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- Do you need different information or graphics? If so, where, and in what format?
- Are the examples correct? Do you need more examples?

If you find any errors or have any other suggestions for improvement, then please tell us your name, the name of the company who has licensed our products, the title and part number of the documentation and the chapter, section, and page number (if available).

Note: Before sending us your comments, you might like to check that you have the latest version of the document and if any concerns are already addressed. To do this, access the new Oracle E-Business Suite Release Online Documentation CD available on My Oracle Support and www.oracle.com. It contains the most current Documentation Library plus all documents revised or released recently.

Send your comments to us using the electronic mail address: appsdoc_us@oracle.com

Please give your name, address, electronic mail address, and telephone number (optional).

If you need assistance with Oracle software, then please contact your support representative or Oracle Support Services.

If you require training or instruction in using Oracle software, then please contact your Oracle local office and inquire about our Oracle University offerings. A list of Oracle offices is available on our Web site at www.oracle.com.

Preface

Intended Audience

Welcome to Release 12.2 of the *Oracle Financials for the Americas User Guide.*

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

- The principles and customary practices of your business area.
- Computer desktop application usage and terminology.

If you have never used Oracle E-Business Suite, we suggest you attend one or more of the Oracle E-Business Suite training classes available through Oracle University.

See Related Information Sources on page xxii for more Oracle E-Business Suite product information.

Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at http://www.oracle.com/pls/topic/lookup?ctx=acc&id=docacc.

Access to Oracle Support

Oracle customers have access to electronic support through My Oracle Support. For information, visit http://www.oracle.com/pls/topic/lookup?ctx=acc&id=info or visit http://www.oracle.com/pls/topic/lookup?ctx=acc&id=trs if you are hearing impaired.

Structure

1 Regional Overview
2 Common Country Features
3 Argentina

4 Brazil
5 Chile
6 Colombia
7 Mexico
A Withholding Tax Setup Examples for Argentina
B Profile Options for the Americas
C Brazil

Related Information Sources

This book is included in the Oracle E-Business Suite Documentation Library, which is supplied in the Release 12.2 Media Pack. If this guide refers you to other Oracle E-Business Suite documentation, use only the latest Release 12.2 versions of those guides.

Online Documentation

All Oracle E-Business Suite documentation is available online (HTML or PDF).

- **Online Help** - Online help patches (HTML) are available on My Oracle Support.
- **PDF Documentation** - See the Oracle E-Business Suite Documentation Library for current PDF documentation for your product with each release.
- **Release Notes** - For information about changes in this release, including new features, known issues, and other details, see the release notes for the relevant product, available on My Oracle Support.
- **Oracle Electronic Technical Reference Manual -** The Oracle Electronic Technical Reference Manual (eTRM) contains database diagrams and a detailed description of database tables, forms, reports, and programs for each Oracle E-Business Suite product. This information helps you convert data from your existing applications and integrate Oracle E-Business Suite data with non-Oracle applications, and write custom reports for Oracle E-Business Suite products. The Oracle eTRM is available on My Oracle Support.

Related Guides

You should have the following related books on hand. Depending on the requirements of your particular installation, you may also need additional manuals or guides.

Oracle E-Business Suite Upgrade Guide: Release 12.0 and 12.1 to 12.2:

This guide provides information for DBAs and Applications Specialists who are responsible for upgrading Release 12.0 and 12.1 Oracle E-Business Suite system (techstack and products) to Release 12.2. In addition to information about applying the upgrade driver, it outlines pre-upgrade steps and post-upgrade steps, and provides descriptions of product-specific functional changes and suggestions for verifying the upgrade and reducing downtime.

Oracle Advanced Global Intercompany System User's Guide:

This guide describes the self service application pages available for Intercompany users. It includes information on setting up intercompany, entering intercompany transactions, importing transactions from external sources and generating reports.

Oracle Advanced Collections User Guide:

This guide describes how to use the features of Oracle Advanced Collections to manage your collections activities. It describes how collections agents and managers can use Oracle Advanced Collections to identify delinquent customers, review payment history and aging data, process payments, use strategies and dunning plans to automate the collections process, manage work assignments, and handle later-stage delinquencies.

Oracle Advanced Collections Implementation Guide:

This guide describes how to configure Oracle Advanced Collections and its integrated products. It contains the steps required to set up and verify your implementation of Oracle Advanced Collections.

Oracle Assets User Guide:

This guide provides you with information on how to implement and use Oracle Assets. Use this guide to understand the implementation steps required for application use, including defining depreciation books, depreciation method, and asset categories. It also contains information on setting up assets in the system, maintaining assets, retiring and reinstating assets, depreciation, group depreciation, accounting and tax accounting, budgeting, online inquiries, impairment processing, and Oracle Assets reporting. The guide explains using Oracle Assets with Multiple Reporting Currencies (MRC). This guide also includes a comprehensive list of profile options that you can set to customize application behavior.

Oracle Bill Presentment Architecture User's Guide:

This guide provides you information on using Oracle Bill Presentment Architecture. Consult this guide to create and customize billing templates, assign a template to a rule and submit print requests. This guide also provides detailed information on page references, seeded content items and template assignment attributes.

Oracle Cash Management User Guide:

This guide describes how to use Oracle Cash Management to clear your receipts, as well as reconcile bank statements with your outstanding balances and transactions. This manual also explains how to effectively manage and control your cash cycle. It provides comprehensive bank reconciliation and flexible cash forecasting.

Oracle Credit Management User Guide:

This guide provides you with information on how to use Oracle Credit Management. This guide includes implementation steps, such as how to set up credit policies, as well as details on how to use the credit review process to derive credit recommendations that comply with your credit policies. This guide also includes detailed information about the public application programming interfaces (APIs) that you can use to extend Oracle Credit Management functionality.

Oracle Customer Data Librarian User Guide:

This guide describes how to use Oracle Customer Data Librarian to establish and maintain the quality of the Trading Community Architecture Registry, focusing on consolidation, cleanliness, and completeness. Oracle Customer Data Librarian has all of the features in Oracle Customers Online, and is also part of the Oracle Customer Data Management product family.

Oracle Customer Data Librarian Implementation Guide:

This guide describes how to implement Oracle Customer Data Librarian. As part of implementing Oracle Customer Data Librarian, you must also complete all the implementation steps for Oracle Customers Online.

Oracle Customers Online User Guide:

This guide describes how to use Oracle Customers Online to view, create, and maintain your customer information. Oracle Customers Online is based on Oracle Trading Community Architecture data model and functionality, and is also part of the Oracle Customer Data Management product family.

Oracle Customers Online Implementation Guide:

This guide describes how to implement Oracle Customers Online.

Oracle E-Business Suite Multiple Organizations Implementation Guide:

This guide describes the multiple organizations concepts in Oracle E-Business Suite. It describes in detail on setting up and working effectively with multiple organizations in Oracle E-Business Suite.

Oracle E-Business Tax User Guide:

This guide describes the entire process of setting up and maintaining tax configuration data, as well as applying tax data to the transaction line. It describes the entire regime-to-rate setup flow of tax regimes, taxes, statuses, rates, recovery rates, tax jurisdictions, and tax rules. It also describes setting up and maintaining tax reporting codes, fiscal classifications, tax profiles, tax registrations, configuration options, and third party service provider subscriptions. You also use this manual to maintain migrated tax data for use with E-Business Tax.

Oracle E-Business Tax Implementation Guide:

This guide provides a conceptual overview of the E-Business Tax tax engine, and describes the prerequisite implementation steps to complete in other applications in order to set up and use E-Business Tax. The guide also includes extensive examples of setting up country-specific tax requirements.

Oracle E-Business Tax Reporting Guide:

This guide explains how to run all tax reports that make use of the E-Business Tax data extract. This includes the Tax Reporting Ledger and other core tax reports, country-specific VAT reports, and Latin Tax Engine reports.

Oracle E-Business Tax: Vertex Q-Series and Taxware Sales/Use Tax System

Implementation Guide

This guide explains how to setup and use the services of third party tax service providers for US Sales and Use tax. The tax service providers are Vertex Q-Series and Taxware Sales/Use Tax System. When implemented, the Oracle E-Business Tax service subscription calls one of these tax service providers to return a tax rate or amount whenever US Sales and Use tax is calculated by the Oracle E-Business Tax tax engine. This guide provides setup steps, information about day-to-day business processes, and a technical reference section.

Oracle Embedded Data Warehouse User Guide:

This guide describes how to use Embedded Data Warehouse reports and workbooks to analyze performance.

Oracle Embedded Data Warehouse Implementation Guide:

This guide describes how to implement Embedded Data Warehouse, including how to set up the intelligence areas.

Oracle Embedded Data Warehouse Install Guide:

This guide describes how to install Embedded Data Warehouse, including how to create database links and create the end user layer (EUL).

Oracle Financial Accounting Hub Implementation Guide:

This guide provides detailed implementation information that leverages the features of Oracle Subledger Accounting to generate accounting.

Oracle Financial Services Reference Guide:

This guide provides reference material for Oracle Financial Services applications in Release 12, such as Oracle Transfer Pricing, and includes technical details about application use as well as general concepts, equations, and calculations.

Oracle Financial Services Implementation Guide:

This guide describes how to set up Oracle Financial Services applications in Release 12.

Oracle Financial Services Reporting Administration Guide:

This guide describes the reporting architecture of Oracle Financial Services applications in Release 12, and provides information on how to view these reports.

Oracle Financials and Oracle Procurement Functional Upgrade Guide: Release 11i to Release 12:

This guides provides detailed information about the functional impacts of upgrading Oracle Financials and Oracle Procurement products from Release 11i to Release 12. This guide supplements the *Oracle E-Business Suite Upgrade Guide: Release 12.0 and 12.1 to 12.2* .

Oracle Financials Concepts Guide:

This guide describes the fundamental concepts of Oracle Financials. The guide is intended to introduce readers to the concepts used in the applications, and help them

compare their real world business, organization, and processes to those used in the applications.

Oracle Financials Country-Specific Installation Supplement:

This guide provides general country information, such as responsibilities and report security groups, as well as any post-install steps required by some countries.

Oracle Financials for the Americas User Guide:

This guide describes functionality developed to meet specific business practices in countries belonging to the Americas region. Consult this user guide along with your financial product user guides to effectively use Oracle Financials in your country.

Oracle Financials for Asia/Pacific User Guide:

This guide describes functionality developed to meet specific business practices in countries belonging to the Asia/Pacific region. Consult this user guide along with your financial product user guides to effectively use Oracle Financials in your country.

Oracle Financials for Europe User Guide:

This guide describes functionality developed to meet specific business practices in countries belonging to the European region. Consult this user guide along with your financial product user guides to effectively use Oracle Financials in your country.

Oracle Financials for India User's Guide:

This guide provides information on how to use Oracle Financials for India. Use this guide to learn how to create and maintain setup related to India taxes, defaulting and calculation of taxes on transactions. This guide also includes information about accounting and reporting of taxes related to India.

Oracle Financials for India Implementation Guide:

This guide provides information on how to implement Oracle Financials for India. Use this guide to understand the implementation steps required for application use, including how to set up taxes, tax defaulting hierarchies, set up different tax regimes, organization and transactions.

Oracle Financials Glossary:

The glossary includes definitions of common terms that are shared by all Oracle Financials products. In some cases, there may be different definitions of the same term for different Financials products. If you are unsure of the meaning of a term you see in an Oracle Financials guide, please refer to the glossary for clarification. You can find the glossary in the online help or in the *Oracle Financials Implementation Guide*.

Oracle Financials Implementation Guide:

This guide provides information on how to implement the Oracle Financials E-Business Suite. It guides you through setting up your organizations, including legal entities, and their accounting, using the Accounting Setup Manager. It covers intercompany accounting and sequencing of accounting entries, and it provides examples.

Oracle Financials RXi Reports Administration Tool User Guide:

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

Oracle General Ledger Implementation Guide:

This guide provides information on how to implement Oracle General Ledger. Use this guide to understand the implementation steps required for application use, including how to set up Accounting Flexfields, Accounts, and Calendars.

Oracle General Ledger Reference Guide

This guide provides detailed information about setting up General Ledger Profile Options and Applications Desktop Integrator (ADI) Profile Options.

Oracle General Ledger User's Guide:

This guide provides information on how to use Oracle General Ledger. Use this guide to learn how to create and maintain ledgers, ledger currencies, budgets, and journal entries. This guide also includes information about running financial reports.

Oracle Incentive Compensation Implementation Guide:

This guide provides Compensation Administrators with guidance during implementation of Oracle Incentive Compensation. The procedures are presented in the recommended order that they should be performed for successful implementation. Appendixes are included that describe system profiles, lookups, and other useful information.

Oracle Incentive Compensation User Guide:

This guide helps Compensation Managers, Compensation Analysts, and Plan administrators to manage Oracle Incentive Compensation on a day-to-day basis. Learn how to create and manage rules hierarchies, create compensation plans, collect transactions, calculate and pay commission, and use Sales Credit Allocation.

Oracle Internet Expenses Implementation and Administration Guide:

This book explains in detail how to configure Oracle Internet Expenses and describes its integration with other applications in the E-Business Suite, such as Oracle Payables and Oracle Projects. Use this guide to understand the implementation steps required for application use, including how to set up policy and rate schedules, credit card policies, audit automation, and the expenses spreadsheet. This guide also includes detailed information about the client extensions that you can use to extend Oracle Internet Expenses functionality.

Oracle iAssets User Guide

This guide provides information on how to implement and use Oracle iAssets. Use this guide to understand the implementation steps required for application use, including setting up Oracle iAssets rules and related product setup steps. It explains how to define approval rules to facilitate the approval process. It also includes information on using the Oracle iAssets user interface to search for assets, create self-service transfer requests and view notifications.

Oracle iProcurement Implementation and Administration Guide:

This manual describes how to set up and administer Oracle iProcurement. Oracle iProcurement enables employees to requisition items through a self–service, Web interface.

Oracle iReceivables Implementation Guide:

This guide provides information on how to implement Oracle iReceivables. Use this guide to understand the implementation steps required for application use, including how to set up and configure iReceivables, and how to set up the Credit Memo Request workflow. There is also a chapter that provides an overview of major features available in iReceivables.

Oracle iSupplier Portal User Guide:

This guide contains information on how to use Oracle iSupplier Portal to enable secure transactions between buyers and suppliers using the Internet. Using Oracle iSupplier Portal, suppliers can monitor and respond to events in the procure-to-pay cycle.

Oracle iSupplier Portal Implementation Guide:

This guide contains information on how to implement Oracle iSupplier Portal and enable secure transactions between buyers and suppliers using the Internet.

Oracle Loans User Guide:

This guide describes how to set up and use Oracle Loans. It includes information on how to create, approve, fund, amortize, bill, and service extended repayment plan and direct loans.

Oracle Partner Management Implementation and Administration Guide:

This guide helps Vendor administrators to set up and maintain relationships and programs in the Partner Management application. The main areas include setting up the partner and channel manager dashboards, partner setup, partner programs and enrollment, opportunity and referral management, deal registration, special pricing management, and partner fund management.

Oracle Partner Management Vendor User Guide:

This guide assists vendor users in using Partner Management on a daily basis. This includes interaction with the partner and channel manager dashboards, working with partners and partner programs, managing opportunities and referrals, registering deals, and working with special pricing and partner funds.

Oracle Payables User's Guide:

This guide describes how to use Oracle Payables to create invoices and make payments. In addition, it describes how to enter and manage suppliers, import invoices using the Payables open interface, manage purchase order and receipt matching, apply holds to invoices, and validate invoices. It contains information on managing expense reporting, procurement cards, and credit cards. This guide also explains the accounting for Payables transactions.

Oracle Payables Implementation Guide:

This guide provides you with information on how to implement Oracle Payables. Use this guide to understand the implementation steps required for how to set up suppliers, payments, accounting, and tax.

Oracle Payables Reference Guide:

This guide provides you with detailed information about the Oracle Payables open interfaces, such as the Invoice open interface, which lets you import invoices. It also includes reference information on purchase order matching and purging purchasing information.

Oracle Payments Implementation Guide:

This guide describes how Oracle Payments, as the central payment engine for the Oracle E-Business Suite, processes transactions, such as invoice payments from Oracle Payables, bank account transfers from Oracle Cash Management, and settlements against credit cards and bank accounts from Oracle Receivables. This guide also describes how Oracle Payments is integrated with financial institutions and payment systems for receipt and payment processing, known as funds capture and funds disbursement, respectively. Additionally, the guide explains to the implementer how to plan the implementation of Oracle Payments, how to configure it, set it up, test transactions, and how use it with external payment systems.

Oracle Payments User's Guide:

This guide describes how Oracle Payments, as the central payment engine for the Oracle E-Business Suite, processes transactions, such as invoice payments from Oracle Payables, bank account transfers from Oracle Cash Management, and settlements against credit cards and bank accounts from Oracle Receivables. This guide also describes to the Payment Administrator how to monitor the funds capture and funds disbursement processes, as well as how to remedy any errors that may arise.

Oracle Procurement Buyer's Guide to Punchout and Transparent Punchout:

This guide contains necessary information for customers implementing remote catalog content on a supplier's Web site or on Oracle Exchange.

Oracle Procurement Contracts Online Help:

This guide is provided as online help only from the Oracle Procurement Contracts application and includes information about creating and managing your contract terms library.

Oracle Procurement Contracts Implementation and Administration Guide:

This guide describes how to set up and administer Oracle Procurement Contracts. Oracle Procurement Contracts enables employees to author and maintain complex contracts through a self–service, Web interface.

Oracle Public Sector Financials User Guide:

This guide describes how to set up and administer Oracle Public Sector Advanced Features. It describes Encumbrance Reconciliation Reports, GASB 34/35 Asset

Accounting, and Funds Available Enhancements.

Oracle Purchasing User's Guide:

This guide describes how to create and approve purchasing documents, including requisitions, different types of purchase orders, quotations, RFQs, and receipts. This guide also describes how to manage your supply base through agreements, sourcing rules, and approved supplier lists. In addition, this guide explains how you can automatically create purchasing documents based on business rules through integration with Oracle Workflow technology, which automates many of the key procurement processes.

Oracle Receivables User Guide:

This guide provides you with information on how to use Oracle Receivables. Use this guide to learn how to create and maintain transactions and bills receivable, enter and apply receipts, enter customer information, and manage revenue. This guide also includes information about accounting in Receivables. Use the Standard Navigation Paths appendix to find out how to access each Receivables window.

Oracle Receivables Implementation Guide:

This guide provides you with information on how to implement Oracle Receivables. Use this guide to understand the implementation steps required for application use, including how to set up customers, transactions, receipts, accounting, tax, and collections. This guide also includes a comprehensive list of profile options that you can set to customize application behavior.

Oracle Receivables Reference Guide:

This guide provides you with detailed information about all public application programming interfaces (APIs) that you can use to extend Oracle Receivables functionality. This guide also describes the Oracle Receivables open interfaces, such as AutoLockbox which lets you create and apply receipts and AutoInvoice which you can use to import and validate transactions from other systems. Archiving and purging Receivables data is also discussed in this guide.

Oracle Sourcing Implementation and Administration Guide:

This guide contains information on how to implement Oracle Sourcing to enable participants from multiple organizations to exchange information, conduct bid and auction processes, and create and implement buying agreements. This allows professional buyers, business experts, and suppliers to participate in a more agile and accurate sourcing process.

Oracle Subledger Accounting Implementation Guide:

This guide provides setup information for Oracle Subledger Accounting features, including the Accounting Methods Builder. You can use the Accounting Methods Builder to create and modify the setup for subledger journal lines and application accounting definitions for Oracle subledger applications. This guide also discusses the reports available in Oracle Subledger Accounting and describes how to inquire on subledger journal entries.

Oracle Supplier Scheduling User's Guide:

This guide describes how you can use Oracle Supplier Scheduling to calculate and maintain planning and shipping schedules and communicate them to your suppliers.

Oracle iProcurement Implementation and Administration Guide:

This manual describes how to set up and administer Oracle iProcurement. Oracle iProcurement enables employees to requisition items through a self–service, Web interface.

Oracle Procurement Contracts Implementation and Administration Guide:

This manual describes how to set up and administer Oracle Procurement Contracts. Oracle Procurement Contracts enables employees to author and maintain complex contracts through a self–service, Web interface.

Oracle Trading Community Architecture User Guide:

This guide describes the Oracle Trading Community Architecture (TCA) and how to use features from the Trading Community Manager responsibility to create, update, enrich, and cleanse the data in the TCA Registry. It also describes how to use Resource Manager to define and manage resources.

Oracle Trading Community Architecture Administration Guide:

This guide describes how to administer and implement Oracle Trading Community Architecture (TCA). You set up, control, and manage functionality that affects data in the TCA Registry. It also describes how to set up and use Resource Manager to manage resources.

Oracle Trading Community Architecture Reference Guide:

This guide contains seeded relationship types, seeded Data Quality Management data, D&B data elements, Bulk Import interface table fields and validations, and a comprehensive glossary. This guide supplements the documentation for Oracle Trading Community Architecture and all products in the Oracle Customer Data Management family.

Oracle Trading Community Architecture Technical Implementation Guide:

This guide explains how to use the public Oracle Trading Community Architecture application programming interfaces (APIs) and develop callouts based on Oracle Workflow Business Events System (BES). For each API, this guide provides a description of the API, the PL/SQL procedure, and the Java method, as well as a table of the parameter descriptions and validations. For each BES callout, this guide provides the name of the logical entity, its description, and the ID parameter name. Also included are setup instructions and sample code.

Oracle U.S. Federal Financials User's Guide:

This guide describes the common concepts for an integrated financial management solution for federal agencies to comply with the requirements of the U.S. Federal government. It describes the product architecture and provides information on Budget Execution, Prompt Payment, Treasury payments, Third party payments, Interagency

transactions, Receivables management, Federal reports, CCR Integration, and Year End Closing.

Oracle U.S. Federal Financials Implementation Guide:

This guide describes the common concepts for an integrated financial management solution for federal agencies. It includes a consolidated setup checklist by page and provides detailed information on how to set up, maintain, and troubleshoot the Federal Financial application for the following functional areas: Sub Ledger Accounting, Budget Execution, Prompt Payment, Treasury payments, Third party payments, Interagency transactions, Receivables management, Federal reports, CCR Integration, and Year End Closing.

Oracle Projects Documentation Set

Oracle Projects Implementation Guide:

Use this guide to implement Oracle Projects. This guide also includes appendixes covering function security, menus and responsibilities, and profile options.

Oracle Project Costing User Guide:

Use this guide to learn detailed information about Oracle Project Costing. Oracle Project Costing provides the tools for processing project expenditures, including calculating their cost to each project and determining the General Ledger accounts to which the costs are posted.

Oracle Project Billing User Guide:

This guide shows you how to use Oracle Project Billing to define revenue and invoicing rules for your projects, generate revenue, create invoices, and integrate with other Oracle Applications to process revenue and invoices, process client invoicing, and measure the profitability of your contract projects.

Oracle Project Management User Guide:

This guide shows you how to use Oracle Project Management to manage projects through their lifecycles - from planning, through execution, to completion.

Oracle Project Portfolio Analysis User Guide:

This guide contains the information you need to understand and use Oracle Project Portfolio Analysis. It includes information about project portfolios, planning cycles, and metrics for ranking and selecting projects for a project portfolio.

Oracle Project Resource Management User Guide:

This guide provides you with information on how to use Oracle Project Resource Management. It includes information about staffing, scheduling, and reporting on project resources.

Oracle Grants Accounting Documentation

Oracle Grants Accounting User Guide:

This guide provides you with information about how to implement and use Oracle

Grants Accounting. Use this guide to understand the implementation steps required for application use, including defining award types, award templates, allowed cost schedules, and burden set up. This guide also explains how to use Oracle Grants Accounting to track grants and funded projects from inception to final reporting.

Oracle Property Manager Documentation

Oracle Property Manager User Guide:

Use this guide to learn how to use Oracle Property Manager to create and administer properties, space assignments, and lease agreements.

Oracle Property Manager Implementation Guide:

Use this guide to learn how to implement Oracle Property Manager and perform basic setup steps such as setting system options and creating lookup codes, contacts, milestones, grouping rules, term templates, and a location hierarchy. This guide also describes the setup steps that you must complete in other Oracle applications before you can use Oracle Property Manager.

Integration Repository

The Oracle Integration Repository is a compilation of information about the service endpoints exposed by the Oracle E-Business Suite of applications. It provides a complete catalog of Oracle E-Business Suite's business service interfaces. The tool lets users easily discover and deploy the appropriate business service interface for integration with any system, application, or business partner.

The Oracle Integration Repository is shipped as part of the E-Business Suite. As your instance is patched, the repository is automatically updated with content appropriate for the precise revisions of interfaces in your environment.

You can navigate to the Oracle Integration Repository through Oracle E-Business Suite Integrated SOA Gateway.

Do Not Use Database Tools to Modify Oracle E-Business Suite Data

Oracle STRONGLY RECOMMENDS that you never use SQL*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle E-Business Suite data unless otherwise instructed.

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

Because Oracle E-Business Suite tables are interrelated, any change you make using an Oracle E-Business Suite form can update many tables at once. But when you modify Oracle E-Business Suite data using anything other than Oracle E-Business Suite, you may change a row in one table without making corresponding changes in related tables. If your tables get out of synchronization with each other, you risk retrieving erroneous

information and you risk unpredictable results throughout Oracle E-Business Suite.

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

1

Regional Overview

Overview

The Oracle Financials for the Americas User Guide provides region-specific and country-specific information about using the Oracle E-Business Suite. Because many features of E-Business Suite run from core applications, you should use this guide in conjunction with your product-specific documentation.

This guide provides information about using:

- Oracle Financials for Argentina, Brazil, Chile, Colombia, and Mexico.
- Features that meet regional and country-specific requirements.
- Country-specific reports.
- Features in Oracle E-Business Suite for the countries in the Americas region.

Multi-Org Structure Key Considerations

Companies may implement an enterprise structure that models multiple operating units per legal entity, as long as it is understood the following limitations apply:

- Statutory features (for example tax reporting) for LAD countries may not function properly if a legal entity is split into multiple operating units.
- Document sequencing is available at the ledger level only. Legal entities within the same ledger must share document sequences. If each legal entity requires its own numbering sequence, you must set up a separate ledger for each legal entity.

Release 12 Latin America Product Localization features require a 1-1-1 implementation per Legal Entity (1 Legal Entity, 1 Operating Unit, and 1 Ledger).

Feature Changes between Release 11*i* and Release 12

In Oracle E-Business Suite Release 12, the core applications manage many features that were previously managed at the regional and country level. Please refer to your product-specific documentation for information about these features in Oracle Financials for the Americas:

- **Company information**

  Use the Legal Entity Configurator to set up legal entities and legal establishments to represent your company and its divisions and offices, and to set up and maintain related company information, including locations, classifications, and legal registrations.

- **Company tax information**

  Use E-Business Tax to set up and maintain first party tax profiles and tax registrations for the legal establishments in your company.

- **Tax setup**

  Use E-Business Tax to set up and maintain the tax configuration for VAT and other non-withholding taxes, including tax regimes, taxes, statuses, rates, jurisdictions, product and party classifications, and tax rules.

  > **Important:** Do not use E-Business Tax to set up tax regimes and taxes for use with the Latin Tax Engine. Use Latin tax categories, tax codes, and tax groups for LTE tax calculation purposes. Additionally, use the standard Withholding functionality instead of E-Business Tax to setup Payables Withholdings or Latin American Withholdings.

- **Customer and supplier tax information**

  Use E-Business Tax to set up and maintain third party tax profiles for your customers and suppliers.

- **Payables Open Interface Tables**

  Refer to Oracle Payables for information about the Payables Open Interface Tables and Payables Open Interface Import.

  Refer to the Integration Repository for descriptions of the global attribute usage of the AP_INVOICES_INTERFACE and AP_INVOICE_LINES_INTERFACE tables.

- **Creating Accounting Entries**

  If necessary, then run the Create Accounting Program to process eligible accounting events to create subledger journal entries.

2

Common Country Features

Oracle General Ledger

Inflation Adjustment Overview

Inflation is a general rise in the price of goods and services in an area over a certain time period. Rapid inflation can distort the amounts maintained in accounting records. In some countries, companies must prepare their financial reports to stockholders and government authorities in constant units of money, amounts that are not affected by inflation. The balances that have been distorted must be adjusted by applying indexes that measure the pace of inflation. The Consumer Price Index (CPI) is the most common approximate measure of inflation that compares the average price for different goods and services and the price increases for these goods and services over time.

Account balances that consist only of original journal entry line amounts and that have not been adjusted for inflation are called historical balances. Balances that have been adjusted for inflation and that consist of both original and inflation adjustment journal entry line amounts are called inflation-adjusted balances.

In some countries, such as Argentina, companies are legally required to report both historical balances and inflation-adjusted balances for non-monetary accounts, such as fixed assets and most expense and revenue accounts. In other countries, such as Chile, companies are only required to report inflation-adjusted balances for non-monetary accounts.

The inflation adjustment feature in General Ledger provides two different options to meet the inflation adjustment reporting requirements in Latin America:

- **Historical/adjusted option** – lets you maintain and report on both historical balances and inflation-adjusted balances by using two different ledgers. For more information, see Maintaining Both Historical and Inflation-Adjusted Balances, page 2-2.

