating a transfer request has not changed. You only have to identify the transfer as a Transfer Return by choosing a new Context Type Return Transfer:

- Creating a return, when the destination is a Warehouse
- Creating a transfer, when the destination is a Store
A new option, Utilization, has been added to the Mass Return Transfers window.

Navigate: From the RMS Start Menu, select Inventory, then select Mass Return Transfers. The Mass Return Transfer Search window appears.

Search for and retrieve a transfer in Edit mode. Restrict the search to transfers in Input status. The Mass Return Transfers window appears.
Adding a Utilization Code

To add an utilization code, do the following:

1. In the Mass Returns Transfer window, from the Options menu, click Utilization. The Localization Flexible Attributes window appears. This window is used for associating the utilization code to the Mass Returns Transfer.

2. Click the Utilization Code LOV. Select the relevant Utilization Code from the LOV.

3. Click Apply. The utilization code is associated with that mass return transfer.

Validation has been added during submission/approval of the MRT, so that if no utilization code is defined, an error message will be raised.
This chapter describes the changes in the Oracle Retail Sales Audit (ReSA) application based on the Brazil localization requirements. This includes:

- Flexibility to validate and store the correctness of taxes applied at item level.
- Display taxes of a pack item at the component level in Transaction Maintenance window. The ReSA application has to validate that the taxes associated with pack or packs are correct tax codes that are associated with the component item.
- Capture the nota fiscal number in the transaction data table for sales transaction.
- New validations in the import process to ensure correctness of data uploaded.
- Pre-configured view with tax information created for various business validations.

**User Interface Modifications**

In order to meet the requirements of the Brazilian market, the following windows have been updated:

- Transaction Maintenance
- Sales Audit Item Summary
- Transaction Audit Trail
Transaction Maintenance

The transaction maintenance module enables you to investigate and correct errors in the POS transactions. You can review the transactions that were flagged by the Automated Audit process.

The Transaction Maintenance window has been modified to display line level taxes in item tax details section. This also displays the multiple taxes associated with item. It also has four additional reference fields of IGTAX record.

Navigate: From the RMS Start Menu, select Action, then select Sales Audit.

In the Contents Of Sales Audit window, select Additional Operations, then select Transaction Maintenance. The Transaction Find window appears.

Search for and retrieve a transaction in Edit mode. The Transaction Detail window appears.

Figure 7–1 Transaction Detail Window

On this window the following changes have been implemented:

- **Unit Retail** field has all the sales taxes at an item level included.
- A new button called **GTAX Detail** has been added. Click the **GTAX Detail** button. The GTAX Detail window is displayed.
In this window, four reference fields have been added. One field contains the component item number in case of a pack item, and the other reference field contains the component item description in case of pack item.

In case of regular items, these fields are disabled, and no value is displayed.

- Click **Add**. A highlighted row is displayed. Enter the details here.
- Select the row, and click **Delete** to delete any record.
- The field **Total** would display the total taxes.
Sales Audit Item Summary

The Sales Audit Item Summary window enables you to view item level information for a selected store and item type.

Navigate: From the RMS Start Menu, select Action, then select Sales Audit.

1. In the Contents Of Sales Audit window, select Additional Operations, then select Summary.

2. In the Contents Of Summary window, select Item Summary, then select Edit. The Sales Audit Summary window appears.

*Figure 7–3 Sales Audit Summary Window*

In the Sales Audit Summary, the column **Taxable** indicates whether the item has taxes at the transaction level.
**Transaction Audit Trail**

The Transaction Audit Trail window enables you to view the revisions made to a transaction and the auditors responsible for the revisions. After selecting a revision, you can view the detailed information associated with the revision. You can also view revision detail information for records at the item, tender, tax, export, employee, and paid out level.

**Navigate:** From the RMS Start Menu, select Action, select Sales Audit.

1. In the Contents Of Sales Audit window, select Additional Operations, then select Audit Trail.
2. In the Contents Of Audit Trail window, select Transaction Audit Trail. The Transaction Audit Trail Find window appears.
3. Search for and retrieve a Transaction Audit Trail. The Transaction Audit Trail window appears.

*Figure 7–4 Transaction Audit Trail Window*

The Transaction Audit Trail window displays the total tax amount. The total tax amount is the sum of all the IGTAX line record for the selected item.