- **Adjusted-only option** – lets you maintain and report on simply the

inflation-adjusted balances by using one main ledger. For more information, see Maintaining Only Inflation-Adjusted Balances, page 2-4.

When you set up inflation adjustment, choose the option that satisfies your country's requirements. For more information, see your country-specific chapter.

> **Note:** If you use the Multiple Reporting Currencies (MRC) feature, you should choose the historical/adjusted option in General Ledger and use the historical ledger as your MRC primary ledger. You must use a historical ledger as your MRC primary ledger to avoid including inflation adjustment amounts when MRC converts your transactions into another currency.

Basic Business Needs

Oracle General Ledger for Latin America provides you with features to satisfy these basic business needs. You can:

- Adjust your non-monetary account balances to reflect inflation during a specific time period.
- Define different price indexes by entering price index values and the periods that these values apply to.
- Choose which accounts to adjust by entering the accounting flexfield ranges that contain these accounts.
- Choose which Result of Exposure to Inflation (R.E.I.) accounts, also referred to as inflation adjustment gain/loss accounts, to charge with the adjustment amount for each inflation adjustment.
- Assign transactions to a date, called the inflation adjustment date, that is prior to the recording date.
- Create an inflation adjustment journal entry that reflects gain or loss due to inflation for each corrected account.
- Issue standard and Financial Statement Generator (FSG) reports for historical and adjusted balances.

Maintaining Both Historical and Inflation-Adjusted Balances

If you need to maintain both historical and inflation-adjusted balances, choose the historical/adjusted option in General Ledger. With the historical/adjusted option, you use two different ledgers to keep the historical balances separate from the inflation-adjusted balances.

To adjust General Ledger accounts for inflation with the historical/adjusted option:

1. Enter, generate, or import unposted journal entries in the historical ledger. You can run inquiries or standard reports to check the journal entries.

2. Post the journal entries in the historical ledger. The posting process updates the account balances in both the transaction currency and the ledger currency, if the transaction currency is not the same as the ledger currency.

   You can run inquiries or standard reports to check that the journal entries are correctly posted or to check what the account balances are.

3. Submit the Latin American General Ledger Journal Copy process from the historical ledger to copy the posted journal entries for the period to the adjusted ledger and import the copied journal entries into the adjusted ledger.

   You can run inquiries or standard reports to check the journal entries.

4. Post the imported journal entries in the adjusted ledger. The posting process updates the account balances in both the transaction currency and the ledger currency, if the transaction currency is not the same as the ledger currency.

   You can run inquiries or standard reports to check that the journal entries are correctly posted or to check that the account balances are correctly imported.

5. Run the inflation adjustment process.

6. Run the Journal Import process, either automatically or manually, to import the inflation adjustment journals into the adjusted ledger. You can run inquiries or standard reports to check that the journal entries are correctly imported.

7. Post the imported journals in the adjusted ledger. The posting process updates the account balances in both the transaction currency and the ledger currency, if the transaction currency is not the same as the ledger currency.

   You can run inquiries or standard reports to check that the journal entries are correctly posted or to check how the account balances are adjusted.

8. Run standard or Financial Statement Generator (FSG) reports that list balances from your historical and adjusted ledger.

Related Topics

Entering Journals, *Oracle General Ledger User Guide*

Importing Journals, *Oracle General Ledger User Guide*

Posting Journal Batches, *Oracle General Ledger User Guide*

Overview of the Financial Statement Generator, *Oracle General Ledger User Guide*

Maintaining Only Inflation-Adjusted Balances

If you do not need to maintain historical balances, choose the adjusted-only option in General Ledger. With the adjusted-only option, you keep the inflation-adjusted balances in one main ledger.

To adjust General Ledger accounts for inflation with the adjusted-only option:

1. Enter, generate, or import unposted journals in your main ledger. You can run inquiries or standard reports to check the journal entries.

2. Post the journals in the main ledger. The posting process updates the account balances in both the transaction currency and the ledger currency, if the transaction currency is not the same as the ledger currency.

   You can run inquiries or standard reports to check that the journal entries are correctly posted or to check what the account balances are.

3. Run the inflation adjustment process.

4. Run the Journal Import process, either automatically or manually, to import the inflation adjustment journals into the main ledger. You can run inquiries or standard reports to check that the journal entries are correctly imported.

5. Post the imported journals in the main ledger. The posting process updates the account balances in both the transaction currency and the ledger currency, if the transaction currency is not the same as the ledger currency.

   You can run inquiries or standard reports to check that the journal entries are correctly posted or to check how the account balances are adjusted.

6. Create Financial Statement Generator (FSG) reports that list balances from your main ledger.

Related Topics

Entering Journals, *Oracle General Ledger User Guide*

Importing Journals, *Oracle General Ledger User Guide*

Posting Journal Batches, *Oracle General Ledger User Guide*

Overview of the Financial Statement Generator, *Oracle General Ledger User Guide*

Prerequisites

Before you can adjust your accounts for inflation, you must perform these prerequisite steps to prepare your ledger in Oracle General Ledger. Some prerequisite steps are required for both the adjusted-only option and the historical/adjusted option. Other prerequisite steps are only required for the historical/adjusted option. Use the table below to determine which steps you must perform for your option.

Prerequisite Steps	Adjusted-only	Historical/adjusted
Define the main ledger, page 2-5	Required	Required
Define the adjusted ledger, page 2-6		Required
Enter transactions in the main ledger, page 2-6	Required	Required
Post journal entries in the main ledger, page 2-6	Required	Required
Run the Latin American General Ledger Journal Copy process, page 2-7		Required
Post journal entries in the adjusted set of , page 2-8 books		Required

1. Defining the Main Ledger

You must define a main ledger to record your transactions in. If you use the adjusted-only option, you record your transactions in the same ledger where you will run the inflation adjustment process.

> **Note:** If you use the Inflation Adjustment Date feature with the adjusted-only option, define your main ledger as an MRC primary ledger. To use the Inflation Adjustment Date feature, you must define the ledger where you will run the inflation adjustment process as an MRC primary ledger, even if you do not use the MRC feature in Oracle General Ledger. You can classify a ledger as primary in the Reporting Currency Options tabbed region in the Ledger window. For more information, see Using the Inflation Adjustment Date, page 2-16.

If you use the historical/adjusted option, record your day-to-day business transactions in the historical ledger. Do not adjust for inflation in this ledger. Instead, copy these transactions to the adjusted ledger to adjust the balances for inflation.

Related Topics

Defining Ledgers, *Oracle General Ledger Implementation Guide*

2. Defining the Adjusted Ledger

If you use the historical/adjusted option, you must define a separate, adjusted ledger to maintain inflation-adjusted balances for your non-monetary accounts. The adjusted ledger must have the same calendar, chart of accounts, and currency as the historical ledger. Copy your transactions from the historical ledger to the adjusted ledger, and perform inflation adjustment only in the adjusted ledger.

> **Note:** If you use the Inflation Adjustment Date feature with the historical/adjusted option, define your adjusted ledger as an MRC primary ledger. To use the Inflation Adjustment Date feature, you must define the ledger where you will run the inflation adjustment process as an MRC primary ledger, even if you do not use the MRC feature in Oracle General Ledger. You can classify a ledger as primary in the Reporting Currency Options tabbed region in the Ledger window. For more information, see Using the Inflation Adjustment Date, page 2-16.

Related Topics

Defining Ledgers, *Oracle General Ledger Implementation Guide*

3. Entering Transactions in the Main Ledger

You must enter your daily transactions in your main ledger. If you use the adjusted-only option, enter your transactions in the same ledger that you will run the inflation adjustment process in.

If you use the historical/adjusted option, enter your transactions in the historical ledger. This ledger mirrors the historical operation of your business. All the reports and processes that you run against the historical ledger show your balances without the effect of inflation because you keep historical balances separate from the balances that are adjusted for inflation.

Related Topics

Defining Ledgers, *Oracle General Ledger Implementation Guide*

4. Posting Journal Entries in the Main Ledger

You must post journal entries in your main ledger. The posting process updates the account balances in both the transaction currency and the ledger currency, if the transaction currency is not the same as the ledger currency.

If you use the adjusted-only option, you must post your journal entries in the main ledger before adjusting your accounts for inflation so that the inflation adjustment process can calculate the adjustment amounts based on up-to-date account balances. The inflation adjustment process selects only journal entries with a *Posted* status to find the account balances.

If you use the historical/adjusted option, you must post your journal entries in the main ledger before you run the Latin American General Ledger Journal Copy process so that the Latin American General Ledger Journal Copy process can copy the entries to the

adjusted ledger. The Latin American General Ledger Journal Copy process selects only journal entries with a *Posted* status.

Related Topics

Defining Ledgers, *Oracle General Ledger Implementation Guide*

5. Running the Latin American General Ledger Journal Copy Process

If you use the historical/adjusted option, you must run the Latin American General Ledger Journal Copy process to copy your journal entries from the historical ledger to the adjusted ledger. You must submit the Latin American General Ledger Journal Copy process from the historical ledger where you entered your transactions.

The Latin American General Ledger Journal Copy process selects only certain journal entries for copying to the adjusted ledger. Check that the journal entries that you want to copy have the following:

- A status of *Posted*. Unposted journal entries are not copied.
- A balance type of *Actual*. Budget and encumbrance journal entries are not copied.
- A source other than *Assets* or *Revaluation*. The Latin American General Ledger Journal Copy process does not copy journal entries that originate in Oracle Assets. Instead, you should perform inflation adjustment for Oracle Assets journal entries within the Assets subledger and transfer all your Assets journal entries directly from your adjusted depreciation book to your adjusted General Ledger ledger. For more information, see Inflation Adjustment Overview, page 2-1.

All journal entries that meet these three requirements are copied to the adjusted ledger. The journal entries are copied in both the transaction currency and the ledger currency, if the transaction currency is not the same as the ledger currency.

When you run the Latin American General Ledger Journal Copy process, you can enter the period that you want to copy journal entries for. You must run the Latin American General Ledger Journal Copy process at least once for each period. If you run the Latin American General Ledger Journal Copy process again for the same period, the process selects only posted transactions that were not previously copied.

The Latin American General Ledger Journal Copy process creates journal entries in the Oracle General Ledger interface table. As soon as General Ledger finishes copying journal entries, the Journal Import process runs automatically. When the Journal Import process is complete, you can see the journal entries in the adjusted ledger.

> **Note:** If the date of a journal entry belongs to more than one period, the Journal Import process assigns the journal entry to the earliest period that includes the date. For example, assume that the date December 31 belongs both to the December period (period number 12) and the Adjusting period (period number 13). In this case, the Journal Import process assigns all journal entries dated December 31 to the December

period. You can change the journal entry period when you review the journal entries before you run the posting process.

Oracle General Ledger for Latin America copies the journal entries with references to subledger information, such as invoice number for journal entries from Oracle Payables. The references let you drill down from a copied journal entry to the subledger where the journal entry was created, just as you can from the original journal entry.

Use the Standard Request Submission windows to submit the Latin American General Ledger Journal Copy process.

Program Parameters

Ledger

Enter the adjusted ledger that you want to copy the journal entries to. You can only choose a ledger that has the same calendar, chart of accounts, and currency as the historical ledger from which you are submitting the Latin American General Ledger Journal Copy Process.

Period Name

Enter the period that you want to copy journal entries for.

Related Topics

Importing Journals, *Oracle General Ledger User Guide*

Using Standard Request Submission , *Oracle Applications User Guide*

6. Posting Journal Entries in the Adjusted Ledger

If you use the historical/adjusted option, you must post the imported journal entries in the adjusted ledger. The posting process updates the account balances in the ledger currency.

You must post the journal entries in the adjusted ledger before adjusting your accounts for inflation so that the inflation adjustment process can calculate the adjustment amounts based on up-to-date account balances. The inflation adjustment process selects only journal entries with a *Posted* status to find the account balances.

Related Topics

Posting Journal Batches, *Oracle General Ledger User Guide*

Setting Up Oracle General Ledger for Inflation Adjustment

This section describes how to set up Oracle General Ledger for the inflation adjustment process. Use this checklist to help you complete the appropriate steps in the correct order:

1. Define Inflation Ratio Precision, page 2-9
2. Define Inflation Adjustment Accounting Models, page 2-9
3. Define Price Indexes, page 2-10

1. Define Inflation Ratio Precision

In some countries, companies are legally required to calculate inflation rates with a certain precision. For example, in Chile, the inflation rate must be calculated with a precision of three decimal positions.

You can use the JL: Inflation Ratio Precision profile option to define the number of decimal positions for the precision of the inflation rate calculation. Oracle General Ledger rounds the rate to the number of decimal positions you choose. Use the System Profile Values window in the System Administrator responsibility to assign a value to the JL: Inflation Ratio Precision profile option.

You should only define a value for the inflation ratio precision if you are legally required to do so. If your country does not require a certain precision, do not enter a value for the JL: Inflation Ratio Precision profile option. Instead, leave this profile option blank to calculate the inflation rate with the greatest possible precision.

Related Topics

Overview of User Profiles, *Oracle Applications User Guide*

2. Define Inflation Adjustment Accounting Models

Define your accounting models in the Accounting Models window. An accounting model lets you select individual General Ledger accounts as well as account ranges, group those accounts into a set, and give a name to that set.

You can later use the sets that you define as accounting models to choose the accounts that you want to adjust when you run the inflation adjustment process. Defining appropriate accounting models saves you time in the future, because once an accounting model is defined for a particular group of accounts, you can reuse that accounting model whenever you want to work on that group of accounts.

For example, if you have 20 accounts numbered 1-20 and you want to adjust accounts 5-7, 9, and 12-14, you could group those accounts together as an accounting model. You can now work on these accounts with the new name that you gave this group in the accounting model, rather than working with each account individually.

> **Note:** Although there are no rules for grouping accounts, you may want to define different accounting models for different kinds of accounts. For example, you can define one accounting model for all of your asset accounts and another accounting model for all of your liability accounts.

To define an inflation adjustment accounting model:

1. Navigate to the Accounting Models window.
2. Enter the accounting model name in the Name field.

3. Enter the accounting model description in the Description field.

4. In the Account Low field, enter the low segment values for the range of accounts that you want to assign to this accounting model.

5. In the Account High field, enter the high segment values for the range of accounts that you want to assign to this accounting model.

> **Note:** When you enter low and high segment values, you define the range you want for each segment separately from the other segments. The accounting model includes only those accounting flexfields whose segment values each fall within the range for that segment.

6. For example, suppose you enter the low segment values 91-000-4000 and the high segment values 92-000-5000. In this case, the accounting model includes only the accounting flexfields from 91-000-4000 through 91-000-5000 and from 92-000-4000 through 92-000-5000.

7. Repeat steps 4 and 5 for each range of accounts that you want to assign to this accounting model.

3. Define Price Indexes

Define the price indexes that you want to use to adjust accounts for inflation in the Price Indexes window. A price index is a measure of the overall cost of goods and services bought by various entities. The base value of the index represents the cost level in a certain base period. The index value for each subsequent period represents the cost level for that period as a proportion of the base value. The difference between the base value and the index value for a certain period represents the inflation rate between the base period and that period.

The index that you use depends on your company's business. Many organizations use either the Consumer Price Index (CPI) or the Producer Price Index (PPI).

When the government publishes the inflation measure, the measure is expressed as a price index value. For this reason, you must enter the measure for each month as an index value in the Value % field. Do not enter the inflation measure as a percentage. You must enter a new value each month when the government publishes the price index value for the month.

The Inflation Adjustment process uses the price index to select the appropriate index value for the period that you are adjusting.

To define a price index:

1. Navigate to the Price Indexes window.

2. Enter the index name that you want to define in the Index field.

3. Enter the price index value from the government in the Value % field.

4. In the From Date and To Date fields, enter the dates that this index value is effective for. If you leave the To Date field blank, the index value is effective indefinitely.

Related Topics

Defining Price Indexes, *Oracle Assets User Guide*

Price Index Listing, *Oracle Assets User Guide*

Adjusting Accounts for Inflation

After you set up Oracle General Ledger for inflation adjustment, and you enter and post all the journal entries that you want to adjust for inflation, you can adjust your accounts for inflation. Oracle General Ledger provides three methods for you to adjust your accounts for inflation: adjusting balances based on a price index, revaluing balances based on a direct foreign exchange rate, and revaluing balances based on a foreign exchange rate using a stable currency.

Each of these three methods satisfies a different set of business requirements. For example, the two methods for revaluing balances based on a foreign exchange rate satisfy the requirements for certain industries in Chile. When you adjust your accounts for inflation, choose the method that meets your business requirements.

For more information about adjusting balances based on a price index, see Submitting the Inflation Adjustment Process, page 2-11. For more information about revaluing balances based on a direct foreign exchange rate and revaluing balances based on a foreign exchange rate using a stable currency, see the *Oracle Financials for Chile User Guide*.

Submitting the Inflation Adjustment Process

Use the Inflation Adjustment window to submit the inflation adjustment process. The Inflation Adjustment window lets you choose the accounts that you want to adjust. You can adjust any accounting model that you previously defined and specify the gain/loss account that you want to post the unrealized inflation adjustments to.

From the Inflation Adjustment window, Oracle General Ledger for Latin America initiates a concurrent process that calculates the inflation adjustments and creates an inflation adjustment journal entry for each balancing segment value in the account ranges that you specify.

You must enter the account ranges to adjust, the periods that you want to run the process for, the index name that you want to use, and the Result of Exposure to Inflation (R.E.I.) account. The Inflation Adjustment verification report is printed automatically as part of the inflation adjustment process. You can generate the report

for all accounts or only those accounts that are adjusted for inflation. In addition, you can also choose to automatically import the adjustments to General Ledger with Run Journal Import.

To submit the inflation adjustment process:

1. Navigate to the Inflation Adjustment window.
2. Enter an R.E.I. account (inflation adjustment gain/loss account) in the R.E.I. Account field.
3. In the From and To fields in the Accounting Periods region, select the accounting periods that you want from the lists of values. The lists include only periods that are available for inflation adjustment.
4. In the Index Name field, select the index name that you want from the list of values.
5. Enter the accounting flexfield ranges that you want to adjust. You can enter an existing accounting model, enter an existing accounting model and modify it, enter new ranges, or create a new accounting model. This table shows the steps that you follow to complete these tasks.

For this task…	Follow these steps…
Enter an existing accounting model	Select an accounting model name from the list of values in the Accounting Model field. The list of values displays the accounting model names that you defined in the Accounting Models window. The ranges for that model are automatically displayed in the Account Low and Account High fields.
Modify an existing accounting model	1. Enter an accounting model name in the Accounting Model field. 2. To modify an existing accounting flexfield range, select the Account Low or the Account High field for the range and make your changes. You can modify any segment of the range. 3. To add new accounting flexfield ranges to the model, enter the new ranges in the Account Low and Account High fields. 4. Select *Modify* in the Accounting Model region to save the modifications.

For this task…	Follow these steps…
Enter new accounting ranges	1. In the Account Low field, enter the low value for the range of accounts that you want to adjust. 2. In the Account High field, enter the high value for the range of accounts that you want to adjust. 3. Repeat steps 1 and 2 for each range of accounts that you want to adjust. **Note:** If you want to enter all new ranges, leave the Accounting Model field blank.
Create a new accounting model	1. To include accounting flexfield ranges from an existing accounting model in your new model, enter the existing model name in the Accounting Model field. If you want to enter all new ranges for your new model, leave the Accounting Model field blank. 2. Enter the new accounting flexfield ranges for the model in the Account Low and Account High fields. 3. To save the new model, select Create in the Accounting Model region and enter a new name for the model.

Note: When you enter low and high segment values in the Account Low and Account High fields, you define the range you want for each segment separately from the other segments. The accounting flexfield range includes only those accounting flexfields whose segment values each fall within the range for that segment.

- For example, suppose you enter the low segment values 91-000-4000 and the high segment values 92-000-5000. In this case, the accounting model includes only the accounting flexfields from 91-000-4000 through 91-000-5000 and from 92-000-4000 through 92-000-5000.

- In the Accounts to Report region, select *Adjusted Only* to report only on adjusted accounts. Select *All* to report on all accounts in General Ledger. The option you select in this region only controls which accounts appear in the Latin American General Ledger Inflation Adjustment report; it does not affect which accounts are adjusted. Journal entries are created only for the accounts that you selected for

adjustment.

- Check the Run Journal Import check box if you want to automatically run the Journal Import process as soon as the inflation adjustment process is complete.

- Press the Adjust button to submit the inflation adjustment process with the parameters you entered.

When you submit the inflation adjustment process, General Ledger performs these steps:

- Selects all of the accounts that fall within the account ranges that you specified.

- Calculates the inflation rate based on the price index values that you entered in the Price Indexes window.

- Applies the rate to the actual balance of the accounts to calculate the adjustment for each account.

- Creates journal entries with adjustment amounts that show the effect of inflation on your General Ledger accounts. The effective date of the journal entries is the last day of the last period adjusted, regardless of the number of periods adjusted. For example, if you have a monthly calendar and you adjust from January to March, only one journal entry, effective on March 31, is created.

- Generates the Inflation Adjustment verification report. You can review the results of the calculation with this report. See: Latin American General Ledger Inflation Adjustment Report, page 2-17

This table provides an example of journal entries that General Ledger creates:

Accounts	Debit	Credit
Asset Account 1 (01.000.1000.000)	10	
Asset Account 2 (01.000.1100.000)	20	
Equity Account 3 (01.000.2300.000)		15
R.E.I. Account (01.000.7100.000)		15

The Result of Exposure to Inflation (R.E.I.) account is the accounting flexfield where

General Ledger registers net gain or loss due to inflation. You must enter this account in the Inflation Adjustment window when you submit the inflation adjustment process for the first time. For subsequent submissions of the inflation adjustment process, the R.E.I. account defaults from your previous inflation adjustment request.

The inflation adjustment process automatically creates one journal entry for each balancing segment value that is adjusted. If your company segment is a balancing segment, one journal entry is created for each company processed.

General Ledger uses the R.E.I. account that you enter in the Inflation Adjustment window as a template. General Ledger derives the correct R.E.I. account for each journal entry by replacing the balancing segment with each balancing segment value in the account ranges that you specify.

Example for inflation adjustment

Assume that the balancing segment is the first segment of your accounting flexfield, and that you defined three valid values for the balancing segment *(01, 02, 03*). When you adjust the account ranges, 01.000.1000.000/ 03.000.1000.000 and 01.000.2000.000/03.000.2000.000 for inflation, you get the journal entries shown in these tables:

Accounts	Debit	Credit
Asset Account (01.000.1000.000)	10	
Equity Account (01.000.2000.000)		3
R.E.I. Account (01.000.7000.000)		7

Accounts	Debit	Credit
Asset Account (02.000.1000.000)	25	
Equity Account (02.000.2000.000)		13
R.E.I. Account (02.000.7000.000)		12

Accounts	Debit	Credit
Asset Account 03.000.1000.000)	19	
Equity Account (03.000.2000.000)		8
R.E.I. Account (03.000.7000.000)		11

Related Topics

Importing Journals, *Oracle General Ledger User Guide*

Using the Inflation Adjustment Date

The Inflation Adjustment Date (Fecha Valor) feature lets you adjust a journal entry for a period that is before the effective date. For example, you can enter a journal entry for June and adjust the journal entry for a period that starts in January.

> **Note:** If you enter an inflation adjustment date that is after the journal entry effective date, Oracle General Ledger does not use that inflation adjustment date. Instead, the inflation adjustment is calculated based on the journal entry effective date.

To use the Inflation Adjustment Date feature, you must define the ledger where you will run the inflation adjustment process as an MRC primary ledger, even if you do not use the MRC feature in Oracle General Ledger books. You can classify a ledger as primary in the Reporting Currency Options tabbed region in the Ledger window.

Use the Change Currency window to enter the inflation adjustment date. You can navigate to the Change Currency window by pressing the Change Currency button in the Journals window. Enter the inflation adjustment date in the To Date field.

Oracle General Ledger only adjusts the lines with accounting flexfield combinations that fall within the account ranges you specified when you submitted the inflation adjustment process.

For examples of how to use the inflation adjustment date in your country, see your country-specific chapter.

Related Topics

Entering Entered Currency Journals, *Oracle General Ledger User Guide*

Latin American General Ledger Inflation Adjustment Report

Use the Latin American General Ledger Inflation Adjustment report to review the inflation adjustments for the accounting flexfields that you specified in the Inflation Adjustment window. This report also creates the adjusted journal entries that are imported to Oracle General Ledger.

The Latin American General Ledger Inflation Adjustment report is automatically submitted when you press the Adjust button in the Inflation Adjustment window.

Report Headings

In this heading…	General Ledger prints…
Company Name	The ledger name
Currency	The currency
Period	The period range covered by the adjustment
Report Date	The date that you submit the report
Page	The page number
Index	The price index that is used for the adjustment, such as the CPI
R.E.I. Account	The inflation adjustment gain/loss account
Group ID	The group ID that identifies the imported inflation adjustment journal entry in the General Ledger interface table

Column Headings

In this column…	General Ledger prints…
Accounting Flexfield	The accounting flexfield that is adjusted for inflation.

In this column…	General Ledger prints…
<Start Period> Beginning Balance	The beginning balance in the first period of the period range of the adjustment.
<Start Period> To <End Period> Activity	The balance of existing transactions for the accounting flexfield during the period range of the adjustment.
Inflation Adjustment	The adjusted amount from the Inflation Adjustment process.
Adjusted Balance	The ending balance of the accounting flexfield after the adjustment. This is the sum of the values in the Beginning Balance, Activity, and Inflation Adjustment columns. Oracle General Ledger prints two asterisks (**) next to the adjusted balance if at least one journal entry contributing to the balance carries an Inflation Adjustment Date different from the journal entry effective date.
Natural Account Totals	The inflation adjustment and adjusted balance totals for the natural account.
Balancing Segment Totals	The inflation adjustment and adjusted balance totals for the balancing segment.

Oracle Receivables

Copy and Void Invoices Overview

If you print invoices on pre-numbered forms, you must maintain a clear audit trail so that the transaction number for the invoice stored in Oracle Receivables always matches the pre-printed number on the invoice.

Sometimes incidents such as printing errors cause a mismatch between the invoice transaction number and the number on the pre-numbered form. For example, you might print three invoices numbered 1003, 1004, and 1005 on forms with matching pre-printed numbers, but then discover that these pre-numbered forms are damaged and not usable. You will need to reprint these invoices using the next available pre-numbered forms, numbered 1006, 1007, and 1008. After you reprint the invoices, however, the invoice transaction numbers stored in Oracle Receivables and the

numbers on the pre-numbered forms no longer match.

To keep accurate audit information and to ensure that the transaction number stored for an invoice in Oracle Receivables matches the number on your pre-printed form, you can use the Regional Receivables Copy and Void Invoices process in Oracle Receivables. Regional Receivables Copy and Void Invoices lets you copy invoice information from the original invoice to a new invoice without manually recreating the invoice. In addition, Oracle Receivables voids the original transaction to ensure that the customer's Receivables balance and General Ledger information are accurate. To maintain a complete audit trail, you must save the original voided invoice forms and record the reason for voiding the original invoices as well as the new transaction number.

An invoice is eligible for copying and voiding if the invoice meets these conditions:

- The transaction class for the invoice is *Invoice.*
- The invoice does not have any activity against it, such as receipts or credit memos applied to the invoice.
- The invoice status is *Complete.*
- The invoice was not already transferred to General Ledger.
- You have entered warehouse information in the Warehouse Name field in the Transactions window, if you selected Latin Tax Handling as your tax method in the System Options window and the invoice line is an item line. Otherwise, Receivables calculates taxes based on the master inventory organization that you defined in the Order Management Parameters window.

To copy and void one or more invoices:

1. Perform all required setup steps, including:
   - Defining the void transaction type
   - Enabling automatic transaction numbering for your transaction batch sources
   - Defining void reasons
2. Optionally run the Regional Receivables Copy and Void Invoices Preview report if you want to preview the expected results of the Regional Receivables Copy and Void Invoices process.
3. Run the Regional Receivables Copy and Void Invoices process.
4. Use the Regional Receivables Copy and Void Invoices report to review the results of the Regional Receivables Copy and Void Invoices process.

Setting Up Copy and Void Invoices

Before you run the Regional Receivables Copy and Void Invoices process, you must complete these setup steps. Use this checklist to help you complete the appropriate steps in the correct order.

1. Define the Void Transaction Type, page 2-20
2. Enable Automatic Transaction Numbering, page 2-20
3. Define Void Reasons, page 2-21

1. Define the Void Transaction Type

You must define the transaction type that you want to use for invoices voided by the Regional Receivables Copy and Void Invoices process. Use the globalization flexfield in the Transaction Types window to define your void transaction type. You must define only one transaction type as your void transaction type.

To ensure that transactions with this transaction type do not update your customer balances, you should disable the Open Receivables option for the void transaction type. To ensure that transactions with this transaction type are not posted to General Ledger, you should also disable the Post to GL option.

To define a void transaction type:

1. Navigate to the Transaction Types window.
2. Enter information to define the transaction type.
3. Select *Invoice* from the list of values in the Class field.
4. Ensure that the Open Receivables check box and the Post To GL check box are not checked.
5. Navigate to the globalization flexfield.
6. Enter *Yes* in the Void Original Transaction field.

> **Note:** Your country's Oracle Receivables might include other fields in the globalization flexfield for features specific to your country.

Related Topics

Transaction Types, *Oracle Receivables Implementation Guide*

2. Enable Automatic Transaction Numbering

Enable automatic transaction numbering for the transaction batch sources that you use for invoices printed on pre-numbered forms. To enable automatic transaction

numbering, check the Automatic Transaction Numbering check box when you define the transaction batch source in the Transaction Sources window.

Related Topics

Transaction Batch Sources, *Oracle Receivables Implementation Guide*

3. Define Void Reasons

Define the void reasons that you will use to explain why you voided an invoice. For example, you might need void reasons for incidents such as a printer jam or other printer problems.

Define void reasons with the lookup type code JLZZ_VOID_REASON. Use the Lookups window in the Application Developer responsibility to define your void reasons.

Regional Receivables Copy and Void Invoices Preview Report

You can optionally use the Regional Receivables Copy and Void Invoices Preview report to preview the outcome of the Regional Receivables Copy and Void Invoices process before you run the Regional Receivables Copy and Void Invoices process. This report shows a preview of the expected results of the Regional Receivables Copy and Void Invoices process. Use the Regional Receivables Copy and Void Invoices Preview report to help you correct any errors the process might encounter at system or individual transaction level. Running the Regional Receivables Copy and Void Invoices Preview report does not copy and void invoices.

You can specify which invoices you want to include in the preview by entering a transaction batch source, transaction type, and invoice number range. Identify the number range with either document sequence numbers or transaction numbers.

> **Note:** You can only specify a number range with document sequence numbers if you use sequential numbering for your transactions.

The Regional Receivables Copy and Void Invoices Preview report shows two types of information:

- **Oracle Receivables system setup errors** – If the setup is incorrect, the report displays instructions on how to correct the setup.
- **Errors for individual invoices** – If an invoice has an error that will prevent the Regional Receivables Copy and Void Invoices process from copying the invoice, the report displays the cause of the error.

After you correct any errors, run the Copy and Void Invoice process. For more information, see Running the Regional Receivables Copy and Void Invoices Process, page 2-24.

Use the Standard Request Submission windows to submit the Regional Receivables Copy and Void Invoices Preview report.

Report Parameters

Transaction Batch Source

Enter the transaction batch source for the invoices that you want to include. You should only choose a transaction batch source for which you enabled automatic transaction numbering.

Transaction Type

Enter the transaction type for the invoices that you want to include. You can only choose transaction types with a class of *Invoice*.

Number Type

Enter the number type if you want to specify an invoice number range. You can choose one of these number types:

- **Document Sequence** – Select invoices for inclusion using a range of document sequence numbers. You can only choose *Document Sequence* if you use sequential numbering for your transactions.
- **Transaction** – Select invoices for inclusion using a range of transaction numbers.

Number Low

Enter the first number for the range of invoices that you want to include. If you choose the *Document Sequence* number type, you must enter document sequence numbers. If you choose the *Transaction* number type, you must enter transaction numbers.

Number High

Enter the last number for the range of invoices that you want to include. If you choose the *Document Sequence* number type, you must enter document sequence numbers. If you choose the *Transaction* number type, you must enter transaction numbers.

Report Headings

In this heading...	Oracle Receivables prints...
Company Name	Your company name
Title	Copy and Void Invoices Preview Report
Report Date	The date you ran the report
Page	The page number

In this heading...	Oracle Receivables prints...
Transaction Batch Source	The transaction batch source
Number Type	The number type
Numbers Low/High	The invoice number range

Column Headings

In this column…	Oracle Receivables prints…
Transaction Number	The transaction number
Document Seq Number	The document sequence number if you use document sequence numbering
Activity	*X* if the invoice has activity against it
Posted to GL	*X* if the transaction was already transferred to General Ledger
Incomplete	*X* if the invoice status is not *Complete*
Class Other Than Invoice	*X* if the transaction class is not *Invoice*

In this column…	Oracle Receivables prints…
Status	The copy status of the invoice. Possible statuses include: • **Processed** – The invoice was successfully copied and voided in a previous run of the Regional Receivables Copy and Void Invoices process. • **Error** – The invoice has an error that will prevent the invoice from being copied. • **Warning** – A timeout error occurred. • **Ignore** – The copy status was manually changed to prevent the invoice from being copied. • **Reprocess** – The copy status was manually changed to resubmit the invoice for the Regional Receivables Copy and Void Invoices process. • **Blank** – The invoice meets all the required conditions and is ready to be copied and voided.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Implementing Document Sequences , *Oracle Receivables User Guide*

Running the Regional Receivables Copy and Void Invoices Process

Use the Regional Receivables Copy and Void Invoices process to copy invoice information from original invoices to new invoices and void the original transactions.

If you want to preview the results of the Regional Receivables Copy and Void Invoices process before you run the process, run the Regional Receivables Copy and Void Invoices Preview report. For more information, see Regional Receivables Copy and Void Invoices Preview Report, page 2-21.

When you run the Regional Receivables Copy and Void Invoices process, you can specify which invoices you want to copy and void by entering a transaction batch source, transaction type, and invoice number range. You can identify the number range with either document sequence numbers or transaction numbers.

Note: You can only specify a number range with document sequence numbers if you use sequential numbering for your transactions.

An invoice is only eligible for copying and voiding if the invoice meets these conditions:

- The transaction class for the invoice is *Invoice.*
- The invoice does not have any activity against it, such as receipts or credit memos applied to the invoice.
- The invoice status is *Complete.*
- The invoice was not already transferred to General Ledger.
- If you selected *Latin Tax Handling* as your tax method in the System Options window, you have entered warehouse information in the Warehouse Name field in the Transactions window if the invoice line is an item line. Otherwise, Receivables calculates taxes based on the master inventory organization that you defined in the Order Management Parameters window.

After copying the invoices you specify to new invoices, Oracle Receivables assigns your void transaction type to the original invoices and updates the Comments field of the voided invoices with the void reason you select.

When the Regional Receivables Copy and Void Invoices process finishes, Oracle Receivables automatically generates the Regional Receivables Copy and Void Invoices report. For more information, see Regional Receivables Copy and Void Invoices Report, page 2-26.

Note: As part of the Regional Receivables Copy and Void Invoices process, Oracle Receivables runs the Recurring Invoice program during the time between the end of the copy process and the beginning of the void process. If the Recurring Invoices program is not finished at the end of the time limit you define in the JL: Copy and Void Invoices Program Timeout profile option, the Regional Receivables Copy and Void Invoices process stops and Oracle Receivables assigns a copy status of *Warning* to all the invoices selected for the process. For more information, see Reviewing an Invoice Copy Status, page 2-28.

Use the Standard Request Submission windows to submit the Regional Receivables Copy and Void Invoices process.

Program Parameters

Transaction Batch Source

Enter the transaction batch source for the invoices that you want to include. You should

only choose a transaction batch source for which you enabled automatic transaction numbering.

Transaction Type

Enter the transaction type for the invoices that you want to include. You can only choose transaction types with a class of *Invoice*.

Number Type

Enter the number type if you want to specify an invoice number range. You can choose one of these number types:

- **Document Sequence** – Select invoices for inclusion using a range of document sequence numbers. You can only select *Document Sequence* if you set up document sequence numbering for your transactions.
- **Transaction** – Select invoices for inclusion using a range of transaction numbers.

Number Low

Enter the first number for the range of invoices that you want to include. If you choose the *Document Sequence* number type, you must enter document sequence numbers. If you choose the *Transaction* number type, you must enter transaction numbers.

Number High

Enter the last number for the range of invoices that you want to include. If you choose the *Document Sequence* number type, you must enter document sequence numbers. If you choose the *Transaction* number type, you must enter transaction numbers.

Void Reason

Enter the void reason to explain why the invoices were voided.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Implementing Document Sequences, *Oracle Receivables User Guide*

Regional Receivables Copy and Void Invoices Report

Use the Regional Receivables Copy and Void Invoices report to review original invoice information after the Regional Receivables Copy and Void Invoices process is finished. The Regional Receivables Copy and Void Invoices report shows invoices that were successfully copied and voided, as well as invoices that were not successfully copied.

The Regional Receivables Copy and Void Invoices report shows two types of information:

- **Oracle Receivables system setup errors** – If the setup is incorrect, the Regional

Receivables Copy and Void Invoices process stops and the report displays instructions on how to correct the setup.

- **Errors for individual invoices** – If an invoice was not successfully copied, the report displays the cause of the error.

Use the Regional Receivables Copy and Void Invoices report to help you correct any errors at system or individual transaction level. You can then resubmit the Regional Receivables Copy and Void Invoices process, if necessary.

Oracle Receivables generates the Regional Receivables Copy and Void Invoices report automatically when you run the Regional Receivables Copy and Void Invoices process. For more information, see Running the Regional Receivables Copy and Void Invoices Process, page 2-24.

Report Headings

In this heading...	Oracle Receivables prints...
Company Name	Your company name
Title	Copy and Void Invoices
Report Date	The date you ran the report
Page	The page number
Transaction Batch Source	The transaction batch source
Number Type	The number type
Numbers Low/High	The invoice number range

Column Headings

In this column…	Oracle Receivables prints…
Transaction Number	The transaction number
Document Seq Number	The document sequence number if you use document sequence numbering

In this column…	Oracle Receivables prints…
Activity	*X* if the invoice has activity against it
Posted to GL	*X* if the transaction was already transferred to General Ledger
Incomplete	*X* if the invoice status is not *Complete*
Class Other Than Invoice	*X* if the transaction class is not *Invoice*
Status	The copy status of the invoice. Possible statuses include: • **Processed** – The invoice was successfully copied and voided. • **Error** – An error prevented the invoice from being copied. • **Warning** – A timeout error occurred. • **Ignore** – The copy status was manually changed to prevent the invoice from being copied. • **Reprocess** – The copy status was manually changed to resubmit the invoice for the Regional Receivables Copy and Void Invoices process.

Reviewing an Invoice Copy Status

After you run the Regional Receivables Copy and Void Invoices process, you can use the globalization flexfield in the Transactions window to review the copy status of an individual invoice and update the status, if necessary. Possible copy statuses include:

- **Processed** – The original invoice was successfully copied and voided. You cannot manually update this status.
- **Error** – The invoice did not meet one or more of the conditions to be eligible for the Regional Receivables Copy and Void Invoices process. If you resubmit the Regional Receivables Copy and Void Invoices process, Oracle Receivables will attempt to copy and void the invoice again. If the errors were corrected and the invoice is

successfully copied, Oracle Receivables updates the copy status to *Processed*.

- **Warning** – A timeout error occurred before Oracle Receivables completed the Recurring Invoice program. Your system administrator should determine whether the invoice was successfully copied before the timeout error occurred.

  If the invoice was successfully copied, you should manually change the original invoice copy status to *Ignore* and the transaction type to *Void*. Update the Comments field with the new invoice transaction number and void reason.

  If the invoice was not successfully copied, you should manually change the status to *Reprocess*.

- **Ignore** – The copy status was manually changed from *Warning* to *Ignore*. The Regional Receivables Copy and Void Invoices process will not select this invoice for copying.

- **Reprocess** – The copy status was manually changed from *Warning* to *Reprocess*. If you resubmit the Regional Receivables Copy and Void Invoices process, the Recurring Invoice Program will select the invoice for copying.

To review the copy status for an invoice:

1. Navigate to the Transactions window.
2. Query the invoice that you want to review.
3. Navigate to the globalization flexfield.
4. Review the copy status of the invoice in the Copy Status field.
5. If necessary, change the copy status from *Warning* to *Ignore* or *Reprocess*.
6. Choose OK.
7. Save your work.

To determine whether an invoice with a Warning **copy status was successfully copied, your system administrator should:**

1. Review the log file of the Regional Receivables Copy and Void Invoices program to find the request number for the Recurring Invoice program.
2. Review the log file of the Recurring Invoice program. The log file of the Recurring Invoices program lists the original invoices that were copied and the new invoices that were created.
   - If the original invoice appears on the Recurring Invoices log file, then the invoice was successfully copied. Change the copy status of the invoice to *Ignore*.

- If the original invoice does not appear on the Recurring Invoices log file, then the invoice was not successfully copied. Change the copy status of the invoice to *Reprocess*.

Latin Tax Engine Overview

The Oracle Receivables Latin Tax Engine provides a convenient solution to your tax requirements. The Latin Tax Engine:

- Calculates multiple taxes on an invoice line
- Calculates different tax rates based on characteristics of the company issuing the invoice, the ship to customer, and the transaction (item or memo line)
- Provides easy transaction entry for users with little or no knowledge of taxes and tax requirements

Oracle Receivables uses the Latin Tax Engine to calculate taxes according to this model:

- **Transaction WorkBench** – lets you enter transaction information, including customer address, transaction type, and invoice line information (tax group code, warehouse name, and invoice line-level global descriptive field information). When you save your work or press the Tax button, the Global Tax Engine is called to calculate the tax.
- **Global Tax Engine** – retrieves the invoice and invoice line information and proceeds to calculate the tax for each invoice line. If you set the Tax Method to *Latin* , the Latin Tax Engine is called to calculate the tax for each applicable tax category of the tax group entered in the Tax Code field of the Tax window. This process is repeated for each transaction line.
- **Latin Tax Engine** – uses the information provided by the Global Tax Engine to calculate the tax for each tax category and pass the tax calculations to the Global Tax Engine.
- **Global Tax Engine** – passes the Latin Tax Engine's tax calculations back to the Transaction Workbench.
- **Transaction WorkBench** – displays the calculated taxes and writes back the tax and accounting information to the database.

To calculate the taxes that apply on each invoice line, the Latin Tax Engine uses this information:

- Taxes and tax rates
- Tax conditions and tax condition values for your organization, your customers, and

items and memo lines

- Tax group associated with the invoice line
- Tax rules for determining the tax rate and base rate

Taxes, Tax Categories, and Tax Rates

You must define each tax that your company is authorized to levy as a *Latin tax category*. Define a separate tax category for each tax that is calculated separately, accounted separately, or reported separately.

For example, if the government has multiple reporting requirements for a certain tax that depends on the customer's situation or the nature of the transaction, you must create the corresponding number of tax categories for this one tax to report each tax separately.

Tax rates are the actual rates used to calculate individual taxes. Each tax rate is associated with a distinct tax code. Each tax code must be associated with a tax category. You can associate one tax category with multiple tax codes.

Tax Conditions and Tax Condition Values

You must define, for each tax category, characteristics that describe the:

- Inventory organization's authority or ability to levy this tax
- Ship to customer's eligibility in relation to this tax
- Taxability of each transaction for this tax

These characteristics are called *tax conditions* and *tax condition values*. You must separately define organization tax conditions and values, contributor tax conditions and values, and transaction tax conditions and values.

The tax condition defines the meaning of the characteristic. The tax condition values define all of the possible relationships to this characteristic. For example, if the calculation of a specific tax depends on whether or not the inventory organization is registered with the government, you can name the tax condition *Registration Status*, and the possible tax condition values *Registered* and *Not Registered*.

Once you define the tax conditions and tax condition values for all tax categories, you assign them to:

- Inventory organization
- Ship to address of each of your customers
- Items and memo lines

You assign tax conditions and tax condition values to an organization by grouping the

values for each tax category and tax condition into an *organization tax condition class*. The organization tax condition class contains all tax conditions of all tax categories, and a specific tax condition value for each tax condition that applies to the inventory organization.

You assign tax conditions and tax condition values to a customer site by grouping the values for each tax category and tax condition into a *contributor tax condition class*. The contributor tax condition class contains all tax conditions of all tax categories, and a specific tax condition value for each tax condition that applies to the customer site.

> **Note:** You assign contributor characteristics at the ship to address level, because each customer, and even individual sites for a given customer, can have a different tax eligibility. For example, local taxes may apply to one customer site only, and not to other ship to locations for the same customer.

You assign tax conditions and tax condition values to an item or memo line by grouping the values for each tax category and tax condition into a *transaction tax condition class*. The transaction tax condition class contains all tax conditions for all tax categories, and a specific tax condition value for each tax condition that applies to transactions.

> **Note:** When you calculate taxes, Oracle Receivables defaults the transaction tax condition class for the item or memo line to the transaction line. You can enter a different transaction condition class for an individual transaction line.

Tax Group

When you enter transactions on an invoice, Oracle Receivables associates a *tax group* with each transaction line. The Latin Tax Engine uses the tax group to determine which taxes to generate for a specific transaction line.

The tax group contains one entry for every combination of tax category, organization characteristic, ship to customer characteristic, and transaction characteristic needed to generate the tax. A tax category can appear in the tax group more than once to satisfy the multiple combinations of characteristics that can generate a tax.

Tax Rules

Tax rules define, for each tax, the hierarchy of choices for the Latin Tax Engine to use to find the actual tax rate or base rate modifier to calculate a tax.

You define tax rules, with a hierarchy of choices, for each combination of:

- Ship to customer characteristic
- Transaction type

- Tax category

You can also define defaults for ship to customer characteristic and transaction type. There are currently sixteen different choices for finding the tax rate and seven choices for finding the base rate modifier.

When you enter a transaction, the Latin Tax Engine first determines the taxes to calculate on an invoice line based on the tax group. The Latin Tax Engine looks to the tax rules to determine the appropriate tax code and associated rate and/or base rate modifier for each tax.

When you enter a transaction line and save your work, the Latin Tax Engine calculates the tax for each tax category that applies in the tax group that you entered on the transaction line. For each tax category, the Latin Tax Engine searches the tax rules for a rule to use to find the tax code. If no more rules exist to search, the Latin Tax Engine searches for a default tax rule to find the tax code. If the Latin Tax Engine cannot find any method to obtain the tax code, the Latin Tax Engine stops with an error.

The Latin Tax Engine uses a similar process to find the base rate modifier for each tax. The difference is that the Latin Tax Engine does not stop with an error if the Latin Tax Engine does not find a base rate modifier.

For each combination, you can define one or more rules for where the Latin Tax Engine should look to find the tax rate or base rate modifier. The Latin Tax Engine will examine each rule, in the order that you defined them, until it finds one that matches the characteristics of the current transaction line. See How the Latin Tax Engine Calculates Taxes, page 2-78 for an example of how the Latin Tax Engine uses tax rules to calculate tax.

Once the Latin Tax Engine has found the tax rate and base rate modifier, it calculates the tax as follows:

Tax amount = Taxable base x base rate modifier x tax rate

Latin Tax Engine Tax Calculation

To calculate taxes on an invoice, Oracle Receivables uses the tax group that you enter on each invoice line. The tax group is a collection of tax categories for applicable combinations of organization, contributor, and transaction condition values. Optionally, each combination can have a tax code associated with it.

Depending on your country and business requirements, you can set up one tax group for all your tax calculations, or different tax groups for different combinations of organization/contributor/transaction values.

When you set up tax groups and the Latin Tax Engine, you assign the tax groups to transaction types. Oracle Receivables defaults the tax group to the invoice line from the transaction type associated with a transaction. See Setting Up the Latin Tax Engine, page 2-39 for more information about defining tax groups.

The Latin Tax Engine calculates taxes for each transaction line by using this processing:

- Determine the tax categories
- Determine the tax codes
- Determine the base rates
- Calculate the tax

After the Latin Tax Engine calculates the taxes, the Transaction WorkBench displays one or more tax lines for each invoice line.

The sections that follow describe the Latin Tax Engine tax calculation processes in more detail.

Determining Tax Categories

The Latin Tax Engine uses the tax group and the organization, contributor site, and transaction conditions and values to determine which tax categories apply to an invoice line.

The tax group contains combinations of tax categories and condition values for organization, contributor, and transaction. In your setup, you can assign a tax category to more than one organization/contributor/transaction combination in the tax group to account for all the circumstances under which a tax category applies to a transaction.

Your setup definitions for your organization, each contributor site, and each transaction indicates the conditions under which a particular tax category is applicable and not applicable. The Latin Tax Engine determines the tax categories that apply, by selecting the organization/contributor/transaction combinations in the tax group that match the organization, contributor site, and transaction definitions.

Determining Tax Codes

The Latin Tax Engine determines the tax codes and tax rates to apply to a transaction line for each tax category or categories derived from the tax group using the tax rule or rules for each tax category with a rule type of *Rate*.

> **Note:** If the taxable base is the line amount, the Latin Tax Engine only needs to find the tax code to calculate the tax. If the taxable base is a calculated base amount, the Latin Tax Engine also needs to find a base rate for the applicable tax categories to calculate the tax. See Determining Base Rates, page 2-35 for more information about how the Latin Tax Engine determines the base rate modifier.

The Latin Tax Engine uses Latin tax rules with a rule type of *Rate* for the applicable tax categories to find a tax code. The Latin Tax Engine derives the tax code in this sequence:

1. The Latin Tax Engine sets the current tax category based on the tax group associated with the transaction line.

2. The Latin Tax Engine looks for a rule with the first priority number.

   The rule's contributor determining factor tax condition value must match the current contributor value, and the rule's transaction type must match the transaction type for the current transaction.

3. If the Latin Tax Engine does not find a rule with matching parameters, the Latin Tax Engine searches for a rule with default parameters.

   The Latin Tax Engine looks for a default rule with these values:

   - Contributor determining-factor tax condition is *Default*
   - Transaction type is the default transaction type entered in the System Options window

4. If the Latin Tax Engine does not find a rule with matching parameters or a default rule, processing stops with an error.

5. If the Latin Tax Engine finds a rule, the Latin Tax Engine attempts to retrieve the tax code by accessing the rule data with the relevant parameters.

   For example, if the rule retrieved is *Ship from*/*Ship to Site*, the Latin Tax Engine attempts to retrieve the tax code by accessing a record in the Latin Locations window with the parameters:

   - Tax Category
   - Ship from State for the organization's current location
   - Ship to State (the ship to or bill to state for the customer)

6. If the Latin Tax Engine finds a tax code using the rule, the Latin Tax Engine stores the information for calculating the tax amount.

7. If the Latin Tax Engine does not find a tax code using the rule, it repeats steps 2 to 6 for each tax rule for the applicable tax category until it finds a tax code.

8. If there are more tax categories to process, the Latin Tax Engine repeats steps 1 to 8.

9. If there are no more tax categories to process, tax code processing is complete.

Determining Base Rates

The Latin Tax Engine determines the base rate modifier to apply to a transaction line for each tax category or categories derived from the tax group using the tax rule or rules for each tax category with a rule type of *Base*.

The Latin Tax Engine calculates tax after using the base rate modifier to derive the taxable base amount. See Calculating the Tax, page 2-37 for more information about

how the Latin Tax Engine determines the taxable base amount.

The Latin Tax Engine uses Latin tax rules with a rule type of *Base* for the applicable tax categories to find a base rate modifier. The Latin Tax Engine derives the base rate modifier using this sequence:

1. The Latin Tax Engine sets the current tax category based on the tax group associated with the transaction line.

2. The Latin Tax Engine looks for a rule with the first priority number.

   The rule's contributor determining factor tax condition must match the current contributor value, and the rule's transaction type must match the transaction type of the current transaction.

3. If the Latin Tax Engine does not find a rule with matching parameters, the Latin Tax Engine searches for a rule with default parameters.

   The Latin Tax Engine looks for a default rule with these values:

   - Contributor determining-factor tax condition is *Default*
   - Transaction type is the default transaction type entered in the System Options window

4. If the Latin Tax Engine does not find a rule with matching parameters or a default rule, it calculates a base rate modifier of *1*.

5. If the Latin Tax Engine finds a rule, the Latin Tax Engine attempts to retrieve the base rate modifier by accessing the rule data with the relevant parameters.

   For example, if the rule retrieved is *Fiscal Classification Code*, the Latin Tax Engine attempts to retrieve the base rate by accessing a record in the Latin Fiscal Classification window with the parameters:

   - Tax Category
   - Fiscal Classification Code on the invoice line

6. If the Latin Tax Engine finds a base rate modifier using the rule, the Latin Tax Engine stores the information for calculating the taxable base amount.

7. If the Latin Tax Engine does not find a base rate modifier using the rule, it repeats steps 2 to 6 for each tax rule for the applicable tax category until it finds a base rate modifier or until no more rules exist.

8. If there are more tax categories to process, the Latin Tax Engine repeats steps 1 to 8.

9. If there are no more tax categories to process, base rate processing is complete.

Calculating the Tax

The Latin Tax Engine calculates the tax on an invoice line based on:

- Receivables System Option window settings
- Tax codes derived from the tax categories and Rate tax rules
- Base rate modifier, if applicable, derived from the tax categories and Base tax rules

Since certain transactions vary by invoice line, you must set up the Receivables System Options window to calculate tax on each invoice line. In particular, you must enter *Line* in the Calculation Level field. See Step 1. Define System Options, page 2-45 for more information about setting System Options.

Determining the taxable base

In some Latin American countries, the taxable base for certain taxes is different from the line amount because of one or more of these reasons:

- Base rate modifier is applied to the line amount
- Compounding tax amount is applied to the line amount
- Sum of line amounts for the transaction do not meet the threshold
- Sum of line amounts from current and prior related transactions, (such as credit memos or debit memos) do not meet the threshold.

  Note: Current and prior related transactions are also known as *Whole Operation*. See Step 5. Define Tax Categories, page 2-49 for more information.

- Sum of line amounts for the transaction, grouped by transaction condition value do not meet the threshold
- Sum of line amounts from prior related transactions, such as credit memos or debit memos grouped by transaction condition value do not meet the threshold.

  Note: You associate related transactions in the Reference field in the Transactions window.

In these cases the Latin Tax Engine first calculates the taxable base amount and then calculates the tax. The Latin Tax Engine derives the taxable base amount and calculates the tax using this sequence:

1. Calculate the *line base amount* by:

- Modifying the line amount by the base rate, if necessary
- Compounding the line amount with another tax amount, if necessary

2. Determine the *applicable prior base* by keeping a running total of line base amounts. This table describes line base amounts.

Threshold Check Level	Grouping Condition Type	Grouping Condition	Description
Line	Line	Line	Current line base amount
Document	Document	Document	Sum of line base amounts of transaction lines of the current transaction
Operation	Document	Document	Sum of line base amounts of all current and prior related transactions
Document	Transaction Condition	Any transaction condition (for example, *Income Concept*)	Sum of line base amounts of all transaction lines of the current transaction that have the same tax condition value
Operation	Transaction Condition	Any transaction condition (for example, *Income Concept*)	Sum of line base amounts of all current and prior related transactions that have the same tax condition value

Minimum taxable base threshold checking

1. Compare the *applicable prior base* with the minimum threshold. If the applicable prior base is:
   - Greater than the minimum threshold, set *taxable base = line base amount*

- Less than or equal to the minimum threshold, set *taxable base = line base amount + applicable prior base*

2. If necessary, set *taxable base for thresholds = line base amount + applicable prior base*

Calculating the tax amount

1. Compare the taxable base for thresholds with the minimum threshold. If the taxable base for thresholds is:
   - Greater than the minimum threshold, set *tax amount = taxable base x tax rate*
   - Less than or equal to the minimum threshold, set *tax amount = 0*

Taxable amount threshold checking

1. Compare the tax amount with the minimum tax amount. If the tax amount is less than or equal to the minimum tax amount, set *tax amount = 0*.

Tributary substitution

1. For tax categories with tributary substitution, reduce the tax amount by the compounded tax.

Setting Up the Latin Tax Engine

This section provides an overview of all of the tasks and windows used to set up the Latin Tax Engine.

A certain number of tasks are mandatory for all countries, while some tasks apply to certain countries only. The Setup Checklist indicates the mandatory and optional tasks.

In many cases, your Oracle Receivables installation includes a certain amount of pre-defined data. You only need to perform the tasks related to this data if you need to add or modify information.

> **Note:** The task titles in this section refer only to setup for the Latin Tax Engine. Certain tasks, such as Define Customers and Define Items for example, require many other steps for a complete Oracle Receivables setup.

You should use this section in conjunction with your country-specific chapter. Along with a description of the specific tasks and windows that you need to set up the Latin Tax Engine in your country, your country-specific chapter contains this information:

- Description of country-specific tax requirements
- Description of country-specific globalization flexfields

- Prerequisite steps for setting up the Latin Tax Engine in your country
- Description of data already included in your Oracle Receivables installation

Setup Checklist

This table shows the setup steps for the Latin Tax Engine and denotes whether a step is mandatory or optional.

Step	Task	Requirement
1	Define System Options, page 2-45	Mandatory
2	Define Tax Conditions, page 2-47	Mandatory
3	Define Tax Condition Values, page 2-47	Mandatory
4	Define Legal Message Exception Codes, page 2-48	Mandatory
5	Define Tax Categories, page 2-49	Mandatory
6	Define Tax Codes and Rates, page 2-52	Mandatory
7	Assign Default Tax Codes to Tax Categories, page 2-52	Optional
8	Define Latin Tax Category Details, page 2-53	Optional
9	Define Latin Tax Category Schedules, page 2-53	Optional
10	Associate Tax Categories with Tax Conditions and Values, page 2-54	Mandatory
11	Define Tax Condition Classes for Organizations, page 2-58	Mandatory

Step	Task	Requirement
12	Assign Tax Condition Classes to Organizations, page 2-59	Mandatory
13	Define Tax Condition Classes for Contributors, page 2-60	Mandatory
14	Assign Tax Condition Classes to Contributors, page 2-61	Mandatory
15	Define Customers, page 2-61	Optional
16	Define Customer Site (Bill To, Ship To), page 2-61	Optional
17	Define Customer Site Tax Profiles, page 2-62	Mandatory
18	Define Latin Locations, page 2-62	Optional
19	Define Tax Condition Classes for Transactions, page 2-63	Mandatory
20	Define Fiscal Classifications, page 2-64	Mandatory
21	Define Items, page 2-65	Mandatory
22	Assign Tax Condition Classes and Fiscal Classifications to Items, page 2-65	Mandatory
23	Define Memo Lines, page 2-66	Mandatory
24	Assign Tax Condition Classes and Fiscal Classifications to , page 2-66Memo Lines	Mandatory
25	Define Transaction Types, page 2-66	Mandatory

Step	Task	Requirement
26	Define Latin Tax Groups, page 2-67	Mandatory
27	Assign Tax Group to Transaction Types, page 2-68	Mandatory
28	Define Tax Exceptions by Fiscal Classification, page 2-69	Optional
29	Define Tax Exceptions by Items, page 2-69	Optional
30	Define Tax Exceptions by Customer Site, page 2-70	Optional
31	Define Tax Exceptions by Transaction Condition Value, page 2-71	Optional
32	Define Latin Tax Rules, page 2-72	Mandatory
33	Define Legal Messages, page 2-74	Optional
34	Associate Legal Messages and Tax Rules, page 2-74	Optional

Setup Steps and Options

The windows and procedures that comprise the Receivables setup are designed to provide the Latin Tax Engine with information about taxes and rates, and about the requirements and dependencies of your company, your customers, and your transactions. The Latin Tax Engine uses this information to automatically calculate all the applicable taxes on each invoice line.

For the Latin Tax Engine to perform all the necessary processes correctly, it is important to enter complete and accurate setup information. The setup procedures can be organized into these general categories:

- Tax information, including tax categories and tax rates

- Tax conditions and values
- Information about organizations (your company), contributors (customers and customer sites), and transactions
- Tax exceptions
- Tax groups
- Tax rules
- Receivables settings: system options, legal messages, transaction types

Tax Information

A *tax category* contains information about each separate tax levied in your country. The tax category identifies the type of tax and minimum taxable base, minimum amount, and minimum percentage, if applicable.

Oracle Receivables holds tax rate information in tax codes. A *tax code* identifies one rate for a particular tax category. A tax category can have several tax rates. When you define a tax code, you must assign it a tax category.

Tax Conditions and Values

A *tax condition* describes the general relationship of an organization, contributor, or transaction to a specific tax. In this context, organization, contributor, and transaction are called *condition types*.

For example, you can name an organization tax condition for a VAT tax category as *VAT Status* or *Registered Status*. You define one or more tax conditions for organization, contributor, and transaction for each tax category.

Each tax condition has one or more *tax condition values*. The tax condition values describe the various relationships that an organization, contributor, and transaction can have to a tax condition. For example, the organization tax condition *VAT Status* could have the two tax condition values of *Registered* and *Not Registered*. A contributor or transaction tax condition could have more tax condition values, for example, *Registered*, *Not Registered*, *Exempt*, and *Excluded* for contributor; or *Goods*, *Services*, *Professional Fees*, and *Legal Fees* for transactions.

When you assign tax conditions to tax categories, you designate one tax condition for each condition type for each tax category as the *determining factor tax condition*. The Latin Tax Engine uses the determining factor tax condition as the primary condition for determining whether the tax applies to a transaction.

The number and kind of tax conditions and tax condition values that you must define depends upon the prevailing tax requirements in your country, city, and province.

You organize tax conditions and tax condition values into tax condition classes. You define separate tax condition classes for organizations, contributors, and transactions. A

tax condition class contains a list of tax categories and related tax conditions and values. You assign the appropriate tax condition class to your organization, and to each of your customers and transactions (items and memo lines). The transaction tax condition class for an item or memo line is used as the default class for a transaction line. If necessary, you can change the default class for a specific transaction line.

The Latin Tax Engine uses tax condition classes (organization/contributor/transaction) to determine the taxes to calculate on a specific transaction line. For example, if VAT is one of your taxes and the tax conditions for your customer indicate that the customer is exempt from VAT, you can set up the Latin Tax Engine such that VAT is not calculated for this transaction line.

Organization, Contributor, Transaction Information

The information you enter for your organization, your customers, and items and memo lines provides the Latin Tax Engine with the background information for determining each applicable tax.

Enter the organization information for the location attached to the inventory organization. Assign a tax condition class to each ship to customer address, item, and memo line.

Tax Exceptions

You can define tax exceptions to a tax for particular classifications related to your customers or transactions. The types of tax exception are:

- Customer Site
- Transaction Condition Value
- Fiscal Classification
- Item

You can define tax exceptions for each of these classifications for each applicable tax category. For each tax exception/tax category combination, you assign the tax code to use in place of the standard tax code.

The Latin Tax Engine uses the tax code associated with the tax exception, when the tax rule is identified as a tax exception.

Tax Group

A *tax group* contains tax categories and, for each tax category, a combination of tax condition values for the organization, contributor, and transaction determining factor tax conditions. The Latin Tax Engine uses the tax group to determine the tax categories that apply to an invoice.

A tax group can contain the same tax category more than once, if the tax category applies to more than one combination of organization tax condition value, contributor

tax condition value, and transaction tax condition value. The tax group must contain all determining factor tax conditions.

After you define a tax group, you assign the tax group to Receivables transaction types.

When you enter a transaction, the tax group associated with the transaction type is defaulted to the document. When the transaction is saved or the Tax button is pressed, the Latin Tax Engine uses the tax group to:

- Determine the tax categories that apply to each transaction line
- Look for the rules that apply to each transaction line
- Determine the taxes and rates, and calculate the tax

Tax Rules

Tax rules are the guidelines that the Latin Tax Engine uses to determine the tax code to apply to a transaction line. A *tax rule* is a combination of tax category, contributor condition value, and transaction type. For each combination, the name of the rule identifies where the Latin Tax Engine should look to find the tax code.

If there is more than one tax rule for the same combination of tax category, contributor condition value, and transaction type, each combination is assigned a different priority number. The Latin Tax Engine looks for the tax code according to the priority sequence.

If the Latin Tax Engine cannot find the tax code in the place identified by the first rule, the Latin Tax Engine tries the second rule, and so on, until it finds a tax code for the transaction line.

Receivables Settings

Enter the appropriate settings in Oracle Receivables to allow the Latin Tax Engine to calculate taxes on each transaction line.

The setup procedures in this user guide and in your country-specific user guide describe the required settings.

1. Define System Options

Use the Create Application Tax Options page in Oracle E-Business Tax and Oracle Receivables System Options window to set system options to allow the Latin Tax Engine to calculate tax. Use the globalization flexfield in the Oracle Receivables System Options window to enter country-specific settings to calculate tax.

You can enter a default transaction type to use to calculate taxes. The Latin Tax Engine uses the default transaction type when it cannot find a tax rule for a transaction line.

You can enter a rule set to define the set of seeded data that you can see and use. Once you choose a rule set, you should not change it. If you change the rule set, you will not be able to see or use data that you created using the previous rule set. You will also not be allowed to change the rule set once you have entered transactions in the system.

Using E-Business Tax, enter these system options settings for all countries:

- Enter *Latin Tax Handling* as the tax method.
- Check the Inclusive Tax Used check box.
- Enter *Line* as the calculation level.
- If you define the tax rule *System Options Tax Code* for a tax category, then enter a tax code.

Additionally, enter applicable values for the following tax system options/rounding options:

- Reporting Currency
- Precision
- Min Accountable Unit
- Allow Override
- Rounding Rule

Use these guidelines for the globalization flexfield in the Receivables System Options window:

- In the Location Flexfield Classification field, enter the location flexfield classification that corresponds to your location flexfield structure.

  Note: The use of the Location Flexfield Classification field can vary depending on your country.

- Enter *Yes* or *No* in the Use Legal Messages field to indicate whether you will use legal messages.
- In the Transaction Type field, enter the transaction type that the Latin Tax Engine will use for the default tax rule. See Step 32. Define Latin Tax Rules, page 2-72 for more information.
- Enter the name of your country in the Tax Rule Set field.

Related Topics

Using Application Tax Options, *Oracle E-Business Tax User Guide*

Defining Receivables System Options, *Oracle Receivables User Guide*

2. Define Tax Conditions

Use the Lookups window to define lookup codes for tax conditions. The Latin Tax Engine uses tax conditions to determine the taxes to calculate on a specific transaction.

You define tax conditions for each tax category at the organization level for your company, at the contributor level for your customers, and at the transaction level for items and memo lines. Use the designated lookup types for your country for organization, contributor, and transaction to define the tax condition lookup codes.

The Latin Tax Engine uses tax conditions as deciding factors in determining the tax code and rate for each tax category and condition type. You must define at least one tax condition for each tax category/condition type (organization, contributor, transaction) combination.

If you define more than one tax condition for a tax category/condition type combination, you must designate one of these combinations as the determining factor tax condition. You designate the determining factor tax condition in the Associate Tax Categories and Tax Conditions window. See Step 10. Associate Tax Categories with Tax Conditions and Values, page 2-54 for more information.

One tax condition can apply to more than one combination. For example, a tax condition defined for the combination Organization-1/TaxCategory-XYZ can apply to the Organization-1/TaxCategory-ABC and/or Organization-2/TaxCategory-XYZ combinations. You would only need to define this tax condition once.

After you define tax conditions, define tax condition values for each tax condition. See Step 3. Define Tax Condition Values, page 2-47 for more information.

Use these guidelines for defining tax condition lookup codes:

- Use the lookup type *ORGANIZATION_ATTRIBUTE* for organization tax conditions.
- Use the lookup type *CONTRIBUTOR_ATTRIBUTE* for contributor tax conditions.
- Use the lookup type *TRANSACTION_ATTRIBUTE* for transaction tax conditions.
- Enter the tax condition code in the Code field.
- Enter the meaning or use of the tax condition code in the Meaning field, and a description of the code in the Description field.

3. Define Tax Condition Values

Use the Lookups window to create lookup codes for tax condition values.

Tax condition values identify the possible values of each tax condition for organization, contributor, and transaction. You define each tax condition value only once, and you can associate it with any tax condition.

The number and kind of tax condition values depends upon the tax requirements of your country, your city, or your province. Examples of tax condition values are *Registered* and *Not Registered* for organizations; *Exempt*, *Taxable*, and *Non-Taxable* for contributors; and *Goods*, *Services*, *Tobacco*, and *Alcohol* for transactions.

After you define tax condition values for each tax condition, you can associate both the tax condition and tax condition values with tax categories. See Step 10. Associate Tax Categories with Tax Conditions and Values, page 2-54 for more information.

Use these guidelines for defining tax condition value lookup codes:

- Use the lookup type *JLZZ_AR_TX_ATTR_VALUE* for all lookup codes.
- Enter the tax condition value code in the Code field.
- Enter the meaning or use of the tax condition value code in the Meaning field, and a description of the code in the Description field.

4. Define Legal Message Exception Codes

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

Legal message exception codes are used to define the type of exception that you can associate with a legal message. See Step 34. Associate Legal Messages and Tax Rules, page 2-74 for more information.

This table shows the legal message exception codes that are already included in your installation:

Lookup Code	Meaning
BASE_AMOUNT_REDUCTION	Tax Base Amount Reduction
EXEMPTION	Tax Exemption
EXPORTS	Exports
IMMUNITY	Tax Immunity
NON_INCIDENCE	Non-Incidence

You can add as many legal message exception codes as you require. Use the lookup type *JLZZ_AR_TX_LEGAL_MESSAGE* to define a new legal message exception code.

Related Topics

Lookups, *Oracle Payables User Guide*

5. Define Tax Categories

Use the Latin Tax Categories window to define information about each tax levied in your country, and in your city or province if applicable. You should create a different tax category in each of these cases:

- Tax is accounted separately
- Tax has different computation requirements
- Tax has different applicability requirements

You cannot delete a tax category once you enter and commit. To render a tax category inactive, use the Effective From and Effective To fields to set effective dates.

Enter all the tax rates that apply to this tax category. You must define a separate tax code in the Tax Codes and Rates window for each tax rate that you enter for a tax category. You can also enter a default tax code for a tax category. See Step 6. Define Tax Codes and Rates, page 2-52 for more information.

You can enter:

- **Minimum taxable base** if the tax is only levied when the tax basis is over a specified amount
- **Minimum tax amount** if the tax is only levied when the calculated tax amount is over a specified amount

If you enter a minimum taxable base or a minimum tax amount, you can also choose whether the threshold checking for the tax base or tax amount is performed by transaction line, invoice, or operation. If you have different values for minimum taxable base or minimum tax amount for different effective periods, you can enter these details in the Latin Tax Category Details window. See Step 8. Define Latin Tax Category Details, page 2-53 for more information.

If another tax is included in the base amount for the tax calculation, you can choose another tax category to be compounded with a tax category.

> **Note:** You must define tax categories before you can associate them with other tax categories.

If applicable, you can use tributary substitution to calculate the tax amount for a tax category.

Use these guidelines for defining a tax category:

1. Select the applicable operating unit.
2. In the Category field, select a tax category from the list of values.

3. In the Effective From and Effective To fields, enter the effective dates for the tax category.

4. In the Threshold Check Level field, enter:

   - **Line** – Consider the current invoice line for threshold checking
   - **Document** – Consider the current invoice for threshold checking
   - **Operation** – Consider the current invoice and its related debit memos, credit memos, and/or related invoices for threshold checking

5. In the Grouping Condition Type field, enter:

   - **Line** – Use the current invoice line amount as the base amount for threshold checking.
   - **Document** – Use the sum of all amounts of relevant lines (see table below) as the base amount for threshold checking. For use with the values Document or Operation in the Threshold Check Level field.
   - **Transaction Condition** – Use the sum of all amounts of relevant lines (see table below) as the base amount for threshold checking. For use with the values Document or Operation in the Threshold Check Level field.

     The value that you enter in the Threshold Check Level field determines the value you can enter in the Grouping Condition Type field, as shown in this table:

If the Threshold Check Level is…	In the Grouping Condition Type field, you can enter…	Lines considered for threshold checking
Line	Line	Current line only
Document	Document	All lines in the current document
Document	Transaction Condition	All lines in the current document that have the same transaction condition value for the selected transaction condition
Operation	Document	All lines in the current and related documents

If the Threshold Check Level is…	In the Grouping Condition Type field, you can enter…	Lines considered for threshold checking
Operation	Transaction Condition	All lines in the current and related documents that have the same transaction condition value for the selected transaction condition

6. In the Tax Code field, you can optionally enter a tax code to use with the tax category.

   Note: You must define tax codes before you can enter a value in this field.

7. In the Tax Authority Code field, enter the code for the tax authority responsible for this tax as you want the code to appear in your reports.

8. Enter values in the Min Amount, Min Taxable Base, and Minimum % fields, if applicable.

9. Check the Tributary Substitution check box, if the tax category uses tributary substitution.

10. Check the Inclusive Tax check box, if you want tax included in the price at invoice line level. Leave the check box unchecked if you do not.

    Note: You cannot change the Inclusive Tax setting after you associate the tax category with a tax code or a tax group.

11. Enter another tax category in the Tax Category To Compound Base field, if another tax is included in the base amount for the tax calculation.

    Note: You must define the other tax category before you can enter it in this field.

12. Check the Mandatory in Class check box, if you want the tax category to appear in every tax condition class.

13. Check the Print check box, if you want the tax line printed. Leave the check box

unchecked if you do not.

6. Define Tax Codes and Rates

Use the Tax Codes and Rates window to define and maintain tax codes, their associated tax rates, and effective dates. Use the globalization flexfield in the Tax Codes and Rates window to assign tax codes to tax categories and to maintain country-specific information for each tax code.

Define as many tax codes as you need for each type of tax. You must define at least one tax code for each tax rate that exists for a tax category. For example, if a VAT tax category has one tax rate for *Goods* and a different tax rate for *Services*, you would define a separate tax code for each of the two rates and assign them both to the VAT tax category.

When you assign a tax category to a tax code, Oracle Receivables defaults the Tax Inclusive and Print on Invoice values from the tax category. You can change the Print on Invoice value in the field, but you cannot change the Tax Inclusive value.

When you define tax rules to find tax codes, you must:

- Associate the tax code that you define here with the applicable source, such as tax categories or fiscal classifications
- Define a tax rule that looks for the tax code in the applicable source

See Step 32. Define Latin Tax Rules, page 2-72 for more information.

Use these guidelines for the globalization flexfield in the Tax Codes and Rates window:

- In the Tax Category field, enter default tax category to associate the tax code with.
- In the Print Tax Line field, enter *Yes* if you want the tax line printed. Enter *No* if you do not.
- In the Legal Message Exception Code field, select an exception code from the list of values.

7. Assign Default Tax Codes to Tax Categories

Use the Latin Tax Categories window, after you define tax categories and tax codes and rates, to assign a default tax code to each tax category that you previously defined.

The Latin Tax Engine uses the default tax code associated with a tax category to calculate tax when the Rate tax rule for the tax category is *Tax Category*.

If you want to derive a tax code and rate from a tax category, you must also define a tax category tax rule. See Step 32. Define Latin Tax Rules, page 2-72 for more information.

8. Define Latin Tax Category Details

Use the Latin Tax Category Detailswindow to enter the minimum amount, minimum taxable base, and minimum percentage for a tax category for an effective period. You can also use this window to assign a tax code to the tax category.

You only use the Latin Tax Category Details window for tax categories that have different values for minimum taxable base or minimum tax amount for different effective periods.

Before you can use the Latin Tax Category Detailswindow, you must define tax categories and tax codes and rates. See Step 5. Define Tax Categories, page 2-49 and Step 6. Define Tax Codes and Rates, page 2-52 for more information.

Use these guidelines for using the Tax Category Details window:

1. Select the applicable operating unit.
2. In the Tax Category field, query or enter the tax category that you want.
3. Navigate to the Tax Category Details region.
4. Enter values for the Start Date and End Date fields.

   Note: The values that you enter must be within the dates that you defined for the tax category.

5. In the Min Amount field, enter the minimum tax amount for this tax category.
6. In the Min Taxable Basis field, enter the minimum taxable base for this tax category.
7. In the Minimum % field, enter the minimum tax percentage for this tax category.
8. In the Tax Code field, enter the tax code to associate with this tax category.

9. Define Latin Tax Category Schedules

Use the Latin Tax Category Schedules window to assign schedules to applicable tax categories. A schedule describes the tax rates to apply to ranges of taxable amounts for a given tax category.

You only use the Latin Tax Category Schedules window for tax categories where the tax code changes because of:

- Taxable base range

and/or

- Different effective periods

This feature normally applies to situations where the tax rate varies based on the amount being taxed (for example, an Income Tax schedule).

Before you can use the Latin Tax Category Scheduleswindow, you must define tax categories and tax codes and rates. See Step 5. Define Tax Categories, page 2-49 and Step 6. Define Tax Codes and Rates, page 2-52 for more information.

Use these guidelines for using the Tax Category Schedules window:

1. Select the applicable operating unit.
2. In the Tax Category field, query or enter the tax category that you want.
3. Navigate to the Tax Category Schedules region.
4. Enter values in the Start Date and End Date fields.

   Note: The values that you enter must be within those of the tax category.

5. In the Min Taxable Basis field, enter the minimum taxable amount for this tax range.
6. In the Max Taxable Basis field, enter the maximum taxable amount for this tax range.
7. In the Effective From and Effective To fields, enter the applicable dates for this schedule.
8. In the Tax Code field, enter the tax code to use for this tax range.
9. Repeat steps 2 to 5 for each tax range and date range that belongs to this schedule.

10. Associate Tax Categories with Tax Conditions and Values

Use the Associate Latin Tax Category with Conditions and Values window to associate tax categories with tax conditions and tax condition values. Define for each tax category the applicable tax condition for each condition type (organization, contributor, transaction). You define one tax condition for each tax category/condition type combination.

Every tax category/condition type combination must have one and only one determining factor tax condition. This condition is the deciding factor for the tax category/condition type combination that the Latin Tax Engine uses to determine the tax code to apply to a transaction. To define a tax condition as the determining factor tax condition, enter *Yes* in the Determining Factor field. If you enter *Yes* in the Determining Factor field, you must also enter *Yes* in the Mandatory in Class field.

Note: You can define more than one tax condition for a tax category/condition type combination for situations where the tax line must be generated with an exempt or reduced rate. You can define a tax rule to direct the Latin Tax Engine to retrieve the tax code for the additional transaction condition value. See *Fixed Asset Transaction Condition* below for an example of assigning this type of tax condition and tax category/condition type combination.

The combinations of tax categories and tax conditions that you define in the Associate Latin Tax Category with Conditions and Values window are used as a basis for defining tax condition classes for each condition type. If you define a tax condition that you associate with a tax category and condition type for every tax condition class, enter *Yes* in the Mandatory in Class field.

Use these guidelines for associating tax categories with conditions and values:

1. Select the applicable operating unit.
2. In the Tax Category field, enter the tax category.
3. In the Condition Type field, enter *Organization Condition*, *Contributor Condition*, or *Transaction Condition*.
4. Check the Mandatory in Class check box.
5. Check the Determining Factor check box.
6. Uncheck the Grouping Attribute check box.
7. In the Value fields, enter the tax condition values that apply to this combination of tax category and tax condition.

Fixed Asset Transaction Condition

In this example, a buyer intends to use a certain quantity of a purchase item as a fixed asset rather than for resale. The fixed asset sale item therefore is to be taxed at a zero (exempt) rate for VAT Perception.

An electronics store purchases LaserJet printers both for resale and for use in the store (as a fixed asset), as described in this table:

Item	Quantity	Intended Use	VAT Perception Rate
LaserJet printers	100	Resale	5%

Item	Quantity	Intended Use	VAT Perception Rate
LaserJet printers	10	Fixed asset	Exempt (0%)

This table shows the tax category setup:

Transaction Class:*Printers-Resale*

Tax Category	Transaction Determining Condition	Tax Code	Tax Rate
VAT Perception	Applicable	VAT-P-5	5%

This table shows the tax code setup:

Tax Code	Tax Rate	Tax Category	Legal Message Exception Code
VAT-P-5	5%	VAT Perception	
VAT-P-Exempt	0%	VAT Perception	

This table shows the transaction condition class setup for resale items:

Transaction Class:*Printers-Resale*

Tax Category	Condition	Condition Value	Determining Factor?
VAT Perception	Applicable	Yes	Yes
VAT Perception	Fixed Assets	No	No

This table shows the transaction condition class setup for fixed asset items:

Transaction Class: Printers-Fixed Asset

Tax Category	Condition	Condition Value	Determining Factor?
VAT Perception	Applicable	Yes	Yes
VAT Perception	Fixed Assets	Yes	No

This table shows the tax rule setup:

Tax Category	Transaction Type	Contributor Condition Value	Base/ Rate	Priority	Rule
VAT Perception			Rate	Yes	Exception by Transaction Condition Value
VAT Perception			Rate	Yes	Tax Category

This table shows the exception by transaction condition value setup:

Tax Category	Condition Name	Priority Number	Condition Value	Tax Rate Code
VAT Perception	Fixed Assets	1	Yes	VAT-P-Exempt

This table shows the invoice line entry:

Invoice Line Number	Item	Quantity	Price	Transaction Class
1	LaserJet printers	100	100	Printers-Resale
2	LaserJet printers	10	100	Printers-Fixed Asset

This generates the tax lines shown in this table:

Invoice Line Number	Tax Line Number	Tax Code	Tax Rate	Tax Amount	Notes
1	1	VAT-P-5	5.00	500.00	(1)
2	1	VAT-P-Exempt	0.00	0.00	(2)

(1) The first rule considered was *Exception by Transaction Condition Value*. For the Transaction Class of *Printers-Resale*, for VAT Perception, there is no record for the Condition *Fixed Assets* with a value *No*—which is what the class (*Printers-Resale)* contains. The next rule is the *Tax Category* rule, which yields the tax rate code of *VAT-P-5* and a rate of 5%.

(2) The first rule considered was *Exception by Transaction Condition Value*. For the Transaction Class of *Printers-Fixed Asset*, for VAT Perception, there is one record for the Condition *Fixed Assets* with a value *Yes*—which is what the class (*Printers-Fixed Asset)* contains. This yields the tax rate code of *VAT-P-Exempt* and a rate of 0%.

11. Define Tax Condition Classes for Organizations

Use the Latin Tax Condition Classes window to define organization tax condition classes for each tax category. An organization tax condition class defines the tax condition values for each tax category for the organizations that you have defined in Oracle Applications. If you have defined only one organization, or all organizations have identical defaults, you only need to define one organization tax condition class.

Each organization tax condition class must contain every tax category and all determining factortax conditions defined for the tax category at the organization level. For each organization tax condition class, define only one tax condition value for each tax category/tax condition combination.

Each organization tax condition class must include every tax condition that was defined as Mandatory in Class and that was associated with the tax category at the organization level.

After you define organization tax condition classes, assign them to your organization. See Step 12. Assign Tax Condition Classes to Organizations, page 2-59for more information.

To define tax condition classes for organizations:

1. In the Class Type field, enter *Organization Class*.
2. Check the Only Mandatory Conditions check box.
3. In the Class Code field, enter the tax code to use with this tax condition class.

4. Select the operating unit for this tax condition class.

5. In the Tax Category fields, enter the tax categories that you want in this tax condition class.

6. In the Condition Code fields, enter the tax condition to associate with each tax category.

7. In the Value Code fields, enter the tax condition value to associate with each tax category/tax condition combination.

8. Check the Enabled check box for every tax category, tax condition, and tax condition value that you enter. If you want to omit one or more of these combinations from the tax condition class, uncheck the check box.

   You can use the Enable All and Disable All buttons to enable or disable all check boxes at once. You can enable or disable check boxes individually, depending on your needs.

12. Assign Tax Condition Classes to Organizations

Use the globalization flexfield in the Location window to assign an organization tax condition class to each inventory organization defined in Oracle Applications.

The organization inherits the values for the determining factor tax conditions associated with each tax category contained in the organization tax condition class.

To assign tax condition classes to organizations:

1. In the Organization window, query the organization that you want.

2. Enter *Inventory Organization* in the Name field.

3. Check the Enabled check box.

4. Save your work.

5. In the Location window, query the inventory organization that you defined in the Organization window.

6. Navigate to the globalization flexfield.

7. In the Organization Class field in the globalization flexfield, enter the organization tax condition class.

8. Enter a tax code in the Tax Code field, if you define the tax rule *Organization Tax Code* for a tax category.

9. Press the OK button.

10. Save your work.

13. Define Tax Condition Classes for Contributors

Use the Latin Tax Condition Classes window to define contributor (customer) tax condition classes for each tax category. A contributor tax condition class defines the tax condition values for each tax category for different customer types.

Each contributor tax condition class must contain every tax category and all determining factortax conditions defined for the tax category at the contributor level. For each contributor tax condition class, define only one tax condition value for each tax category/tax condition combination.

Each contributor tax condition class must include every tax condition that was defined as Mandatory in Class and that was associated with the tax category at the contributor level.

> **Note:** You must define a contributor tax condition class for every valid combination of tax category/tax condition values for which you have a customer that matches the combination of values. To determine the number of contributor tax condition classes that you need to define, first draw up a list all of the possible combinations of tax codes/determining factor tax conditions/tax condition values. Review the list carefully, and if you have a customer that matches any row in the list, create a separate contributor tax condition class for that row.

After you define contributor tax condition classes, assign them to your customers. See Step 14. Assign Tax Condition Classes to Contributors, page 2-61 for more information.

To define tax condition classes for contributors:

1. In the Class Type field, enter *Contributor Class*.
2. Check the Only Mandatory Conditions check box.
3. In the Class Code field, enter the tax code to use with this tax condition class.
4. Select an operating unit for this tax condition class.
5. In the Tax Category fields, enter the tax categories that you want in this tax condition class.
6. In the Condition Code fields, enter the tax condition to associate with each tax category.
7. In the Value Code fields, enter the tax condition value to associate with each tax category/tax condition combination.

8. Check the Enabled check box for every tax category, tax condition, and tax condition value that you enter. If you want to omit one or more of these combinations from the tax condition class, uncheck the check box.

14. Assign Tax Condition Classes to Contributors

Use the globalization flexfield in the Customer Addresses window to assign a contributor tax condition class to each customer address for each customer defined in Oracle Applications.

The customer inherits the values for the determining factor tax conditions associated with each tax category contained in the contributor tax condition class.

To assign tax condition classes to contributors:

1. Query the first customer that you want in the Customers window.
2. Navigate to the Customer Addresses window for this customer.
3. Query the first address for this customer, then navigate to the globalization flexfield.
4. In the Contributor Class field, enter the contributor tax condition class.
5. Repeat steps 1 to 4 for each customer and customer address.

15. Define Customers

Use the Party Tax Profiles page in Oracle E-Business Tax to enter a tax code for a customer, if you define the tax rule *Customer Tax Code* for a tax category.

The tax code and rule apply to a specific customer.

Related Topics

Setting Up a Third Party Tax Profile, *Oracle E-Business Tax User Guide*

16. Define Customer Site (Bill To, Ship To)

Use the Business Purpose Detail window to enter a tax code for a customer address, if you define the tax rule *Bill To Site Tax Code* or *Ship To Site Tax Code* for a tax category.

The tax code and rule apply to a specific customer bill to site or ship to site.

To enter a tax code for a customer bill to or ship to site:

1. Navigate to the Customers - Standard window.
2. Navigate to the Customer Addresses window for a customer address.
3. Navigate to the Business Purpose Detail window by pressing the Open button.

4. In the Usage field, enter *Bill To* or *Ship To*.

5. In the Tax Code field, enter the tax code to use for the tax rule for this address.

6. Complete the rest of the window.

7. Save your work.

17. Define Customer Site Tax Profiles

Use the Latin Tax Customer Site Profile window to modify the tax condition values for a specific customer site.

In some cases, not all the tax categories or tax conditions and values in the contributor tax condition class that you assign to customer addresses apply to every customer site. The Latin Tax Customer Site Profile window lets you modify the tax categories, and conditions and values, for an individual customer site, without these changes affecting the other customer sites.

Use the Tax Class Details region of the Latin Tax Customer Site Profile window to make your changes to a customer site profile. You can change the tax condition values for one or more tax categories. You can also insert new tax categories and tax conditions, or delete existing tax conditions.

To modify the tax condition values for a customer site:

1. Select the applicable operating unit.

2. Query the customer name and site that you want.

3. Press the Find button to display the tax class details for this customer site.

4. In the Tax Category field, enter a new tax category to apply to this customer site.

5. In the Condition Code field, enter a new tax condition to apply to this customer site.

6. In the Value Code field, enter a new tax condition value to apply to a tax condition.

7. Uncheck the Enabled check box to render inactive a tax condition and value.

   You can use the Enable All and Disable All buttons to enable or disable all check boxes at once. You can enable or disable check boxes individually, depending on your needs.

18. Define Latin Locations

Use the Define Latin Locations window to enter a tax code for specific ship from/ship to combinations, if you define the tax rule *Ship From / Ship To Site Tax Code* for a tax category.

The tax code and rule apply to a specific ship from/ship to site combination.

To enter a tax code for a ship from/ship to combination:

1. Select the applicable operating unit.
2. In the Shipment Location From field, enter the ship from location.
3. In the Shipment Location To field, enter the ship to location.
4. In the Tax Category field, enter the tax category that applies to this ship from/ship to combination.
5. In the Base Rate field, enter the rate to apply to the taxable base.

   You only enter a value in this field for taxable base modifications. The Latin Tax Engine uses this value if the Base rule is *Ship From / Ship To Site Tax Code*.
6. In the Tax Code field, enter the tax code to use for the tax rule for this ship from/ship to combination.
7. Save your work.

19. Define Tax Condition Classes for Transactions

Use the Latin Tax Condition Classes window to define transaction tax condition classes for each tax category. A transaction tax condition class defines the tax condition values for each tax category for different items and memo lines.

Each transaction tax condition class must contain every tax category and all determining factortax conditions defined for the tax category at the transaction level. For each transaction tax condition class, define only one tax condition value for each tax category/tax condition combination.

Each transaction tax condition class must include every tax condition that was defined as Mandatory in Class and that was associated with the tax category at the transaction level.

> **Note:** You must define a transaction tax condition class for every valid combination of tax category/tax condition values for which you have an item or memo line that matches the combination of values. To determine the number of transaction tax condition classes that you need to define, first draw up a list all of the possible combinations of tax codes/determining factor tax conditions/tax condition values. Review the list carefully, and if you have a transaction that matches any row in the list, create a separate transaction tax condition class for that row.

After you define transaction tax condition classes, assign them to items and memo lines.

See Step 22. Assign Tax Condition Classes and Fiscal Classifications to Items, page 2-65 and Step 24. Assign Tax Condition Classes and Fiscal Classifications to Memo Lines, page 2-66 for more information.

To define tax condition classes for transactions:

1. In the Class Type field, enter *Transaction Class*.
2. Check the Only Mandatory Conditions check box.
3. In the Class Code field, enter the tax code to use with this tax condition class.
4. Select the applicable operating unit.
5. In the Tax Category fields, enter the tax categories that you want in this tax condition class.
6. In the Condition Code fields, enter the tax condition to associate with each tax category.
7. In the Value Code fields, enter the tax condition value to associate with each tax category/tax condition combination.
8. Check the Enabled check box for every tax category, tax condition, and tax condition value that you enter. If you want to omit one or more of these combinations from the tax condition class, uncheck the check box.

20. Define Fiscal Classifications

Use the Latin Fiscal Classifications window to define fiscal classifications and associate them with tax categories. You define fiscal classifications for both items and memo lines. You can also define special fiscal classification codes within items and memo lines, for example, alcohol, tobacco, consultancy, and catering.

You can assign a tax code to each tax category that you associate with a fiscal classification code. The Latin Tax Engine uses the tax code associated with a fiscal classification code to calculate tax when the Rate tax rule for the tax category is *Fiscal Classification Code*.

If your country uses base rates to calculate tax, you can optionally enter a value for the base rate modifier. The Latin Tax Engine uses the base rate modifier associated with a fiscal classification code to calculate tax when the Base tax rule for the tax category is *Fiscal Classification Code*.

If you want to derive a tax code and rate, or a base rate modifier, from a fiscal classification code, you must also define fiscal classification code tax rules. See Step 32. Define Latin Tax Rules, page 2-72 for more information.

To define fiscal classifications:

1. In the Fiscal Classification Code field, enter the fiscal classification code.

2. Check the Enabled check box to activate the code.

   You can use the Enable All and Disable All buttons to enable or disable all check boxes at once. You can enable or disable codes individually, depending on your needs.

3. Select the applicable operating unit.

4. In the Tax Category fields, enter the tax categories that apply to this fiscal classification.

5. In the From Date and To Date fields, enter the effective dates for this fiscal classification.

6. In the Tax Code fields, enter the tax code to associate with this fiscal classification.

21. Define Items

Use the Master Item window to enter a tax code for an item, if you define the tax rule *Item Tax Code* for a tax category.

The tax code and rule apply to a specific item.

To enter a tax code for an item:

1. Navigate to the Master Item window.

2. Navigate to the Invoicing tabbed region.

3. In the Tax Code field, enter the tax code to use for the tax rule for this item.

4. Save your work.

22. Assign Tax Condition Classes and Fiscal Classifications to Items

Use the globalization flexfield in the Master Item window to assign a primary inventory item application, fiscal classification code, and transaction tax condition class to each item defined in Oracle Applications.

Select the inventory item application that you want to associate the item with most often.

If you use the item only in Receivables/Order Entry, select *AR*. The lists of values in the Fiscal Classification Code field and the Transaction Condition Class field display only the values you defined for Receivables.

If you use the item only in Purchasing, select *PO*. The lists of values in the Fiscal Classification Code field and the Transaction Condition Class field display only the values you defined for Purchasing.

If you use the item in both Receivables and Purchasing, select *INV*. The lists of values in the Fiscal Classification Code field and the Transaction Condition Class field display both the values you defined for Receivables and the values you defined for Purchasing. Select Receivables values in these fields if you use the item primarily in Receivables. Select Purchasing values if you use the item primarily in Purchasing.

The item inherits the values for the determining factor tax conditions associated with each tax category contained in the transaction tax condition class. Depending on your country tax requirements, you can also assign a fiscal classification code to an item.

23. Define Memo Lines

Use the Standard Memo Lines window to enter a tax code for a memo line, if you define the tax rule *Memo Line Tax Code* for a tax category.

The tax code and rule apply to a specific memo line.

To enter a tax code for a memo line:

1. In the Tax Product Category field, enter the tax code to use for the tax rule for this customer.

24. Assign Tax Condition Classes and Fiscal Classifications to Memo Lines

Use the Standard Memo Lines window to assign a fiscal classification code and transaction tax condition class to each memo line defined in Oracle Applications.

The memo line inherits the values for the determining factor tax conditions associated with each tax category contained in the transaction tax condition class. Depending on your country tax requirements, you can also assign a fiscal classification code to a memo line.

25. Define Transaction Types

Use the Transaction Types window to define transaction types. Use the globalization flexfield in the Transaction Types window to enter country-specific options for your transaction types.

In order for the Latin Tax Engine to calculate taxes correctly, you must choose these settings in the Transaction Types window for your transaction types:

- Check the Tax Calculation check box
- Check the Allow Overapplication check box

By selecting the Tax Calculation check box, Receivables cannot complete an invoice until each invoice line has a tax line. If the Latin Tax Engine does not automatically generate a tax line, then save the invoice, review the tax setup and calculate the taxes again. Do not enter manual tax lines, as the Latin Tax Engine does not support entering tax lines manually.

You can enter a tax group or a tax code in the globalization flexfield in the Transaction Types window, if you want to default a tax group or tax code at the invoice line or sales order line whenever this transaction type is chosen.

26. Define Latin Tax Groups

Use the Latin Tax Groups window to define tax groups to use to calculate taxes on invoices.

A tax group contains related tax categories with combinations of organization tax conditions, contributor tax conditions, and transaction tax conditions for invoice lines. You can only include determining factor tax conditions in a tax group.

Defining a tax group

Depending on the tax requirements of your country, you can create one tax group only for all transactions, or more than one tax group for related transactions.

When you define a tax group, you must add a tax category for each combination of determining factor tax conditions and tax condition values. You may add the same tax category to a tax group more than once, if multiple tax conditions and values apply for the tax category.

> **Note:** The Latin Tax Engine does not calculate the tax category more than once for an invoice line, because each invoice line only has one combination of tax condition values.

You can assign a default tax code to each tax category in the tax group. The Latin Tax Engine only uses the default tax code on an invoice line when the applicable tax rule is *Tax Group*.

You can also assign effective dates, minimum taxable amount, and minimum tax amount to each tax category in the tax group.

After you create tax groups, assign them to each transaction type. See Step 27. Assign Tax Group to Transaction Types, page 2-68 for more information.

Using a tax group

The tax group is the starting point for calculating taxes using the Latin Tax Engine. You enter a tax group in the Tax Code field in the Lines window of the Transactions Work Bench. The Latin Tax Engine determines the tax category or categories to use to calculate tax on a transaction line, based on the combination of values for the organization, contributor, and transaction determining factor tax conditions.

Oracle Receivables generates a tax line for every tax category that the Latin Tax Engine applies to a transaction. If necessary, you can override taxes that are defaulted from the tax category.

These exceptions apply to overriding default taxes:

- You cannot override a tax category marked as Inclusive Tax.
- If you are using tributary substitution, you must enter a tax category to compound the base.

To define a tax group:

1. Select the applicable operating unit.
2. The Contributor Condition, Organization Condition, and Transaction Condition fields display the determining factor tax conditions for each tax category.

   Use the Contributor Value, Organization Value, and Transaction Value fields to modify the tax condition value for the tax condition.
3. Enter a tax code in the Tax Code field for a tax category, if you intend to define a rule to look for the tax code in the tax group.
4. Enter a value in the Base Rate field, if you want the Latin Tax Engine to modify the taxable base for a tax category.
5. Check the Tributary Substitution check box for tax categories that use tributary substitution.
6. Enter a tax category in the Tax Category to Compound Base field for a tax category, if you checked the Tributary Substitution check box or if you want the Latin Tax Engine to compound the line amount with another tax amount.
7. Enter values in the Minimum Amount, Minimum Taxable Base, and Minimum % fields, if applicable for the tax category.
8. Check the Inclusive Tax check box, if you want tax for a tax category included in the price at invoice line level. Leave the check box unchecked if you do not.

27. Assign Tax Group to Transaction Types

Use the globalization flexfield in the Transaction Types window to assign the tax group that you defined to each transaction type. Transactions created with transaction types inherit the tax group.

Check the Tax Calculation check box and the Allow Over Application check box for each transaction type. This lets the Latin Tax Engine calculate and account taxes.

To assign the tax group to transaction types:

1. In the Transaction Types window, query or enter a transaction type.
2. Navigate to the globalization flexfield.
3. Enter *No* in the Void Original Transaction field.

4. In the Tax Code field, enter the tax group.

5. Press the OK button.

6. Repeat steps 2 to 6 for each transaction type.

7. Save your work.

28. Define Tax Exceptions by Fiscal Classification

Use the Latin Tax Exceptions by Fiscal Classification window to define tax exceptions by fiscal classification code for combinations of ship from/ship to locations and tax categories. For each tax exception, you must enter a value for the base rate modifier, tax code, or both.

The Latin Tax Engine uses the tax code for a particular ship from/ship to location and tax category combination when the applicable Rate tax rule is defined as *Ship From/Ship To Site Exception by Fiscal Classification Tax Code*.

The Latin Tax Engine uses the base rate to modify the line amount for a particular ship from/ship to location and tax category combination when the applicable Base tax rule is defined as *Ship From/Ship To Site Exception by Fiscal Classification Tax Code*.

You must define a Latin tax rule for tax exceptions by fiscal classification. See Step 32. Define Latin Tax Rules, page 2-72 for more information.

To define tax exceptions by fiscal classification:

1. Select the applicable operating unit.

2. In the From and To fields, enter the ship from and ship to locations.

3. In the Fiscal Classification Code field, enter the fiscal classification for this exception.

4. In the Tax Category field, enter the tax category for this exception.

5. In the Base Rate field, enter the rate to apply to the taxable base.

   You only enter a value in this field for taxable base modifications. The Latin Tax Engine uses this value if the Base rule is *Tax Exceptions by Fiscal Classification*.

6. In the Tax Code field, enter the tax code to use for this exception.

7. In the From Date and To Date fields, enter the effective dates for this exception.

29. Define Tax Exceptions by Items

Use the Latin Tax Exceptions by Items window to define tax exceptions by item for combinations of ship from/ship to locations and tax categories. For each tax exception,

you must enter a value for the base rate modifier, tax code, or both.

The Latin Tax Engine uses the tax code for a particular ship from/ship to location and tax category combination when the applicable Rate tax rule is defined as *Ship From/Ship To Site Exception by Item Tax Code*.

The Latin Tax Engine uses the base rate to modify the line amount for a particular ship from/ship to location and tax category combination when the applicable Base tax rule is defined as *Ship From/Ship To Site Exception by Item Tax Code*. You must define a Latin tax rule for tax exceptions by items.

See Step 32. Define Latin Tax Rules, page 2-72 for more information.

To define tax exceptions by items:

1. Select the applicable operating unit.
2. In the From and To fields, enter the ship from and ship to locations.
3. In the Warehouse field, select the warehouse that you want to associate with the item for this exception.
4. In the Item Code field, enter the item for this exception.
5. In the Tax Category field, enter the tax category for this exception.
6. In the Base Rate field, enter the rate to apply to the taxable base.

   You only enter a value in this field for taxable base modifications. The Latin Tax Engine uses this value if the Base rule is *Tax Exceptions by Items*.
7. In the Tax Code field, enter the tax code to use for this exception.
8. In the From Date and To Date fields, enter the effective dates for this exception.

30. Define Tax Exceptions by Customer Site

Use the Latin Tax Exceptions by Customer Sites window to define tax exceptions by customer site for combinations of customer site and tax categories.

You define tax exceptions by customer site when a customer is eligible for a tax deduction in a certain tax category and/or geographical location. For example, new customers that bring business into a country may receive tax deductions and are therefore classified as tax exceptions. Some tax exceptions apply to the customer, while other tax exceptions apply to certain customer sites only.

The Latin Tax Engine uses the tax code associated with a tax exception by customer site to calculate tax when the Rate tax rule for the tax category is *Tax Exception by Customer Site*. You must define a Latin tax rule for tax exceptions by customer site. See Step 32. Define Latin Tax Rules, page 2-72 for more information.

To define tax exceptions by customer site:

1. Select the applicable operating unit.

2. Query the customer and customer site that you want.

3. Press the Find button to display the tax exceptions for this customer and customer site.

4. In the From and To fields, enter the effective dates for the tax exception.

5. In the Tax Code field, enter a tax code if you want the Latin Tax Engine to find a tax code using the rule Tax Exception by Customer Site.

6. In the Base Rate field, enter the rate to apply to the taxable base.

   You only enter a value in this field for taxable base modifications. The Latin Tax Engine uses this value if the Base rule is *Tax Exceptions by Customer Site*.

31. Define Tax Exceptions by Transaction Condition Value

Use the Latin Tax Exceptions by Transaction Condition Values window to define tax exceptions by transaction condition value for combinations of transaction condition values and tax categories.

Tax exceptions only apply to non-determining factor tax conditions. For example, if you have a tax condition for VAT on goods, you can define an exception for goods that are not normally subject to VAT.

You define tax exceptions for combinations of tax category and tax condition. You can designate one or more tax condition values belonging to the tax condition as tax exceptions, and assign a tax code to each tax condition value.

The Latin Tax Engine uses the tax code associated with a tax exception by transaction condition value to calculate tax when the Rate tax rule for the tax category is *Tax Exception by Transaction Condition Value*. You must define a Latin tax rule for tax exceptions by transaction condition value. See Step 32. Define Latin Tax Rules, page 2-72 for more information.

To define tax exceptions by transaction condition value:

1. Select the applicable operating unit.

2. Use the Priority Number field when more than one transaction condition exception applies to a single tax category.

3. In the Tax Category field, enter the tax category that you want.

4. In the Tax Condition Name field, enter the transaction tax condition to use as the exception.

5. In the Tax Condition Value fields, enter the transaction tax condition values to use

as exceptions.

If there is more than one transaction tax condition value exception, use the Priority Number field to number them.

6. In the Start Date Active and End Date Active fields, enter the effective dates for the tax exception.

7. In the Tax Code fields, enter the tax code to associate with the tax exception.

32. Define Latin Tax Rules

Use the Latin Tax Rules window to define one or more tax rules for each combination of tax category, contributor condition value, and transaction type. The Latin Tax Engine uses these rules to determine the tax rate or the base rate modifier to apply to a transaction.

The tax rules used to find the tax rate are:

- Bill To Site
- Customer Exception
- Customer
- Exception by Transaction Condition Value
- Fiscal Classification
- Item
- Tax Group
- Memo Line
- Organization
- Ship From/Ship To Site Exception by Item
- Ship From/Ship To Site (Location)
- Ship From/Ship To Site Exception by Fiscal Classification
- System Options
- Tax Category
- Tax Schedule

- Ship To Site

The tax rules used to find the base rate modifier are:

- Customer Exception
- Exception by Transaction Condition Value
- Fiscal Classification
- Tax Group
- Ship From/Ship To Site Exception by Item
- Ship From/Ship To Site
- Ship From/Ship To Site Exception by Fiscal Classification

You can define rules to calculate the taxable base and to calculate the tax. Taxable base rules are labeled *Base*; tax calculation rules are labeled *Rate*. Define as many rules as require.

For every tax rule that you use, make sure that you have entered a tax code for the tax category in the applicable window. For example, if you use the tax rule *Latin Tax Group*, enter a tax code for the tax category in the Latin Tax Groups window.

To define a default tax rule, enter *Default* in the Value field and the default transaction type in the Transaction Type field. The default transaction type corresponds to the transaction type that you entered in the Receivables System Options window.

To define tax rules:

1. Select the applicable operating unit.
2. If you defined exceptions for one or more tax categories, define exceptions as your first tax rules for the applicable tax categories.
3. In the Value field, enter the tax condition value to use.
4. In the Transaction Type field, enter the type of transaction to which this rule applies.
5. In the Rule Level field, enter Rate to retrieve a tax code for the tax rate, or Base to retrieve a tax code for the base modifier.
6. In the Priority fields, enter two-digit values to indicate the hierarchy of tax rules, for example, *10*, *20*, *30*, and so on.
7. Enter the tax rule in the Rule field. Enter rules in the order that you want the Latin Tax Engine to use them.

33. Define Legal Messages

Use the Standard Messages window to enter your legal messages.

You enter a name for the legal message in the Name field, the type of message in the Type field, and the text of the message in the Message field.

After you define legal messages, you need to associate each message with a combination of tax rule, tax exception, and rule data.

See Step 34. Associate Legal Messages and Tax Rules, page 2-74 for more information.

Related Topics

Standard Messages, *Oracle Receivables User Guide*

34. Associate Legal Messages and Tax Rules

Use the Associate Latin Tax Legal Messages window or Legal Messages window to associate legal messages with Latin tax rules. You associate a legal message, which you created in the Standard Messages window, with a combination of tax rule, tax exception, and rule data.

Legal messages are fiscal messages on invoices that explain the reason why a lower tax rate is applied to an invoice line for various exceptions. For example, if a customer is exempt from a certain tax that normally applies to the transaction, the Brazilian tax authority requires a note printed on the invoice to explain the reason for the exception. Similarly, an item that belongs to a fiscal classification may be charged a lower rate, and this transaction would also require a printed explanation.

You apply legal message exception codes to invoice lines to describe the exception. See Step 4. Define Legal Message Exception Codes, page 2-48 for more information. You can create as many legal messages as you want for each tax rule. You can create, however, only one legal message for each combination of tax rule, tax category, contributor type, transaction type, exception, and rule data.

The tax rule data that you associate with legal messages appears in the Legal Messages region of the Associate Latin Tax Legal Messages window or the Rule region of the Legal Messages window based on the tax rule that you enter.

> **Note:** You can access the Legal Messages window using the Legal Messages button on these windows:
>
> - Latin Tax Groups
> - Latin Fiscal Classifications
> - Latin Locations
> - Latin Tax Exceptions by Customer Site

- Latin Tax Exceptions by Transaction Condition Values
- Latin Tax Exceptions by Item
- Latin Tax Exceptions by Fiscal Classification

This table describes the tax rules used to associate legal messages for a given business situation and indicates which window to use to associate legal messages. Even though you can use either window for some tax rules, you should use the Legal Messages window whenever possible.

Rate or Exemption For...	Use this Tax Rule...	Use this Window...
Customer	Customer Tax Code	Associate Latin Tax Legal Messages window
Customer Exception	Customer Exception Tax Code	Legal Messages window from the Latin Tax Exceptions by Customer Site window
Exception by Transaction Condition Value	Exception by Transaction condition value Tax Code	Legal Messages window from the Latin Tax Exceptions by Transaction Condition Values window
Fiscal Classification Code	Fiscal Classification Code	Legal Messages window from the Latin Fiscal Classifications window
Item	Item Tax Code	Associate Latin Tax Legal Messages window
Latin Tax Group	Latin Tax Group Tax Code	Legal Messages window from the Latin Tax Groups window
Memo Line	Memo Line Tax Code	Associate Latin Tax Legal Messages window
Organization	Organization Tax Code	Associate Latin Tax Legal Messages window
Ship From / Ship To Site	Ship From / Ship To Site Tax Code	Legal Messages window from the Latin Locations window

Rate or Exemption For...	Use this Tax Rule...	Use this Window...
Ship From / Ship To Site Exception By Item	Ship From / Ship To Site Exception By Item Tax Code	Legal Messages window from the Latin Tax Exceptions by Item window
Ship From/To Site Exception by Fiscal Classification	Ship From/To Site Exception by Fiscal Classification Tax Code	Legal Messages window from the Latin Tax Exceptions by Fiscal Classification window

Prerequisites

Before you can use the Associate Latin Tax Legal Messages or Legal Messages window, you must:

- Define tax codes.
- Define tax rules.
- Define legal message exception codes.
- Record legal messages as standard statement messages in Oracle Receivables (150 character maximum).

To associate a legal message to a tax rule using the Associate Latin Tax Legal Messages window:

1. Navigate to the Associate Latin Tax Legal Messages window.
2. Select the applicable operating unit.
3. Query the tax rule that you want to associate legal messages with.
4. Navigate to the Legal Messages region.
5. In the Exception Name field, enter the tax exception that the legal message applies to.

   Depending on the tax rule that you choose, Oracle Receivables displays the relevant rule data.

   - **Customer Tax Code** - In the Customer Name field, enter the customer that the legal message applies to.
   - **Item Tax Code** - In the Warehouse field, enter the warehouse that the item belongs to. In the Item field, enter the item that the legal message applies to.

The description of the item defaults in the Description field.

- **Memo Line Tax Code** - In the Memo Line field, enter the memo line that the legal message applies to.
- **Organization Tax Code** - In the Organization field, enter the organization that the legal message applies to.

6. Enter the legal message name in the Message Name field.
7. Repeat step 3 to 5 to associate other legal messages to this tax rule.
8. Repeat steps 2 to 6 for all legal messages and tax rules that you want to associate.
9. Save your work.

To associate a legal message to a tax rule using the Legal Messages window:

1. Navigate to the appropriate Latin Tax Engine window:
   - Latin Tax Groups
   - Latin Fiscal Classifications
   - Latin Locations
   - Latin Tax Exceptions by Customer Site
   - Latin Tax Exceptions by Transaction Condition Values
   - Latin Tax Exceptions by Item
   - Latin Tax Exceptions by Fiscal Classification
2. Query the entity that you want to associate a message for, such as a fiscal classification code or Latin tax group.
3. Select the detail line that you want and press the Legal Messages button.

   The Legal Messages window appears.

   The fields in the Rule region display different rule data depending on the tax rule. These fields default with information from the Latin Tax Engine window that you started with.
4. Navigate to the Legal Messages region.
5. In the Exception Name field, enter the tax exception that the legal message applies to.

6. Enter the legal message name in the Message Name field. The message text defaults in the Text field.

7. Repeat steps 4 to 6 to associate other legal messages to this tax rule.

8. Save your work.

How the Latin Tax Engine Calculates Taxes

This section provides an example of how the Latin Tax Engine uses setup information and tax rules to calculate taxes on an invoice. The example includes setup data and tax rules, and applies this information to an invoice.

Tax Categories, Tax Conditions, and Values

This example uses seven tax categories:

- Federal Tax 1
- Federal Tax 2
- Federal Tax 3
- Provincial Tax 1
- Provincial Tax 2
- Provincial Tax 3
- Provincial Tax 4

The following three tables describe—for each tax condition class—the tax conditions and tax condition values that apply to each tax category.

> **Note:** The transaction tax condition class has two tax conditions and tax condition values for the tax category Federal Tax 1 in order to account for fixed asset transaction items.

Organization Tax Condition Class

This table describes the organization tax condition class:

Tax Category	Tax Condition	Tax Condition Value
Federal Tax 1	Federal Condition 1	Applicable

Tax Category	Tax Condition	Tax Condition Value
Federal Tax 2	Federal Condition 2	Applicable
Federal Tax 3	Federal Condition 3	Not Applicable
Provincial Tax 1	Provincial Condition 1	Applicable
Provincial Tax 2	Provincial Condition 2	Not Applicable
Provincial Tax 3	Provincial Condition 3	Not Applicable
Provincial Tax 4	Provincial Condition 4	Not Applicable

Customer Tax Condition Class

This table describes the customer tax condition class:

Tax Category	Tax Condition	Tax Condition Value
Federal Tax 1	Federal Customer Condition 1	Applicable
Federal Tax 2	Federal Customer Condition 2	Applicable
Federal Tax 3	Federal Customer Condition 3	Not Applicable
Provincial Tax 1	Provincial Customer Condition 1	Applicable
Provincial Tax 2	Provincial Customer Condition 2	Not Applicable
Provincial Tax 3	Provincial Customer Condition 3	Not Applicable
Provincial Tax 4	Provincial Customer Condition 4	Not Applicable

Transaction Tax Condition Class

This table describes the transaction tax condition class:

Tax Category	Tax Condition	Tax Condition Value
Federal Tax 1	Item Type	Goods
Federal Tax 1	Fixed Asset	Yes
Federal Tax 2	Item Type	Goods
Federal Tax 3	Item Type	Goods
Provincial Tax 1	Taxable?	Taxable
Provincial Tax 2	Taxable?	Taxable
Provincial Tax 3	Taxable?	Taxable
Provincial Tax 4	Taxable?	Taxable

Note: The organization tax condition class is determined by the warehouse that you enter for transaction lines. You must enter a warehouse in the Warehouse Name field of the Lines window. If you do not enter a warehouse for invoices that were entered earlier, and modify or make these invoices incomplete, then you may get incorrect tax calculations.

Tax Group

This table shows the tax group for the seven tax categories in the example.

Tax Category	Organization Tax Condition	Customer Tax Condition	Transaction Tax Condition	Rate (Code)
Federal Tax 1	Applicable	Applicable	Goods	21
Federal Tax 1	Applicable	Applicable	Services	27
Federal Tax 2	Applicable	Applicable	Goods	6
Federal Tax 2	Applicable	Applicable	Services	8

Tax Category	Organization Tax Condition	Customer Tax Condition	Transaction Tax Condition	Rate (Code)
Federal Tax 3	Applicable	Applicable	Goods	
Federal Tax 2	Applicable	Applicable	Services	13
Provincial Tax 1	Applicable	Applicable	Taxable	9
Provincial Tax 2	Applicable	Applicable	Taxable	4
Provincial Tax 3	Applicable	Applicable	Taxable	5
Provincial Tax 4	Applicable	Applicable	Taxable	3

This tax group defines all of the combinations of tax category, organization tax condition and value, customer tax condition and value, and transaction tax condition and value that require taxes calculated.

For example, the tax category Federal Tax 1 is calculated on all transactions where:

- Organization tax condition of *Federal Condition 1* has a value of *Applicable*
- Customer tax condition *Federal Customer Condition 1* has a value of *Applicable*
- Transaction tax condition *Item Type* has a value of *Goods* (entry 1) or *Services* (entry 2)

Tax Rules

This table shows the tax rules that are used to calculate taxes for the seven tax categories in the example:

Tax Category	Customer Condition	Priority	Rule
Federal Tax 1	Applicable	10	Fiscal Classification
Federal Tax 1	Applicable	20	Transaction Nature Exception
Federal Tax 1	Applicable	30	Tax Group

Tax Category	Customer Condition	Priority	Rule
Federal Tax 2	Applicable	10	Customer Site Exception
Federal Tax 2	Applicable	20	Customer
Federal Tax 2	Applicable	30	Tax Group
Federal Tax 3	Applicable	10	Tax Group
Federal Tax 3	Applicable	20	Tax Category
Provincial Tax 1	Applicable	10	Fiscal Exception
Provincial Tax 1	Applicable	20	Latin Location Exception
Provincial Tax 1	Applicable	30	Item Exception
Provincial Tax 2	Applicable	10	Tax Group
Provincial Tax 3	Applicable	10	Tax Group
Provincial Tax 4	Applicable	10	Tax Group

The tax rules tell the Latin Tax Engine where to search for actual rates for each tax. In this example, for *Federal Tax 1* the Latin Tax Engine first looks for a tax rate from the fiscal classification of the item, then from the transaction nature exception for the item, and finally from the tax group.

Example

In this example, the Latin Tax Engine determines that there are four taxes to calculate by comparing the values of the organization tax condition class, customer tax condition class, and transaction tax condition class with the tax group. The four taxes to calculate are:

- Federal Tax 1
- Federal Tax 2
- Federal Tax 3

- Provincial Tax 1

Provincial Tax 2, Provincial Tax 3, and Provincial Tax 4 are not calculated because the organization and customer tax condition values are *Not Applicable*.

The Latin Tax Engine turns to the tax rules to determine how to calculate each tax. For each tax category, the Latin Tax Engine will use the hierarchy of rules defined for that tax category to look for a tax rate that applies to the taxable item.

The invoice for this example is from customer XYZ Corporation, with ship-from location Province 1, ship-to location Province 3, and taxable item Item 432. This table shows the invoice line information:

Item	Fiscal Class	Amount
Item 432	Hardware	100,000

Calculating Federal Tax 1

For Federal Tax 1, the Latin Tax Engine goes to the first tax rule, Fiscal Classification, and looks for a tax rate in the fiscal classification. The fiscal classification for Item 432 is *Hardware*. The Latin Tax Engine finds that there are Federal Tax 1 tax rates for the fiscal classifications Software, Services, and Food, but not the fiscal classification Hardware.

The Latin Tax Engine goes to the next tax rule, Transaction Nature Exception, and looks for a tax rate in the transaction nature exception. The Latin Tax Engine finds that there is a Federal Tax 1 tax rate for fixed assets. Federal Tax 1 was defined with a transaction tax condition *Fixed Asset* and tax condition value *Yes*. Therefore, the Latin Tax Engine uses the transaction nature exception rule for the tax rate.

> **Note:** The condition *Fixed Asset* is not a determining factor tax condition.

Once the tax rate is found, the Latin Tax Engine calculates the tax for this invoice line. The tax rate was zero, so the calculation (100,000 * 0) is zero. This table shows the updated invoice line information:

Item	Fiscal Class	Amount
Item 432	Hardware	100,000
Federal Tax 1		0

Calculating Federal Tax 2

For Federal Tax 2, the Latin Tax Engine goes to the first tax rule, Customer Site Exception, and looks for a tax rate in customer site exceptions. The Latin Tax Engine finds that there are customer site exceptions for customer ABC Corporation, but not for XYZ Corporation.

The Latin Tax Engine goes to the next tax rule, Customer, and looks for a tax rate for the customer. The Latin Tax Engine finds that there is separate tax group with its own set of conditions and values for customer XYZ Corporation. The Latin Tax Engine looks at the tax group attached to XYZ Corporation and finds the appropriate tax rate for tax category Federal Tax 2.

Once the tax rate is found, the Latin Tax Engine calculates the tax for this invoice line. The tax rate found is 6%, so the calculation is 6,000 (100,000 * 6%). This table shows the updated invoice line information:

Item	Fiscal Class	Amount
Item 432	Hardware	100,000
Federal Tax 1		0
Federal Tax 2		6,0000

Calculating Federal Tax 3

For Federal Tax 3, the Latin Tax Engine goes to the first tax rule, Tax Group, and looks for a tax rate in the tax group. There is no tax rate in the original tax group entry for Federal Tax 3.

The Latin Tax Engine goes to the next tax rule, Tax Category, and looks for a tax rate in the tax category. The Latin Tax Engine finds the tax rate for Federal Tax 3 in the tax category.

Once the tax rate is found, the Latin Tax Engine calculates the tax for this invoice line. The tax rate found is 10%, so the tax calculated is 10,000 (100,000 * 10%). This table shows the updated invoice line information:

Item	Fiscal Class	Amount
Item 432	Hardware	100,000
Federal Tax 1		0

Item	Fiscal Class	Amount
Federal Tax 2		6,0000
Federal Tax 3		10,000

Calculating Provincial Tax 1

For Provincial Tax 1, the Latin Tax Engine goes to the first tax rule, Fiscal Classification Exception, and looks for a tax rate in fiscal classification exceptions. The fiscal classification for Item 432 is *Hardware*. The Latin Tax Engine finds that there is a Provincial Tax 1 tax rate from Province 1 to Province 3 for the fiscal classification Software, but not the fiscal classification Hardware

The Latin Tax Engine goes to the next tax rule, Latin Location Exception, and looks for a tax rate in Latin location exceptions. There is no tax rate for Provincial Tax 1 from Province 1 to Province 3.

The Latin Tax Engine goes to the next tax rule, Item Exception, and looks for a tax rate in the item exceptions. The Latin Tax Engine finds a tax rate for Provincial Tax 1 from Province 1 to Province 3.

Once the tax rate is found, the Latin Tax Engine calculates the tax for the invoice line. The tax rate found is 9%, so the tax calculated is 9,000 (100,000 * 9%). This table shows the updated invoice line information:

Item	Fiscal Class	Amount
Item 432	Hardware	100,000
Federal Tax 1		0
Federal Tax 2		6,0000
Federal Tax 3		10,000
Provincial Tax 1		9,0000

The total of the invoice including tax is 125,000.

Using the Customer Interface Program

Use the Customer Interface program to import and validate customer information from other systems. Country-specific globalization flexfield content is imported and

validated during this process.

You use SQL*Loader, or other import program, to load customer information into the interface tables. When you import customer information, the Customer Interface program validates the global attribute columns in the interface tables and transfers those values into the customer tables.

Before the Customer Interface program can properly validate your data file, you must:

1. Assign the appropriate context code for your country to the appropriate global attribute category column.

2. Map your global attribute columns from the interface tables to the corresponding global flexfield segment columns in the customer tables.

This table shows how the global attribute columns in the interface tables map to the global flexfield segment columns in the corresponding customer tables:

Interface Table.Global Attribute Column	Customer Table.Global Attribute Column
RA_CUSTOMERS_INTERFACE_ALL. GLOBAL_ATTRIBUTE1-20	HZ_CUST_ACCOUNTS. GLOBAL_ATTRIBUTE1-20
RA_CUSTOMERS_INTERFACE_ALL. GDF_ADDRESS_ATTRIBUTE1-20	HZ_CUST_ACCT_SITES_ALL. GLOBAL_ATTRIBUTE1-20
RA_CUSTOMERS_INTERFACE_ALL. GDF_SITE_USE_ATTRIBUTE1-20	HZ_CUST_SITE_USES_ALL. GLOBAL_ATTRIBUTE1-20
RA_CUSTOMER_PROFILES_INT_ALL. GDF_CUST_PROF_ATTRIBUTE1-20	HZ_CUSTOMER_PROFILES. GLOBAL_ATTRIBUTE1-20

After you map your global attribute columns, run the Customer Interface program. The Customer Interface program will:

- Validate taxpayer ID information based on the content of the GLOBAL_ATTRIBUTE_CATEGORY column in the RA_CUSTOMERS_INTERFACE_ALL table, and populate taxpayer ID information into the GLOBAL_ATTRIBUTE<nn> columns in the HZ_CUST_ACCOUNTS table. For more information about using Taxpayer ID Validation, see Taxpayer ID Validations, page 2-94 as well as your country-specific user guide (for Argentine, Chile, and Colombia only).

- Validate contributor class information in the GDF_ADDRESS_ATTRIBUTE8 column in the RA_CUSTOMERS_INTERFACE_ALL table, and populate that information into the HZ_CUST_ACCT_SITES_ALL table (for Argentina, Brazil, and Colombia only). This value is mandatory if the Tax Method is Latin Tax Handling.

- Validate inscription and remittance information in the GDF_ADDRESS_ATTRIBUTE<nn> and GDF_CUST_PROF_ATTRIBUTE<nn> columns in the RA_CUSTOMERS_INTERFACE_ALL and RA_CUSTOMER_PROFILES_INT_ALL tables, and populate that information into the HZ_CUST_ACCT_SITES_ALL and HZ_CUSTOMER_PROFILES tables (for Brazil only).

- Validate a customer's public sector company reporting designation in the GLOBAL_ATTRIBUTE1 column in the RA_CUSTOMERS_INTERFACE_ALL table and populate that information into the GLOBAL_ATTRIBUTE1 column in the HZ_CUST_ACCOUNTS table (for Greece only).

- Validate a customer site's receipt acknowledgment designation in the GDF_SITE_USE_ATTRIBUTE1 column in the RA_CUSTOMERS_INTERFACE_ALL table and populate that information into the GLOBAL_ATTRIBUTE1 column in the HZ_CUST_SITE_USES_ALL table (for Greece and Portugal only).

- Validate whether a customer drawee is responsible for bearing charges that are associated with bills receivable in the GDF_SITE_USE_ATTRIBUTE1 column in the RA_CUSTOMERS_INTERFACE_ALL table and populate that information into the GLOBAL_ATTRIBUTE1 column in the HZ_CUST_SITE_USES_ALL table (for Spain only).

The following sections describe in detail how to import country-specific attributes into the customer tables in Receivables using the Customer Interface program.

Related Topics

Customer Interface, *Oracle Receivables User Guide*

Mapping Globalization Flexfield Context Codes

To use the Customer Interface program to import and validate globalization flexfield content, you must first assign the appropriate global flexfield context code for your country to one of the global attribute category columns in the RA_CUSTOMERS_INTERFACE_ALL table.

For a given context code, the Customer Interface program confirms that the values of the global attribute columns in the interface table match the value sets that are defined for the globalization flexfield segments in the corresponding customer table. In other words, if the global attribute category has a context code, the required global attribute columns for that country must have the correct data.

For example, if your country is Argentina and you want to import information for the JG_HZ_CUST_ACCOUNTS globalization flexfield from the interface tables to standard Receivables customer tables, then you must enter the JL.AR.ARXCUDCI.CUSTOMER context code in the GLOBAL_ATTRIBUTE_CATEGORY column and enter either Yes or No in the GLOBAL_ATTRIBUTE1 column.

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This table shows you how to map these global flexfield context codes for your country to the GLOBAL_ATTRIBUTE_CATEGORY column in the RA_CUSTOMERS_INTERFACE_ALL table.

For this country…	For this flexfield...	Map this global flexfield context code…
Argentina	JG_HZ_CUST_ACCOUNTS	JL.AR.ARXCUDCI.CUSTOMERS
Argentina	JG_HZ_CUST_ACCT_SITES	JL.AR.ARXCUDCI.Additional
Brazil	JG_HZ_CUST_ACCT_SITES	JL.BR.ARXCUDCI.Additional
Brazil	JG_HZ_CUSTOMER_PROFILES	JL.BR.ARXCUDCI.Additional Info
Chile	JG_HZ_CUST_ACCOUNTS	JL.CL.ARXCUDCI.CUSTOMERS
Colombia	JG_HZ_CUST_ACCOUNTS	JL.CO.ARXCUDCI.CUSTOMERS
Colombia	JG_HZ_CUST_ACCT_SITES	JL.CO.ARXCUDCI.Additional

Mapping Globalization Flexfield Segments

Map these global attribute columns in the interface tables to the corresponding global flexfield segments. For each context code that you assign to a global attribute category column, confirm that the values of the matching global attribute columns are compatible with the designated value sets.

Argentina

This table shows the valid values with descriptions for the JL.AR.ARXCUDCI. CUSTOMERS Argentine context.

Globalization Flexfield: JG_HZ_CUST_ACCOUNTS

Context Code: JL.AR.ARXCUDCI.CUSTOMERS

In this column...	Oracle Receivables stores...	For this location...
RA_CUSTOMERS_INTERFACE_ALL.GLOBAL_ATTRIBUTE9	Origin. This value is mandatory. Valid values are DOMESTIC_ORIGIN or FOREIGN_ORIGIN.	HZ_CUST_ACCOUNTS.GLOBAL_ ATTRIBUTE9
RA_CUSTOMERS_INTERFACE_ALL.GLOBAL_ATTRIBUTE10	Primary ID Type. This value is mandatory. Valid values are 80, 82, 96, or any user-defined value in the JLAR_TAXID_TYPE value set.	HZ_CUST_ACCOUNTS.GLOBAL_ ATTRIBUTE10
RA_CUSTOMERS_INTERFACE_ALL.GLOBAL_ATTRIBUTE12	Primary ID Validation Digit. This field is required only when GLOBAL_ ATTRIBUTE10 is LEGAL_ENTITY. Valid values are any single digit number between 0 and 9.	HZ_CUST_ACCOUNTS.GLOBAL_ ATTRIBUTE12

This table shows the valid values with descriptions for the JL.AR.ARXCUDCI. Additional Argentine context.

Globalization Flexfield: JG_HZ_CUST_ACCT_SITES

Context Code: JL.AR.ARXCUDCI.Additional

In this column…	Oracle Receivables stores …	For this location…
RA_CUSTOMERS_INTERFACE_ALL.GDF_ADDRESS_ATTRIBUTE8	Contributor class. This value is mandatory if the tax method is *Latin Tax Handling*. This value must exist in the JL_ZZ_AR_TX_ATTCLS_VAL_V view where TAX_ATTR_CLASS_TYPE = "CONTRIBUTOR_CLASS".	HZ_CUST_ACCT_SITES_ALL. GLOBAL_ATTRIBUTE8
RA_CUSTOMERS_INTERFACE_ALL.GDF_ADDRESS_ATTRIBUTE9	Customer site profile usage. This value is mandatory and must be *N*.	HZ_CUST_ACCT_SITES_ALL. GLOBAL_ATTRIBUTE9

Brazil

This table shows the valid values with descriptions for the JL.BR.ARXCUDCI. Additional Brazilian context.

Globalization Flexfield: JG_HZ_CUST_ACCT_SITES

Context Code: JL.BR.ARXCUDCI.Additional

In this column…	Oracle Receivables stores …	For this location…
RA_CUSTOMERS_INTERFACE_ALL.GDF_ADDRESS_ATTRIBUTE2	Inscription type (CPF, CNPJ, other). This value is mandatory.	HZ_CUST_ACCT_SITES_ALL. GLOBAL_ATTRIBUTE2
RA_CUSTOMERS_INTERFACE_ALL.GDF_ADDRESS_ATTRIBUTE3	Inscription number. This value is mandatory if the inscription type is CNPJ or CPF. The inscription number and inscription subsidiary are validated against the inscription digit with a standard algorithm.	HZ_CUST_ACCT_SITES_ALL. GLOBAL_ATTRIBUTE3
RA_CUSTOMERS_INTERFACE_ALL.GDF_ADDRESS_ATTRIBUTE4	Inscription subsidiary. This value is mandatory if the inscription type is CNPJ or CPF. The inscription number and inscription subsidiary are validated against the inscription digit with a standard algorithm. If the inscription type is CPF, the inscription subsidiary must be 0000.	HZ_CUST_ACCT_SITES_ALL. GLOBAL_ATTRIBUTE4
RA_CUSTOMERS_INTERFACE_ALL.GDF_ADDRESS_ATTRIBUTE5	Inscription digit. This value is mandatory if the inscription type is CNPJ or CPF. The inscription number and inscription subsidiary are validated against the inscription digit with a standard algorithm.	HZ_CUST_ACCT_SITES_ALL. GLOBAL_ATTRIBUTE5

In this column…	Oracle Receivables stores …	For this location…
RA_CUSTOMERS_INTERFACE_ALL.GDF_ADDRESS_ATTRIBUTE6	State inscription.	HZ_CUST_ACCT_SITES_ALL. GLOBAL_ATTRIBUTE6
RA_CUSTOMERS_INTERFACE_ALL.GDF_ADDRESS_ATTRIBUTE7	Municipal inscription.	HZ_CUST_ACCT_SITES_ALL. GLOBAL_ATTRIBUTE7
RA_CUSTOMERS_INTERFACE_ALL.GDF_ADDRESS_ATTRIBUTE8	Contributor class. This value is mandatory if the tax method is *Latin Tax Handling*. This value must exist in the JL_ZZ_AR_TX_ATTCLS_VAL_V view where TAX_ATTR_CLASS_TYPE = "CONTRIBUTOR_CLASS".	HZ_CUST_ACCT_SITES_ALL. GLOBAL_ATTRIBUTE8
RA_CUSTOMERS_INTERFACE_ALL.GDF_ADDRESS_ATTRIBUTE9	Customer site profile usage. This value is mandatory and must be *N*.	HZ_CUST_ACCT_SITES_ALL. GLOBAL_ATTRIBUTE9

This table shows the valid values with descriptions for the JL.BR.ARXCUDCI. Additional Info Brazilian context.

Globalization Flexfield: JG_HZ_CUSTOMER_PROFILES

Context Code: JL.BR.ARXCUDCI.Additional Info

In this column…	Oracle Receivables stores …	For this location…
RA_CUSTOMER_PROFILES_INT_ALL.GDF_CUST_PROF_ATTRIBUTE1	Remittance Protest Instructions. The value can be Yes or No. This value is mandatory.	HZ_CUSTOMER_PROFILES. GLOBAL_ATTRIBUTE1
RA_CUSTOMER_PROFILES_INT_ALL.GDF_CUST_PROF_ATTRIBUTE2	Remittance Interest Instructions. The value can be Yes or No. This value is mandatory.	HZ_CUSTOMER_PROFILES. GLOBAL_ATTRIBUTE2

Chile

This table shows the valid values with descriptions for the JL.CL.ARXCUDCI.CUSTOMERS Chilean context.

Globalization Flexfield: JG_HZ_CUST_ACCOUNTS

Context Code: JL.CL.ARXCUDCI.CUSTOMERS

In this column...	Oracle Receivables stores...	For this location...
RA_CUSTOMERS_INTERFACE_ALL.GLOBAL_ATTRIBUTE10	Primary ID Type. This value is mandatory. Valid values are DOMESTIC_ORIGIN or FOREIGN_ORIGIN.	HZ_CUST_ACCOUNTS.GLOBAL_ ATTRIBUTE10
RA_CUSTOMERS_INTERFACE_ALL.GLOBAL_ATTRIBUTE12	Primary ID Validation Digit. This field is required only when GLOBAL_ ATTRIBUTE10 is DOMESTIC_ORIGIN. Valid values are any single digit number between 0 and 9 or the character K.	HZ_CUST_ACCOUNTS.GLOBAL_ ATTRIBUTE12

Colombia

This table shows the valid values with descriptions for the JL.CO.ARXCUDCI.CUSTOMERS Colombian context.

Globalization Flexfield: JG_HZ_CUST_ACCOUNTS

Context Code: JL.CO.ARXCUDCI.CUSTOMERS

In this column...	Oracle Receivables stores...	For this location...
RA_CUSTOMERS_INTERFACE_ALL.GLOBAL_ATTRIBUTE10	Primary ID Type. This value is mandatory. Valid values are LEGAL_ENTITY, INDIVIDUAL, or FOREIGN_ ENTITY	HZ_CUST_ACCOUNTS.GLOBAL_ ATTRIBUTE10

In this column...	Oracle Receivables stores...	For this location...
RA_CUSTOMERS_INTERFACE_ALL.GLOBAL_ATTRIBUTE12	Primary ID Validation Digit. This field is required only when GLOBAL_ ATTRIBUTE10 is LEGAL_ENTITY. Valid values are any single digit number between 0 and 9.	HZ_CUST_ACCOUNTS.GLOBAL_ ATTRIBUTE12

This table shows the valid values with descriptions for the JL.CO.ARXCUDCI. Additional Colombian context.

Globalization Flexfield: JG_HZ_CUST_ACCT_SITES

Context Code: JL.CO.ARXCUDCI.Additional

In this column…	Oracle Receivables stores …	For this location…
RA_CUSTOMERS_INTERFACE_ALL.GDF_ADDRESS_ATTRIBUTE8	Contributor class. This value is mandatory if the tax method is *Latin Tax Handling*. This value must exist in the JL_ZZ_AR_TX_ATTCLS_VAL_V view where TAX_ATTR_CLASS_TYPE = "CONTRIBUTOR_CLASS".	HZ_CUST_ACCT_SITES_ALL. GLOBAL_ATTRIBUTE8
RA_CUSTOMERS_INTERFACE_ALL.GDF_ADDRESS_ATTRIBUTE9	Customer site profile usage. This value is mandatory and must be *N*.	HZ_CUST_ACCT_SITES_ALL. GLOBAL_ATTRIBUTE9

Customer Interface Transfer Report

Each time you run Customer Interface program, Receivables generates the Customer Interface Transfer report. If any validation fails, the Customer Interface program populates the INTERFACE_STATUS column in the interface tables with the concatenated error codes for the Customer Interface Transfer report. This report shows the rows with problems and related error descriptions.

For taxpayer ID validation, customer records are not imported unless the JL: Tax ID Validation Failure profile option is set to *Warning*. If you set this profile option to *Error*, you must correct the errors in either your feeder program or within Receivables before the Customer Interface program can successfully import any records. See Taxpayer ID

Validations, page 2-94 for more information.

Related Topics

Customer Interface Transfer Report, *Oracle Receivables User Guide*

Taxpayer ID Validations

The Customer Interface program validates the global attribute columns for taxpayer ID validation (for Argentina, Chile, Brazil, and Colombia only). Taxpayer ID validations are completed only if the GLOBAL_ATTRIBUTE_CATEGORY column has the correct context code and the taxpayer ID is entered in the JGZZ_FISCAL_CODE column in the RA_CUSTOMERS_INTERFACE_ALL table.

> **Note:** Oracle Receivables derives the country context code from the operating unit or legal entity. If both operating unit and legal entity are not available for suppliers, customers, or any other third parties, then you must choose the country context when entering such entities.

If the JL: Tax ID Validation Failure profile option is set to *Warning* for cross validation and algorithm failures, customer information is processed with warning messages, which are printed in the Customer Interface Transfer report.

> **Note:** The Customer Interface program uses the WARNING_TEXT field in the RA_CUSTOMERS_INTERFACE_ALL table to populate warning messages for taxpayer ID validation failures.

Chile and Colombia use the JL: Copy Tax Identifier Number profile option at the Responsibility level to copy the taxpayer ID concatenated with the validation digit into the Customer Number field. The Automatic Customer Numbering check box in the System Options window must also be unchecked.See the country-specific descriptions for more information about taxpayer ID validations.

Related Topics

Transactions and Customers System Options, *Oracle Receivables User Guide*

Overview of Setting User Profiles, *Oracle Applications System Administrator's Guide*

Using the AutoInvoice Interface Program

The RA_INTERFACE_LINES_ALL interface table stores invoice information. You use SQL*Loader to load invoice information into the interface table for each invoice that you create.

When you initiate importing invoices, the AutoInvoice open interface validates global attribute columns in the RA_INTERFACE_LINES_ALL table according to country-specific requirements. AutoInvoice then transfers global attribute columns

from the RA_INTERFACE_LINES_ALL table to the RA_CUSTOMER_TRX_ALL table and the RA_CUSTOMER_TRX_LINES_ALL table.

Before the AutoInvoice program can properly validate your data file and create invoice and invoice lines in Oracle Receivables, you must:

1. Assign the appropriate context code for your country to the appropriate global attribute category column

2. Map your global attribute columns from the interface table to the corresponding global flexfield segment columns in the transaction tables

This table shows how the global attribute columns in the interface table maps to the global flexfield segment columns in the corresponding transaction tables:

Interface Table.Global Attribute Column	Transaction Table.Global Attribute Column
RA_INTERFACE_LINES_ALL. HEADER_GDF_ATTRIBUTE1-30	RA_CUSTOMER_TRX_ALL. GLOBAL_ATTRIBUTE1-30
RA_INTERFACE_LINES_ALL. LINE_GDF_ATTRIBUTE1-20	RA_CUSTOMER_TRX_LINES_ALL. GLOBAL_ATTRIBUTE1-20

Importing Brazilian Invoices Corrected On Subsequent Days

In the context of a given transaction batch source, invoices that are rejected by the AutoInvoice program and are not corrected and imported in the same day, but instead in subsequent days, might present chronological document sequence issues because their transaction number will be higher than the ones in the system, but their transaction date will be lower, leading to the chronological document sequence issue.

To avoid this issue, AutoInvoice invokes a specific program for Brazil that automatically detects such incoming invoices by comparing their transaction date against the latest transaction date stored in the system and, if necessary, updates their transaction date with the System Date while the data is still in the interface table. In addition, this program prevents future dated invoices from being imported as well.

> **Note:** This solution is provided solely to address the issue of invoices being imported with past transaction dates for a given transaction batch source, and therefore avoiding a large number of invoices to be imported out of the chronological sequence. It also prevents future dated invoices from being imported. However, the solution will not attempt to change the original data being imported for any other reasons.

Related Topics

Importing Invoice Information Using AutoInvoice, *Oracle Receivables User Guide*

Mapping Globalization Flexfield Context Codes

To use the AutoInvoice program to import and validate globalization flexfield content, you must first assign the appropriate global flexfield context code for your country to one of the global attribute category columns in the RA_INTERFACE_LINES_ALL table.

For a given context code, the AutoInvoice program confirms that the values of the global attribute columns in the interface table match the value sets that are defined for the globalization flexfield segments in the corresponding transaction tables. In other words, if the global attribute category has a context code, the required global attribute columns for that country must have the correct data.

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This table shows you how to map this global flexfield context code for your country to the HEADER_GDF_ATTR_CATEGORY column in the RA_INTERFACE_LINES_ALL table.

For this country…	For this flexfield...	Map this global flexfield context code…
Brazil	JG_RA_CUSTOMER_TRX	JL.BR.ARXTWMAI.Additional Info

This table shows you how to map these global flexfield context codes for your country to the LINE_GDF_ATTR_CATEGORY column in the RA_INTERFACE_LINES_ALL table.

For this country…	For this flexfield...	Map this global flexfield context code…
Argentina	JG_RA_CUSTOMER_TRX_LINES	JL.AR.ARXTWMAI.Lines
Brazil	JG_RA_CUSTOMER_TRX_LINES	JL.BR.ARXTWMAI.Additional Info
Colombia	JG_RA_CUSTOMER_TRX_LINES	JL.CO.ARXTWMAI.Lines

Mapping Globalization Flexfield Segments

Map these global attribute columns in the interface table to the corresponding global flexfield segments. For each context code that you assign to a global attribute category column, confirm that the values of the matching global attribute columns are compatible with the designated value sets.

Argentina

This table shows the valid values with descriptions for the JL.AR.ARXTWMAI. Lines Argentine context.

Globalization Flexfield: JG_RA_CUSTOMER_TRX_LINES

Context Code: JL.AR.ARXTWMAI.Lines

In this column…	Oracle Receivables stores …	For this location…
RA_INTERFACE_LINES_ALL. LINE_GDF_ATTRIBUTE2	Fiscal Classification Code. Validation occurs only if the tax method is set to *Latin Tax Handling*. This value is mandatory if RA_INTERFACE_LINES_ALL.INVENTORY_ITEM_ID or RA_INTERFACE_LINES_ALL.MEMO_LINE_ID is not null. The value must exist in the FND_LOOKUPS and JL_ZZ_AR_TX_FSC_CLS tables with LOOKUP_TYPE = "JLZZ_AR_TX_FISCAL_CLASS_CODE." The current date is the active date.	RA_CUSTOMER_TRX_LINES_ALL. GLOBAL_ATTRIBUTE2

In this column…	Oracle Receivables stores …	For this location…
RA_INTERFACE_LINES_ALL. LINE_GDF_ATTRIBUTE3	Transaction Condition Class. Validation occurs only if the tax method is set to *Latin Tax Handling*. This value is mandatory if RA_INTERFACE_LINES_ALL.INVENTORY_ITEM_ID or RA_INTERFACE_LINES_ALL.MEMO_LINE_ID is not null. This value must exist in the JL_ZZ_AR_TX_ATTCLS_VAL_V view and LOOKUP_TYPE = "TRANSACTION_CLASS." The current date is the active date.	RA_CUSTOMER_TRX_LINES_ALL. GLOBAL_ATTRIBUTE3

Brazil

This table shows the valid values with descriptions for the JL.BR.ARXTWMAI. Additional Info Brazilian context.

Globalization Flexfield: JG_RA_CUSTOMER_TRX

Context Code: JL.BR.ARXTWMAI.Additional Info

In this column…	Oracle Receivables stores …	For this location…
RA_INTERFACE_LINES_ALL. HEADER_GDF_ATTRIBUTE1	Interest type (rate or amount). If this value is not null, this value must exist in the FND_LOOKUP_VALUES.LOOKUP_CODE table and LOOKUP_TYPE = "JLBR_INTEREST_PENALTY_TYPE." The current date is the active date.	RA_CUSTOMER_TRX_ALL. GLOBAL_ATTRIBUTE1

In this column…	Oracle Receivables stores …	For this location…
RA_INTERFACE_LINES_ALL. HEADER_GDF_ATTRIBUTE 2	Interest rate or amount. If the interest type is R (rate), this value must be between 0 and 100. If the interest type is A (amount), this value must be greater than zero.	RA_CUSTOMER_TRX_ALL. GLOBAL_ATTRIBUTE2
RA_INTERFACE_LINES_ALL. HEADER_GDF_ATTRIBUTE 3	Interest period days. If the interest type is not null, this value must be greater than zero.	RA_CUSTOMER_TRX_ALL. GLOBAL_ATTRIBUTE3
RA_INTERFACE_LINES_ALL. HEADER_GDF_ATTRIBUTE 4	Interest formula (simple, compound). If this value is not null, this value must exist in the FND_LOOKUP_VALUES.LOOKUP_CODE table and LOOKUP_TYPE = "JLBR_INTEREST_FORMULA." The system date is the active date.	RA_CUSTOMER_TRX_ALL. GLOBAL_ATTRIBUTE4
RA_INTERFACE_LINES_ALL. HEADER_GDF_ATTRIBUTE 5	Grace days. This value must be greater than zero.	RA_CUSTOMER_TRX_ALL. GLOBAL_ATTRIBUTE5
RA_INTERFACE_LINES_ALL. HEADER_GDF_ATTRIBUTE 6	Penalty type (rate or amount). If this value is not null, this value must exist in the FND_LOOKUP_VALUES.LOOKUP_CODE table and LOOKUP_TYPE = "JLBR_INTEREST_PENALTY_TYPE." The system date is the active date.	RA_CUSTOMER_TRX_ALL. GLOBAL_ATTRIBUTE6
RA_INTERFACE_LINES_ALL. HEADER_GDF_ATTRIBUTE 7	Penalty rate or amount. If the penalty type is R (rate), this value must be between 0 and 100. If the penalty type is A (amount), this value must be greater than 0.	RA_CUSTOMER_TRX_ALL. GLOBAL_ATTRIBUTE7

In this column…	Oracle Receivables stores …	For this location…
RA_INTERFACE_LINES_ALL. HEADER_GDF_ATTRIBUTE9	Freight accessory expense. This value is numeric and is not mandatory.	RA_CUSTOMER_TRX_ALL. GLOBAL_ATTRIBUTE9
RA_INTERFACE_LINES_ALL. HEADER_GDF_ATTRIBUTE10	Insurance accessory expense. This value is numeric and is not mandatory.	RA_CUSTOMER_TRX_ALL. GLOBAL_ATTRIBUTE10
RA_INTERFACE_LINES_ALL. HEADER_GDF_ATTRIBUTE11	Other accessory expense. This value is numeric and is not mandatory.	RA_CUSTOMER_TRX_ALL. GLOBAL_ATTRIBUTE11
RA_INTERFACE_LINES_ALL. HEADER_GDF_ATTRIBUTE12	License plate.	RA_CUSTOMER_TRX_ALL. GLOBAL_ATTRIBUTE12
RA_INTERFACE_LINES_ALL. HEADER_GDF_ATTRIBUTE13	Volume quantity. This value is numeric and is not mandatory.	RA_CUSTOMER_TRX_ALL. GLOBAL_ATTRIBUTE13
RA_INTERFACE_LINES_ALL. HEADER_GDF_ATTRIBUTE14	Volume type.	RA_CUSTOMER_TRX_ALL. GLOBAL_ATTRIBUTE14
RA_INTERFACE_LINES_ALL. HEADER_GDF_ATTRIBUTE15	Volume number. This value is alphanumeric and is not mandatory.	RA_CUSTOMER_TRX_ALL. GLOBAL_ATTRIBUTE15
RA_INTERFACE_LINES_ALL. HEADER_GDF_ATTRIBUTE16	Total gross weight. This value is numeric and is not mandatory.	RA_CUSTOMER_TRX_ALL. GLOBAL_ATTRIBUTE16

In this column…	Oracle Receivables stores …	For this location…
RA_INTERFACE_LINES_ALL. HEADER_GDF_ATTRIBUTE17	Total net weight. This value is numeric and is not mandatory.	RA_CUSTOMER_TRX_ALL. GLOBAL_ATTRIBUTE17

This table shows the valid values with descriptions for the JL.BR.ARXTWMAI. Additional Info Brazilian context.

Globalization Flexfield: JG_RA_CUSTOMER_TRX_LINES

Context Code: JL.BR.ARXTWMAI.Additional Info

In this column…	Oracle Receivables stores …	For this location…
RA_INTERFACE_LINES_ALL. LINE_GDF_ATTRIBUTE1	Operation Fiscal Code (CFO). This value is mandatory. The value must exist in the JL_BR_AP_OPERATIONS.CFO_CODE table.	RA_CUSTOMER_TRX_LINES_ALL. GLOBAL_ATTRIBUTE1
RA_INTERFACE_LINES_ALL. LINE_GDF_ATTRIBUTE2	Fiscal Classification Code. Validation occurs only if the tax method is set to *Latin Tax Handling*. This value is mandatory if RA_INTERFACE_LINES_ALL.INVENTORY_ITEM_ID or RA_INTERFACE_LINES_ALL.MEMO_LINE_ID is not null. The value must exist in the FND_LOOKUPS and JL_ZZ_AR_TX_FSC_CLS tables with LOOKUP_TYPE = "JLZZ_AR_TX_FISCAL_CLASS_CODE." The current date is the active date.	RA_CUSTOMER_TRX_LINES_ALL. GLOBAL_ATTRIBUTE2

In this column…	Oracle Receivables stores …	For this location…
RA_INTERFACE_LINES_ALL. LINE_GDF_ATTRIBUTE3	Transaction Condition Class. Validation occurs only if the tax method is set to *Latin Tax Handling*. This value is mandatory if RA_INTERFACE_LINES_ALL.INVENTORY_ITEM_ID or RA_INTERFACE_LINES_ALL.MEMO_LINE_ID is not null. This value must exist in the JL_ZZ_AR_TX_ATTCLS_VAL_V view and LOOKUP_TYPE = "TRANSACTION_CLASS." The current date is the active date.	RA_CUSTOMER_TRX_LINES_ALL. GLOBAL_ATTRIBUTE3
RA_INTERFACE_LINES_ALL. LINE_GDF_ATTRIBUTE4	Item origin. This value is mandatory if RA_INTERFACE_LINES_ALL.INVENTORY_ITEM_ID or RA_INTERFACE_LINES_ALL.MEMO_LINE_ID is not null. This value must exist in the FND_LOOKUPS table and LOOKUP_TYPE = "JLBR_ITEM_ORIGIN." The current date is the active date.	RA_CUSTOMER_TRX_LINES_ALL. GLOBAL_ATTRIBUTE4
RA_INTERFACE_LINES_ALL. LINE_GDF_ATTRIBUTE5	Item fiscal type. This value is mandatory if RA_INTERFACE_LINES_ALL.INVENTORY_ITEM_ID or RA_INTERFACE_LINES_ALL.MEMO_LINE_ID is not null. This value must exist in the FND_LOOKUPS table and LOOKUP_TYPE = "JLBR_ITEM_FISCAL_TYPE." The current date is the active date.	RA_CUSTOMER_TRX_LINES_ALL. GLOBAL_ATTRIBUTE5

In this column…	Oracle Receivables stores …	For this location…
RA_INTERFACE_LINES_ALL. LINE_GDF_ATTRIBUTE6	Federal tributary situation. This value is mandatory if RA_INTERFACE_LINES_ALL.INVENTORY_ITEM_ID or RA_INTERFACE_LINES_ALL.MEMO_LINE_ID is not null. This value must exist in the FND_LOOKUPS table and LOOKUP_TYPE = "JLBR_ITEM_FEDERAL_SITUATION." The current date is the active date.	RA_CUSTOMER_TRX_LINES_ALL. GLOBAL_ATTRIBUTE6
RA_INTERFACE_LINES_ALL. LINE_GDF_ATTRIBUTE7	State tributary situation. This value is mandatory if RA_INTERFACE_LINES_ALL.INVENTORY_ITEM_ID or RA_INTERFACE_LINES_ALL.MEMO_LINE_ID is not null. This value must exist in the FND_LOOKUPS table and LOOKUP_TYPE = "JLBR_ITEM_STATE_SITUATION." The current date is the active date.	RA_CUSTOMER_TRX_LINES_ALL. GLOBAL_ATTRIBUTE7
RA_INTERFACE_LINES_ALL. LINE_GDF_ATTRIBUTE8	Legal Message 1.	RA_CUSTOMER_TRX_LINES_ALL. GLOBAL_ATTRIBUTE8
RA_INTERFACE_LINES_ALL. LINE_GDF_ATTRIBUTE9	Legal Message 2.	RA_CUSTOMER_TRX_LINES_ALL. GLOBAL_ATTRIBUTE9
RA_INTERFACE_LINES_ALL. LINE_GDF_ATTRIBUTE10	Legal Message 3.	RA_CUSTOMER_TRX_LINES_ALL. GLOBAL_ATTRIBUTE10
RA_INTERFACE_LINES_ALL. LINE_GDF_ATTRIBUTE11	The tax base amount (numeric 38,2).	RA_CUSTOMER_TRX_LINES_ALL. GLOBAL_ATTRIBUTE11

In this column…	Oracle Receivables stores …	For this location…
RA_INTERFACE_LINES_ALL. LINE_GDF_ATTRIBUTE12	The tax base rate (numeric 5,2).	RA_CUSTOMER_TRX_LINES_ALL. GLOBAL_ATTRIBUTE12

Colombia

This table shows the valid values with descriptions for the JL.CO.ARXTWMAI. Lines Colombian context.

Globalization Flexfield: JG_RA_CUSTOMER_TRX_LINES

Context Code: JL.CO.ARXTWMAI.Lines

In this column…	Oracle Receivables stores …	For this location…
RA_INTERFACE_LINES_ALL. LINE_GDF_ATTRIBUTE2	Fiscal Classification Code. Validation occurs only if the tax method is set to *Latin Tax Handling*. This value is mandatory if RA_INTERFACE_LINES_ALL.INVENTORY_ITEM_ID or RA_INTERFACE_LINES_ALL.MEMO_LINE_ID is not null. The value must exist in the FND_LOOKUPS and JL_ZZ_AR_TX_FSC_CLS tables with LOOKUP_TYPE = "JLZZ_AR_TX_FISCAL_CLASS_CODE." The current date is the active date.	RA_CUSTOMER_TRX_LINES_ALL. GLOBAL_ATTRIBUTE2

In this column…	Oracle Receivables stores …	For this location…
RA_INTERFACE_LINES_ALL. LINE_GDF_ATTRIBUTE3	Transaction Condition Class. Validation occurs only if the tax method is set to *Latin Tax Handling*. This value is mandatory if RA_INTERFACE_LINES_ALL.INVENTORY_ITEM_ID or RA_INTERFACE_LINES_ALL.MEMO_LINE_ID is not null. This value must exist in the JL_ZZ_AR_TX_ATTCLS_VAL_V view and LOOKUP_TYPE = "TRANSACTION_CLASS." The current date is the active date.	RA_CUSTOMER_TRX_LINES_ALL. GLOBAL_ATTRIBUTE3

Oracle Assets

Inflation Adjustment Overview

Inflation is a general rise in the price of goods and services in an area over a certain time period. Rapid inflation can distort the amounts maintained in accounting records. In some countries, companies must prepare their financial reports to stockholders and government authorities in constant units of money, amounts that are not affected by inflation. The amounts that have been distorted must be adjusted by applying indexes that measure the pace of inflation.

Amounts that have not been adjusted for inflation are called historical amounts. Amounts that have been revalued to adjust for inflation are called inflation-adjusted amounts.

To adjust fixed assets for inflation, you must revalue these amounts:

- Cost
- Accumulated depreciation, also called depreciation reserve
- Year-to-date depreciation expense

Note: In Colombia, you only revalue cost and accumulated

depreciation. According to Colombian legal requirements, you do not need to adjust year-to-date depreciation expense for inflation.

You can use the Mass Revaluation feature in Oracle Assets to adjust these components of your assets for inflation. The Mass Revaluation process calculates the amount needed to bring each asset component up to its new, adjusted value. The adjustment amount becomes part of the total balance of the component.

For example, the adjusted cost of an asset consists of its historical cost plus the cost adjustment amount. The adjusted accumulated depreciation consists of the historical accumulated depreciation plus the accumulated depreciation adjustment amount. The net book value of the asset, which equals recoverable cost minus accumulated depreciation, changes as well. The adjusted net book value equals the adjusted recoverable cost minus the adjusted accumulated depreciation.

Since cost adjustment amounts become part of the total cost of the asset, the adjustment amounts are depreciated over the life of the asset along with the historical cost.

Inflation adjustments in Oracle Assets for Latin America are recorded in General Ledger by a journal entry showing the adjustment amount for each adjusted account. A gain and loss account, called the Result of Exposure to Inflation (R.E.I.) account, offsets the adjustments.

In some countries, such as Argentina, Colombia, and Mexico, companies must separately maintain both historical and inflation-adjusted amounts for their fixed assets. In other countries, such as Chile, companies only need to maintain inflation-adjusted amounts. The inflation adjustment feature in Oracle Assets for Latin America provides two different options to meet the inflation adjustment requirements in these countries:

- **Historical/adjusted option** – lets you maintain and report both historical amounts and inflation-adjusted amounts by using two separate depreciation books. For more information, see Maintaining Both Historical and Inflation-Adjusted Amounts, page 2-109.

- **Adjusted-only option** – lets you maintain and report simply the inflation-adjusted amounts by using one main depreciation book. For more information, see Maintaining Only Inflation-Adjusted Amounts, page 2-109.

  Note: If you want to use the Multiple Reporting Currencies (MRC) feature in Oracle Assets, you should choose the historical/adjusted option, even if you are not legally required to report historical amounts. You need to use a historical depreciation book as your primary MRC book to avoid including inflation adjustment amounts when MRC converts your transactions to another currency.

When you set up inflation adjustment, choose the option that satisfies your country's

legal requirements and your own business needs. For more information, see your country-specific user guide.

Basic Business Needs

Oracle Assets for Latin America provides you with features to satisfy these basic business needs. You can:

- Set up different price indexes.
- Assign a price index to each asset category.
- Indicate whether or not to allow inflation adjustment in each depreciation book.
- Indicate whether or not to allow inflation adjustment for each asset category.
- Indicate whether or not to adjust each asset for inflation.
- Specify the inflation start date for an asset
- Preview the results of the inflation adjustment process more than once for the same depreciation book and period, and check your results using different index values.
- Run the inflation adjustment process for any corporate or tax book.
- Ensure that new additions are not adjusted for inflation in the period they are entered.
- Transfer historical and adjusted journal entries to General Ledger.
- Capitalize the inflation adjustment cost of Construction in Process (CIP) assets.
- Depreciate the inflation adjustment to the cost of the assets.
- Print reports showing the results of the inflation adjustment process.
- Prepare tax reports.

Major Features

Use of Different Price Indexes

You can set up several price indexes and associate them with the asset categories that you want to adjust. You adjust assets in a category with the index values from the price index assigned to that category.

Enabling Inflation Adjustment

You can enable or disable inflation adjustment at the depreciation book, asset category,

and individual asset levels. This feature allows you to keep different kinds of assets in the same depreciation book.

Inflation Start Date

You can enter a date to specify when inflation begins to impact an asset. The asset is adjusted for inflation from this date onward.

What-If Analysis

You can perform a what-if analysis with the Mass Revaluation Preview report to see what the results of the inflation adjustment would be using different index values.

Multiple Corporate and Tax Books

You can adjust any corporate or tax book that you define in Oracle Assets.

Automatic Inflation Adjustment Accounting

Except in Colombia, the Oracle Assets standard Create Journal Entries process creates the inflation adjustment journal entries, as well as the standard transaction journal entries such as additions, depreciation, and retirements. The Create Journal Entries process transfers the journal entries to the ledger that is associated with the Oracle Assets depreciation book being adjusted.

Capitalization of Inflation-Adjusted CIP Assets

When a CIP asset is capitalized, the cost of the new asset consists of the cost amounts added to the asset through invoice lines and the inflation adjustment amounts. It is important to note, however, that the invoice lines themselves are not changed by the inflation adjustment.

Regional Fixed Assets Inflation Adjusted Asset Summary Report

If you maintain both historical and inflation-adjusted amounts for your assets, you can use the Regional Fixed Assets Inflation Adjusted Asset Summary report to compare the historical and inflation-adjusted amounts for cost, accumulated depreciation, and year-to-date depreciation expense.

Reports for Tax Calculation

In some countries, certain taxes are calculated based on inflation-adjusted amounts. These taxes include the Tax on Income in Argentina and the ISR and IMPAC taxes in Mexico. You can run the Exhibit of Fixed Assets report, the ISR report, and the IMPAC report to calculate and print the required information. Since you can run these reports for any corporate or tax book, you can calculate the tax amounts based on either your corporate asset values or your special tax asset values.

Related Topics

Asset Accounting, *Oracle Assets User Guide*

Maintaining Both Historical and Inflation-Adjusted Amounts

If you need to maintain both historical and inflation-adjusted amounts for your assets, or if you want to use the Multiple Reporting Currencies (MRC) feature in Oracle Assets, choose the historical/adjusted option in Oracle Assets. With the historical/adjusted option, you use two separate depreciation books to record the historical and inflation-adjusted amounts. Keep the historical amounts in a corporate book and the adjusted amounts in a tax book.

You can implement MRC while using the historical/adjusted option in Oracle Assets by using the historical depreciation book as your MRC primary book. You must not use the adjusted depreciation book as your MRC primary book because the inflation adjustment transactions must not be included when MRC converts your transactions to another currency. Using the historical book as your MRC primary book ensures that you maintain only the correct transactions in your MRC reporting book.

Before you set up your depreciation books in Oracle Assets, you must set up your ledgers in General Ledger. You can use the historical/adjusted option in Oracle Assets with either the historical/adjusted option or the adjusted-only option in General Ledger.

Using the historical/adjusted option in Oracle Assets with the historical/adjusted option in General Ledger

If you use the historical/adjusted option in both Oracle Assets and General Ledger, transfer the journal entries from the historical depreciation book to the historical ledger, and transfer the journal entries from the adjusted depreciation book to the adjusted ledger.

Using the historical/adjusted option in Oracle Assets with the adjusted-only option in General Ledger

If you use the historical/adjusted option in Oracle Assets and the adjusted-only option in General Ledger, transfer the journal entries from the adjusted depreciation book to your main ledger.

Maintaining Only Inflation-Adjusted Amounts

If you do not need to maintain historical amounts, and you do not use MRC in Oracle Assets, choose the adjusted-only option in Oracle Assets. With the adjusted-only option, you perform inflation adjustment in your corporate depreciation book. You should only choose this option if you do not expect to implement MRC at any time, because once your corporate book contains inflation adjustment transactions, you cannot use it as the MRC primary book.

Before you set up your depreciation books in Oracle Assets, you must set up your ledgers in General Ledger. If you use the adjusted-only option in Oracle Assets, you should also use the adjusted-only option in General Ledger.

If you use the adjusted-only option in both Oracle Assets and General Ledger, transfer

the journal entries from the adjusted corporate depreciation book to your adjusted ledger.

Prerequisites

Before you can adjust your assets for inflation, you must perform these prerequisite steps:

- Set up your ledgers in General Ledger.
- Enter all the transactions for the current period in your corporate book.
- If you are using both a corporate depreciation book and a tax depreciation book, run Mass Copy at the end of the period to copy the transactions for your capitalized assets from the corporate book to the tax book.

  See also: Tax Book Maintenance, *Oracle Assets User Guide*

- Run depreciation in your adjusted depreciation book for the depreciation period in which you add an asset. You cannot adjust an asset for inflation in the period in which you enter the asset. The amount of the depreciation in the first period can be zero.

  After the first period, in a depreciation book that has inflation adjustment enabled, you cannot run depreciation for an asset without first adjusting the asset for inflation in the current period. For more information, see Running Depreciation, page 2-120.

- In some countries, assets must not be adjusted for inflation in their retirement period. In those countries, you should retire assets before you begin the inflation adjustment process.

  If your country requires assets to be adjusted for inflation in their retirement period, you should run the Mass Revaluation process to adjust your assets for inflation before you retire assets. For more information, see Retiring Assets, page 2-120.

- If you are using both a corporate depreciation book and a tax depreciation book, synchronize the open periods in the corporate and tax books. When you enter information for a CIP asset in the corporate book, Oracle Assets copies the information to the tax book immediately, unlike information for capitalized assets which is not copied until you run the Mass Copy process. To copy the CIP information to the correct period in the tax book, you must ensure that the open period in the tax book corresponds to the open period in the corporate book.

  To help you ensure that your depreciation books are synchronized, Oracle Assets requires you to run depreciation in the tax book for the latest closed period in the corporate book before you can run depreciation again in the corporate book.

Related Topics

Construction-In-Process (CIP) Assets, *Oracle Assets User Guide*

Setting Up Oracle Assets for Inflation Adjustment

This topic describes how to set up Oracle Assets for Latin America for the inflation adjustment process. Use this checklist to help you complete the appropriate steps.

Step	Task
1	Enable Automatic Revaluation Rate Calculation, page 2-111
2	Define Inflation Ratio Precision, page 2-112
3	Define Price Indexes, page 2-112
4	Set Up Depreciation Books, page 2-113
5	Set Up Asset Categories, page 2-113
6	Define Inflation Start Dates, page 2-114
7	Set Up Assets in a Depreciation Book, page 2-115

Enable Automatic Revaluation Rate Calculation

Oracle Assets uses the standard Mass Revaluation process to adjust your assets for inflation. Instead of using a revaluation rate that you enter in the Mass Revaluations window, however, Oracle Assets calculates the revaluation rate automatically from the price indexes that you define.

You must enable the automatic revaluation rate calculation process by setting the JL: Perform Inflation Adjustment profile option to *Yes* for your Oracle Assets responsibility. Use the System Profile Values window in the System Administrator responsibility to define the JL: Perform Inflation Adjustment profile option.

> **Note:** If you do not enable automatic revaluation rate calculation, you can still use the Mass Revaluation process to adjust your assets for inflation. In this case, however, you must enter the revaluation rate and other asset information manually in the Mass Revaluations window.

Related Topics

Overview of User Profiles, *Oracle Applications User Guide*

Define Inflation Ratio Precision

In some countries, companies are legally required to calculate inflation rates with a certain precision. For example, in Mexico, the inflation rate must be calculated with a precision of four decimal positions for tax purposes.

You can use the JL: Inflation Ratio Precision profile option to define the number of decimal positions for the precision of the inflation rate calculation. Oracle Assets truncates the rate at the number of decimal positions you choose. Use the System Profile Values window in the System Administrator responsibility to assign a value to the JL: Inflation Ratio Precision profile option.

You should only define a value for the inflation ratio precision if you are legally required to do so. If your country does not require a certain precision, do not enter a value for the JL: Inflation Ratio Precision profile option. Instead, leave this profile option blank to calculate the inflation rate with the greatest possible precision.

Related Topics

Overview of User Profiles, *Oracle Applications User Guide*

Define Price Indexes

Define the price indexes that you want to use to adjust your assets for inflation in the Price Indexes window. A price index is a measure of the overall cost of goods and services bought by various entities. The base value of the index represents the cost level in a certain base period. The index value for each subsequent period represents the cost level for that period as a proportion of the base value. The difference between the base value and the index value for a certain period represents the inflation rate between the base period and that period.

(CPI) or the Producer Price IndexThe index that you use depends on your company's business. Many organizations use either the Consumer Price Index (PPI).

When the government publishes the measure of inflation, the measure is expressed as a price index value. For this reason, you must enter the measure for each month as an index value in the Value % field. Do not enter the inflation measure as a percentage. You must enter a new value each month when the government publishes the price index value for the month.

The Mass Revaluation process uses the price index values to calculate the revaluation rate for the period that you are adjusting.

If the base value of a price index changes, the entire index must be re-expressed according to the new base, including previous periods.

To define a price index:

1. Navigate to the Price Indexes window.
2. Enter the index name that you want to define in the Index field.
3. Enter the price index value for the inflation measure from the government in the Value % field.

   Note: You must enter the inflation measure for each period as an index value in the Value % field. Do not enter the inflation measure as a percentage.

4. In the From Date and To Date fields, enter the dates that this index value is effective for. If you leave the To Date field blank, the index value is effective indefinitely.

Related Topics

Defining Price Indexes, *Oracle Assets User Guide*

Price Index Listing, *Oracle Assets User Guide*

Set Up Depreciation Books

Use the Book Controls window and the globalization flexfield to set up your depreciation books for inflation adjustment. You can enable or disable inflation adjustment at depreciation book level. If you enable inflation adjustment for a depreciation book, you can choose to enable or disable inflation adjustment for individual asset categories and assets when you define them. If you disable inflation adjustment for a depreciation book, none of the assets in that book can be adjusted.

Set Up Asset Categories

Use the Asset Categories window with the globalization flexfield and the Default Depreciation Rules window to set up your asset categories for inflation adjustment. In the Asset Categories window, you can specify the revaluation reserve account that you want to use to offset the inflation adjustments for assets in a category in a particular depreciation book.

In the globalization flexfield, you can enable or disable inflation adjustment for the asset category in a particular depreciation book. If you enable inflation adjustment for an asset category in a book, you can choose to enable or disable inflation adjustment for individual assets when you define them. If you disable inflation adjustment for an asset category in a book, none of the assets in that category can be adjusted in that book.

In this way, you can choose to adjust an asset category in one depreciation book while preventing the same asset category from being adjusted in another book. You can also choose to adjust some asset categories in a depreciation book for inflation while preventing other categories in the same book from being adjusted.

If inflation adjustment is disabled for an entire depreciation book, however, none of the

asset categories in that book can be adjusted.

In the Default Depreciation Rules window, you can assign a price index to the asset category. The price index is used to calculate the inflation rate for all the assets in this asset category.

For more instructions on setting up asset categories in your country, see your country-specific user guide.

Define Inflation Start Dates

The inflation start date for an asset specifies when inflation begins to impact an asset. The asset is adjusted for inflation from this date onward.

The inflation start date is generally the same date as the date placed in service. You can, however, define an inflation start date that is different than the date placed in service. For example, if you enter an asset that is already in service and that has already been adjusted for inflation, you can set the inflation start date to an appropriate date to begin calculating new inflation adjustments in Oracle Assets.

The inflation start date for an asset can be earlier than the period when you add the asset. The first time you adjust that asset for inflation, Oracle Assets calculates the inflation adjustment for the entire time from the inflation start date through the current period. After the first inflation adjustment, Oracle Assets calculates the adjustment amount for each period from the previous period to the current period.

> **Note:** You can define an inflation start date that is in a previous fiscal year. All inflation adjustments are recorded in the current fiscal year, however, even if the adjustments apply to a previous fiscal year.

If you define an inflation start date that is later than the period when you add the asset, however, Oracle Assets does not use the inflation start date when you adjust the asset for inflation for the first time, in the period following the addition period. Instead, Oracle Assets calculates the first inflation adjustment only for the time from the addition period to the following period.

Oracle Assets only uses the inflation start date the first time you adjust an asset for inflation. If you change the inflation start date after you adjust the asset for the first time, you must enter a manual cost adjustment in your adjusted depreciation book to correct the inflation adjustment for the asset according to the new date.

Use the globalization flexfield to define the inflation start date for each of your assets. You can navigate to the globalization flexfield while using any of these windows:

- QuickAdditions
- Asset Details
- Mass Additions

The inflation start date is defined at asset level. This date remains the same for the asset in every depreciation book.

To define the inflation start date for an asset:

1. Navigate to the QuickAdditions window, the Asset Details window, or the Mass Additions window.
2. Enter information for the asset you want to add.
3. Navigate to the globalization flexfield.
4. Enter the inflation start date for the asset in the Inflation Start Date field.
5. Press the OK button.

Related Topics

Asset Setup Processes (Additions), *Oracle Assets User Guide*

Set Up Assets in a Depreciation Book

Use the globalization flexfield on the Books window off the Asset Workbench to enable or disable inflation adjustment for individual assets. You enable or disable inflation adjustment for an asset in a particular depreciation book.

In this way, you can choose to adjust an asset in one depreciation book while preventing the same asset from being adjusted in another book. You can also choose to adjust some assets in a certain category in a depreciation book for inflation while preventing other assets in the same category and book from being adjusted.

If inflation adjustment is disabled for an entire depreciation book or an entire category in a book, however, none of the assets in that book or category can be adjusted.

Adjusting Assets for Inflation

Complete these steps to adjust your assets for inflation. You should adjust your assets for inflation regularly once each period. You can perform the Mass Revaluation process to create the inflation adjustments either at the beginning or at the end of the period.

To adjust assets for inflation:

1. Run the Calculate Gains and Losses program to ensure that accumulated depreciation for reinstated assets is correct.

   Note: Oracle Assets also runs the Calculate Gains and Losses program automatically as part of the depreciation process to close a period. If you run the Mass Revaluation process to adjust your assets at the beginning of the period, just after running

depreciation, you do not need to run the Calculate Gains and Losses program again separately.

2. Run the Mass Revaluation process to revalue the cost, accumulated depreciation, and depreciation expense for your assets.

3. Perform standard Oracle Assets procedures, such as capitalizing CIP assets, at the end of the period. If your country requires assets to be adjusted for inflation in their retirement period, you should also retire assets at this point, after you run the Mass Revaluation process, but before you run depreciation.

4. Run depreciation in your adjusted book.

5. Run the standard Create Journal Entries process to transfer the journal entries created by Oracle Assets transactions to General Ledger.

6. Run the Latin American Fixed Assets Inflation Adjustment of Retired Assets program to adjust the depreciation expense amounts for assets that were retired during the current fiscal year.

7. Run the Journal Import process to import the inflation adjustment journal entries for retired assets' depreciation expense into General Ledger.

8. If you use the historical/adjusted option, run the Regional Fixed Assets Inflation Adjusted Asset Summary report to compare the historical and inflation-adjusted amounts for cost, accumulated depreciation, and year-to-date depreciation expense.

Note: In Colombia, some of the steps for adjusting your assets for inflation are different from the steps listed here. The differences are due to Colombian legal requirements.

For example, since the Colombian government abolished inflation adjustment for gain/loss accounts, you must not use the Latin American Fixed Assets Inflation Adjustment of Retired Assets program in Colombia.

Running the Calculate Gains and Losses Program

Before you run Mass Revaluation to adjust your assets for inflation, run the standard Calculate Gains and Losses program to correct the accumulated depreciation for reinstated assets. You can submit the Calculate Gains and Losses program from the Calculate Gains and Losses window.

Related Topics

Calculating Gains and Losses for Retirements, *Oracle Assets User Guide*

Revaluing Assets

Run the standard Oracle Assets Mass Revaluation process to revalue the cost, accumulated depreciation, and depreciation expense for your assets. You can run the Mass Revaluation process from the Mass Revaluations window.

The JL: Perform Inflation Adjustment profile option for your Oracle Assets responsibility must be set to *Yes* in order for Oracle Assets to calculate the revaluation rate automatically. For more information, see Enable Automatic Revaluation Rate Calculation, page 2-111.

If you set the JL: Perform Inflation Adjustment profile option to *Yes*, you do not need to enter a revaluation percentage rate in the Rate % field to adjust your assets for inflation. If you do enter a value in the Rate % field, the value is deleted when you run the Mass Revaluation process. Instead, Oracle Assets automatically calculates the revaluation rate for each asset using the index values from the price index assigned to the asset category.

You can use the JL: Inflation Ratio Precision profile option to define the number of decimal positions for the precision of the inflation rate calculation. Oracle Assets truncates the rate at the number of decimal positions you choose. For more information, see Define Inflation Ratio Precision, page 2-112.

Different countries use different formulas to calculate the inflation rate from the index values. Oracle Assets selects the formula for the inflation rate calculation according to the country that you defined in the JG: Country Code profile option. For more information, see the *Oracle Financials Country-Specific Installation Supplement*.

> **Note:** If you disable automatic revaluation rate calculation by setting the JL: Perform Inflation Adjustment profile option to *No*, you can still use the Mass Revaluation process to adjust your assets for inflation. In this case, however, you must enter the revaluation rate and other asset information manually in the Mass Revaluations window.

You can use the globalization flexfield in the Book Controls window to check whether the Mass Revaluation process has been run for the latest period. After you perform inflation adjustment for a book, the period name for the most recent time you ran the Mass Revaluation process appears in the Last Inflation Adjustment Period field, and the revaluation ID for the most recent time you ran the Mass Revaluation process appears in the Last Inflation Adjustment field. For more information, see your country-specific user guide.

Inflation Start Date

The inflation start date for an asset specifies when inflation begins to impact an asset. You can define an inflation start date for an asset that is earlier than the period when you add the asset.

The first time you adjust that asset for inflation, Oracle Assets calculates the inflation

adjustment for the entire time from the inflation start date through the current period. After the first inflation adjustment, Oracle Assets calculates the adjustment amount for each period from the previous period to the current period.

If you define an inflation start date that is later than the period when you add the asset, however, Oracle Assets does not use the inflation start date when you adjust the asset for inflation for the first time, in the period following the addition period. Instead, Oracle Assets calculates the first inflation adjustment only for the time from the addition period to the following period.

Improvements

If you make an improvement to an asset that you enabled inflation adjustment for, you can create a child asset with the original asset as its parent and enter the cost adjustment for the improvement as the cost of the child asset. Enter the date of the improvement as the date placed in service and as the inflation start date, and enable inflation adjustment for the child asset.

If you are using both a historical and an adjusted depreciation book, create the child asset in the historical book. The Mass Copy process does not copy changes to asset cost if the cost in the corporate book is different from the cost in the tax book, but entering the cost adjustment amount as a child asset lets you use the Mass Copy process to copy the child asset from the historical book to the adjusted book. You can then adjust the child asset for inflation as usual in the adjusted book.

Corrections

Oracle Assets also lets you change the cost of your assets directly if you need to make a correction other than a cost adjustment for an improvement.

If you are using both a historical and an adjusted depreciation book, you should correct the cost separately in each book. The Mass Copy process does not copy changes to asset cost if the cost in the corporate book is different from the cost in the tax book. Since the historical cost is usually different from the adjusted cost, Mass Copy does not copy cost corrections from the historical book to the adjusted book. Instead, you should make separate corrections in each depreciation book.

When you make a correction to the cost of an asset in a book where you enabled inflation adjustment for the asset, you must also include the effect of inflation on the amount of the correction. Calculate the inflation adjustment amount for the correction during the time from the date when the correction takes effect to the current period. Then add the inflation adjustment amount to the original correction amount to find the entire amount by which the asset cost must be changed.

If you make the correction after you perform inflation adjustment for the current period, you must calculate the inflation adjustment for the time from the date the correction takes effect up to and including the current period. If you make the correction before you perform inflation adjustment for the current period, you must calculate the inflation adjustment for the time from the date the correction takes effect up to but not including the current period.

Note: In Colombia, you must record historical cost amounts and inflation adjustment cost amounts in separate accounts for your assets. After you enter the entire amount of the change in the asset cost, create a manual journal entry to assign the original correction amount and the inflation adjustment amount to the appropriate accounts.

Reinstatements

If you reinstate a fully retired asset that you enabled inflation adjustment for, Oracle Assets reverses all the inflation adjustment transactions created for that asset by the Latin American Fixed Assets Inflation Adjustment of Retired Assets program. Then, the first time you adjust the asset for inflation after the reinstatement, Oracle Assets calculates the inflation adjustment amounts for the entire time from the retirement date through the current period.

Performing a What-If Analysis

Before you can perform the mass revaluation, you must run the Mass Revaluation Preview report to preview the effects of the revaluation. You can run the Mass Revaluation Preview report by pressing the Preview button in the Mass Revaluations window after you enter all the information for the Mass Revaluation process.

Since you can run the Mass Revaluation Preview report several times for the same depreciation book and period, you can do a what-if analysis with the report to check the impact that performing the mass revaluation with different index values has on your assets. You can enter new information in the Mass Revaluations window and rerun the Mass Revaluation Preview report as many times as you want.

When you are satisfied with the results of the Mass Revaluation Preview report, perform the revaluation by pressing the Run button in the Mass Revaluations window. You should only run the Mass Revaluation process once in each period for a depreciation book.

Note: If you submit the Mass Revaluation process again for the same period, Oracle Assets displays a message informing you that Mass Revaluation has already been run for that period. You can then decide whether or not to continue. If you run Mass Revaluation a second time for the same period, however, the adjustment is duplicated.

Performing Oracle Assets Procedures

Depending on your country's requirements, you should perform standard Oracle Assets procedures, such as capitalizing CIP assets and retiring assets, after you run Mass Revaluation to adjust your assets for inflation.

Capitalizing CIP Assets

You should perform capitalization for any CIP assets that are ready to be placed in service after you adjust these assets for inflation in the current period. Oracle Assets does not adjust a newly capitalized asset in the period in which the asset is capitalized. When you capitalize a CIP asset, you cannot adjust the asset for inflation until you run depreciation once for the asset.

To ensure that an asset is adjusted for inflation in all appropriate periods, you must not capitalize the asset until after you adjust the asset in the current period. The cost of the new asset should consist of all the inflation adjustment amounts in addition to the cost added to the asset through invoice lines.

Related Topics

Placing Construction-In-Process (CIP) Assets in Service, *Oracle Assets User Guide*

Retiring Assets

In some countries, assets must be adjusted for inflation in their retirement period. In those countries, you should retire assets at this point, after you run Mass Revaluation to adjust for inflation, but before you run depreciation.

Related Topics

Retiring Assets, *Oracle Assets User Guide*

Running Depreciation

You should run the depreciation process for your assets after you adjust the assets for inflation, capitalize any CIP assets for the current period, and retire any assets for the current period. The depreciation amounts for a period should be calculated from the inflation-adjusted cost amounts rather than the original cost amounts. For this reason, if you enable inflation adjustment for a depreciation book, you must run Mass Revaluation to adjust the assets in that book for the current period before you can run depreciation for that book in that period in the Run Depreciation window.

> **Note:** If you are using both a corporate depreciation book and a tax depreciation book, you must synchronize the open periods in the corporate and tax books to ensure that CIP information from the corporate book is copied to the correct period in the tax book. To help you ensure that your depreciation books are synchronized, Oracle Assets requires you to run depreciation in the tax book for the latest closed period in the corporate book before you can run depreciation again in the corporate book.

Related Topics

Running Depreciation, *Oracle Assets User Guide*

Construction-In-Process (CIP) Assets, *Oracle Assets User Guide*

Running the Create Journal Entries Process

After you run Mass Revaluation and complete other Oracle Assets procedures, run the standard Create Journal Entries process to create journal entries for Oracle Assets transactions and transfer the journal entries to General Ledger.

If you choose the historical/adjusted option in both Oracle Assets and General Ledger, you should transfer the journal entries from your historical depreciation book to your historical ledger and the journal entries from your adjusted depreciation book to your adjusted ledger. If you choose the historical/adjusted option in Oracle Assets and the adjusted-only option in General Ledger, you should transfer the journal entries from your adjusted depreciation book to your main ledger. For more information, see Maintaining Both Historical and Inflation-Adjusted Amounts, page 2-109 and Maintaining Only Inflation-Adjusted Amounts, page 2-109.

> **Note:** In Colombia, you should not run the standard Create Journal Entries process from your adjusted depreciation book. Instead, you should use the Colombian General Ledger Transfer process for the inflation adjustment journal entries from the adjusted depreciation book. For more information about adjusting your assets for inflation in Colombia, see your Colombian user guide.

Running the Latin American Fixed Assets Inflation Adjustment of Retired Assets Program

After you retire an asset, the depreciation expense amounts for that asset remain in the depreciation expense account until the end of the fiscal year. These depreciation expense amounts must be adjusted for inflation from the time the asset is retired through the end of the fiscal year.

Run the Latin American Fixed Assets Inflation Adjustment of Retired Assets program to adjust the depreciation expense amounts for assets that were retired during the current fiscal year. To submit the Latin American Fixed Assets Inflation Adjustment of Retired Assets program, choose Adjust Retirements from the <Country> Localization menu.

You should run the Latin American Fixed Assets Inflation Adjustment of Retired Assets program after you run depreciation. The process automatically selects the last closed period.

> **Note:** Since the Colombian government abolished inflation adjustment

for gain/loss accounts, you must not use the Latin American Fixed Assets Inflation Adjustment of Retired Assets program in Colombia.

Program Parameter

Book

Enter the depreciation book that you want to run the Latin American Fixed Assets Inflation Adjustment of Retired Assets program for.

Running the Journal Import Process

The Latin American Fixed Assets Inflation Adjustment of Retired Assets program creates inflation adjustment journal entries in the Oracle General Ledger interface table. Before you can see the journal entries, you must import them to Oracle General Ledger by running the Journal Import process.

Related Topics

Importing Journals, *Oracle General Ledger User Guide*

Regional Fixed Assets Inflation Adjusted Asset Summary Report

If you use the historical/adjusted option, use the Regional Fixed Assets Inflation Adjusted Asset Summary report to compare the historical and inflation-adjusted amounts for your assets. The Regional Fixed Assets Inflation Adjusted Asset Summary report shows the inflation adjustment amounts that Oracle Assets calculated for the cost, accumulated depreciation, and depreciation expense of your assets in a given period. The report shows active capitalized and CIP assets for the period, as well as any assets that were retired during the fiscal year that the period belongs to.

The Regional Fixed Assets Inflation Adjusted Asset Summary report is sorted by asset category and asset number. Oracle Assets prints totals for each asset category.

Use the Standard Request Submission windows to submit the Regional Fixed Assets Inflation Adjusted Asset Summary report.

Report Parameters

Book

Enter the depreciation book that you want to report on. You can only choose a tax book for which you have enabled inflation adjustment.

Ledger Currency

Enter the currency to use for the report. The default value is the default currency of the primary ledger. If the primary and reporting ledgers both use the same default

currency, choose either primary or reporting ledger from the list of values. You can also choose any other currency defined for the reporting ledger.

Period

Enter the period that you want to report on.

Asset Category

Enter the asset category that you want to report on. Leave this parameter blank to report on all asset categories.

Asset Type

Enter the type of assets that you want to report on. Valid values are:

- **Capitalized** – Capitalized assets only
- **CIP** – CIP assets only
- **All** – Both capitalized and CIP assets

Report Headings

In this heading…	Oracle Assets prints…
<Organization Name>	The name of your organization
Book	The name of the tax depreciation book
<Report Title>	Regional Fixed Assets Inflation Adjusted Asset Summary
Period	The period name
Report Date	The date when you run the report
Page	The page number

Column Headings

In this column	Oracle Assets prints...
Asset Number - Description	The number and description of the asset

In this column	Oracle Assets prints...
Cost - Historical	The historical cost of the asset
Cost - Period Inflation Adjustment	The inflation adjustment amount for cost in this period
Cost - Inflations Adjusted	The adjusted cost, including the historical cost and all adjustment amounts to date
Accumulated Depreciation - Historical	The accumulated depreciation corresponding to the asset's historical cost
Accumulated Depreciation - Period Inflation Adjustment	The inflation adjustment amount for accumulated depreciation in this period
YTD Depreciation - Period Inflation Adjustment	The inflation adjustment amount for year-to-date depreciation expense in this period
YTD Depreciation - Inflation Adjusted	The adjusted year-to-date depreciation expense, including the historical year-to-date depreciation expense and the year-to-date adjustment amounts

Row Headings

In this row...	Oracle Assets prints...
Category	The asset category name
Category <Name> Totals	The totals for the asset category
Report Totals	The totals for the report

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Statutory Reports

The tax authorities of certain countries require summary and detailed reports on fixed

asset costs and accumulated depreciation. Oracle Assets provides statutory reports that help you meet this requirement.

The three reports are designed to reconcile with one other to help you reconcile your fixed asset books with General Ledger account balances.

- Statutory Asset Cost Detail Report, page 2-128 – Provides information about changes in fixed asset costs, as well as beginning and ending balances, for a range of periods.

  For example, the report is run for January to December, 2001 and shows an asset with beginning cost of 800 in January, addition of 200, and ending cost of 1000 in December.

- Statutory Asset Ledger Report, page 2-126 – Provides current cost, accumulated depreciation, and net book value information on all assets in a given period. You can optionally report on parent accounts.

  For example, the report is run for December, 2001 and shows the same asset current cost of 1000 and accumulated depreciation of 400.

- Statutory Asset Reserve Detail Report, page 2-132 – Provides information about accumulated depreciation, beginning and ending balances of asset cost, and any changes on all assets in a period range. You can optionally report on parent accounts.

  For example, the report is run for January to December, 2001 and shows a ending balance of 400.

In summary, the ending cost in the Statutory Asset Cost Detail report must match the current cost in the Statutory Asset Ledger report, and the accumulated depreciation in the Statutory Asset Ledger report must match the ending accumulated depreciation in the Statutory Asset Reserve Detail report.

To reconcile the three reports, the period that you enter in the Period parameter of the Statutory Asset Ledger report must match the period that you enter in the To Period parameter of the Statutory Asset Cost Detail and Statutory Asset Reserve Detail reports.

To use the Statutory Asset reports precision feature, you must have a fixed parent account structure. You can also run the reports without printing parent totals.

For example, if you have a three-level parent account structure with widths of two characters each (2 char/2 char/2 char), do not set up child values that are the same width as the parent. The reports summarize cost information for the fixed parent accounts that you define in Oracle General Ledger.

If you are required to print official versions of these reports for submission to tax authorities, use paper that has the required statutory headers.

Related Topics

Greek Statutory Headings Report, *Oracle Financials for Europe User Guide*

Statutory Asset Ledger Report

Use the Statutory Asset Ledger report to see summary asset information. The report provides summarized asset cost, accumulated depreciation, and net book value information for each asset, and optionally reports on all parent accounts.

Use the Standard Request Submission windows to submit the Statutory Asset Ledger report.

Report Parameters

Official Run

Enter *Yes* to print the report on Official Statutory Report headed paper. Enter *No* to use normal report headings.

Book

Enter the Asset book that you want to use for this report.

Balancing Segment

Enter the balancing segment that you want to use for this report.

Period

Enter the period that you want to use for this report.

Parent Totals

Enter *Yes* to show parent account totals. Otherwise enter *No*.

Precision

If you entered *Yes* in the Parent Totals field, enter *Class*, *Class and Sub-class*, or *Class, Sub-class, and Group* to indicate the summary level to use for this report.

The Precision indicates the summary level that balances are reported on:

- **Class** – First summary level
- **Class and Sub-class** – First and second summary level
- **Class, Sub-Class, and Group** – First, second, and third summary level

Precision Width

If you entered *Yes* in the Parent Totals field, enter the precision width that you want to report on the summary level you entered.

The precision width indicates the number of account value digits to include at each summary or precision level. The number of digits reported is a combination of the

values that you enter in the Precision and Precision Width parameters, and operates as a multiplier from the lowest precision width of 1. For a precision width of 2, the number of digits reported for each precision is twice that of precision width of 1; for precision width of 3, the number of digits reported is three times that of precision width 1. The maximum precision width is 8, because the accounting flexfield column width is 25 characters.

This table shows the digits reported for each precision width.

Precision Width	Class	Sub-Class	Group
1	1	2	3
2	2	4	6
3	3	6	9
8	8	16	24

Country

Enter your country code.

If your country uses global attributes for asset reporting, these two parameters contain a list of values for the country that you entered in the Country parameter. You enter global attributes for asset reporting in the globalization flexfield in the Asset Details window or the Quick Addition window.

1st Global Attribute

Enter the first global attribute that you want to include in the report.

2nd Global Attribute

Enter the second global attribute that you want to include in the report.

Report Headings

In this heading…	Oracle Assets prints…
Book	Depreciation book
Period	Periods included in this report
Ledger	Ledger associated with the depreciation book

In this heading…	Oracle Assets prints…
Balancing Segment	Balancing segment

Column Headings

In this column…	Oracle Assets prints…
Asset Number	Asset number
Asset Description	Asset description
Asset Account	Natural account segment of the asset cost account associated with the asset category and book
Account Desc	Asset cost account description
Date Placed in Service	Date placed in service of the asset
Current Cost	Asset cost as of the end of the specified period
Accumulated Depr	Accumulated depreciation as of the end of the specified period
Net Book Value	Asset net book value as of the end of the specified period
<Global Attribute Name>	First asset key segment parameter value
<Global Attribute Name>	Second asset key segment parameter value

Related Topics

Running Reports and Programs, *Oracle Applications User Guide*

Statutory Asset Cost Detail Report

Use the Statutory Asset Cost Detail report to see period changes in fixed asset costs. The report provides additions, revaluations, retirements, reclassifications, cost adjustments, and ending balances on all fixed assets.

Use the Standard Request Submission windows to submit the Statutory Asset Cost Detail report.

Report Parameters

Report Type

Enter *Statutory Asset Cost Detail Report* to run the Statutory Asset Cost Detail report.

Official Run

Enter *Yes* to print the report on Official Statutory Report headed paper. Enter *No* to use normal report headings.

Book

Enter the Asset book that you want to use for this report.

Balancing Segment

Enter the balancing segment that you want to use for this report.

From Period

Enter the first period range that you want to include in the report.

To Period

Enter the last period range that you want to include in the report.

Parent Totals

Enter *Yes* to show parent account totals. Otherwise enter *No*.

Precision

If you entered *Yes* in the Parent Totals field, enter *Class*, *Class and Sub-class*, or *Class, Sub-class, and Group* to indicate the summary level to use for this report.

The Precision indicates the summary level that balances are reported on:

- **Class** – First summary level
- **Class and Sub-class** – First and second summary level
- **Class, Sub-Class, and Group** – First, second, and third summary level

Precision Width

If you entered *Yes* in the Parent Totals field, enter the precision width to use to report on the summary level that you entered.

The precision width indicates the number of account value digits to include at each

summary or precision level. The number of digits reported is a combination of the values that you enter in the Precision and Precision Width parameters, and operates as a multiplier from the lowest precision width of 1. For a precision width of 2, the number of digits reported for each precision is twice that of precision width of 1; for precision width of 3, the number of digits reported is three times that of precision width 1. The maximum precision width is 8, because the accounting flexfield column width is 25 characters.

This table shows the digits reported for each precision width.

Precision Width	Class	Sub-Class	Group
1	1	2	3
2	2	4	6
3	3	6	9
8	8	16	24

Asset Information

Enter *Short* to show one line per asset, or *Long* to show two lines per asset.

> **Note:** If you enter *Long*, the report only prints the column headings Supplier Name, Invoice Number, Location, and Retirement Reason.

Report Headings

In this heading…	Oracle Assets prints…
Book	Depreciation book
Period Range	Periods included in this report
Ledger	Ledger associated with the depreciation book
Balancing Segment	Balancing segment

Column Headings

Note: The Statutory Asset Cost Detail report only prints the column headings Supplier Name, Invoice Number, Location, and Retirement Reason if you entered *Long* in the Asset Info parameter.

In this column…	Oracle Assets prints…
Asset Number	Asset number
Asset Account	Natural account segment of the asset cost account
Account Desc	Description of the asset cost account
Date Placed in Service	Date placed in service of the asset
Rate in %	Asset depreciation rate
Retired	Retirement reason for the asset, if the asset was retired during the reported period
Supplier Name	Supplier for the asset associated with the Payables invoice
Invoice Number	Payables invoice numbers (if any) for the asset
Location	Active locations for the asset
Cost Beginning Balance	Asset cost at the start of the reported period
Additions	Addition cost of the asset
Revaluations	Changes in cost of the asset due to revaluations
Retirements	Total change in cost of the asset due to any full retirements, partial retirements, or reinstatements
Reclass.	Changes in cost of the asset due to reclassifications

In this column…	Oracle Assets prints…
Adjustments	Changes in cost of the asset due to adjustments
Cost Ending Balance	Asset cost at the end of the reported period

Related Topics

Running Reports and Programs, *Oracle Applications User Guide*

Running Standard Reports and Listings, *Oracle Assets User Guide*

Statutory Asset Reserve Detail Report

Use the Statutory Asset Reserve Detail report to see period changes in fixed asset accumulated depreciation between two periods. The report provides depreciation expenses, revaluations, retirements, reclassifications, reserve adjustments, and ending balances on all fixed assets.

Use the Standard Request Submission windows to submit the Statutory Asset Reserve Detail report.

Report Parameters

Report Type

Enter *Statutory Asset Reserve DetailReport* to run the Statutory Asset Reserve Detail report.

Official Run

Enter *Yes* to print the report on Official Statutory Report headed paper. Enter *No* to use normal report headings.

Book

Enter the Asset book that you want to use for this report.

Balancing Segment

Enter the balancing segment that you want to use for this report.

From Period

Enter the first period range that you want to include in the report.

To Period

Enter the last period range that you want to include in the report.

Parent Totals

Enter *Yes* to show parent account totals. Otherwise enter *No*.

Precision

If you entered *Yes* in the Parent Totals field, enter *Class*, *Class and Sub-class*, or *Class, Sub-class, and Group* to indicate the summary level to use for this report.

The Precision indicates the summary level that balances are reported on:

- **Class** – First summary level
- **Class and Sub-class** – First and second summary level
- **Class, Sub-Class, and Group** – First, second, and third summary level

Precision Width

If you entered *Yes* in the Parent Totals field, enter the precision width to use to report on the summary level that you entered.

The precision width indicates the number of account value digits to include at each summary or precision level. The number of digits reported is a combination of the values that you enter in the Precision and Precision Width parameters, and operates as a multiplier from the lowest precision width of 1. For a precision width of 2, the number of digits reported for each precision is twice that of precision width of 1; for precision width of 3, the number of digits reported is three times that of precision width 1. The maximum precision width is 8, because the accounting flexfield column width is 25 characters.

This table shows the digits reported for each precision width.

Precision Width	Class	Sub-Class	Group
1	1	2	3
2	2	4	6
3	3	6	9
8	8	16	24

Asset Information

Enter *Short* to show one line per asset, or *Long* to show two lines per asset.

> **Note:** If you enter *Long*, the report only prints the column headings Supplier Name, Invoice Number, Location, and Retirement Reason.

Report Headings

In this heading…	Oracle Assets prints…
Book	Depreciation book
Period Range	Periods included in this report
Ledger	Ledger associated with the depreciation book
Balancing Segment	Balancing segment

Column Headings

> **Note:** The Statutory Asset Reserve Detail report only prints the column headings Supplier Name, Invoice Number, Location, and Retirement Reason if you entered *Long* in the Asset Info parameter.

In this column…	Oracle Assets prints…
Asset Number	Asset number
Asset Account	Natural account segment of the asset cost account
Reserve Account	Natural account segment of the reserve account
Account Desc	Description of the asset cost account
Date Placed in Service	Date placed in service of the asset

In this column…	Oracle Assets prints…
Rate in %	Asset depreciation rate
Retired	Retirement reason for the asset, if the asset was retired during the reported period
Supplier Name	Supplier for the asset associated with the Payables invoice
Invoice Number	Payables invoice numbers (if any) for the asset
Location	Active locations for the asset
Cost Beginning Balance	Original cost of the asset
Depr Rsv Beginning Balance	Asset depreciation reserve at the start of the reported period
Depreciation	Depreciation Expense of the asset
Revaluations	Changes in depreciation reserve of the asset due to revaluations
Retirements	Total change in depreciation reserve of the asset due to any full retirements, partial retirements, or reinstatements
Reclass.	Changes in depreciation reserve of the asset due to reclassifications
Adjustments	Changes in depreciation reserve of the asset due to adjustments
Depr Rsv Ending Balance	Asset depreciation reserve at the end of the reported period

Related Topics

Running Reports and Programs, *Oracle Applications User Guide*

Running Standard Reports and Listings, *Oracle Assets User Guide*

Fixed Assets Register Report

Use the Fixed Assets Register report to report your fixed asset ledger status to your tax authorities. The report helps you reconcile your Fixed Asset books with your General Ledger account balances and to review asset details such as depreciation method, prorate convention, tag number, and statistical information.

The Fixed Assets Register report is an RXi report, divided into two sections. For the first section, Asset Details, the default attribute set displays detailed information for active assets within a particular period range. Active assets are assets that are not fully retired during previous fiscal years. This detail section includes account information as well as descriptive information about each asset. Financial information, such as initial values, increases, decreases, and final values, about asset cost, revaluations, ordinary depreciation, bonus depreciation reserve, and net book value is also printed. Information about asset transactions during the relevant fiscal year follows and is printed in chronological order. Possible transactions include:

- **Additions** - The asset is entered.
- **Adjustment** - The cost of the asset is either manually adjusted or adjusted by the addition of new invoices.
- **Reinstatement** - The asset is reinstated.
- **Retirement** - The asset is partially or fully retired.
- **Revaluation** - The asset is revalued.

For the second section, Retirement, the default attribute set displays information about assets that were retired during the same period, including the retirement date, asset cost at the time of retirement, retired depreciation reserve amounts, and retired net book value.

If you are using Oracle Financials for Italy, select the *Italy* attribute set that is available for both Asset Details and Retirement sections.

You can copy the default or Italian attribute set and customize the layout to suit your reporting needs. Additional headings that you can add to your default attribute set are also available.

The report does not include expensed assets or CIP (construction in process) assets.

Choose the RXi: Fixed Assets Register Report in the Standard Request Submission windows to submit the Fixed Assets Register Report.

Report Parameters

Asset Details Section Format

Enter the format that you want for the asset details section. You can choose the default

format or any that you may have built by creating a new attribute set.

Retirement Section Format

Enter the format that you want for the retirement section. You can choose the default format or any that you may have built by creating a new attribute set.

Book

Enter the depreciation book that you want to run the report for. All active assets in the book are reported on.

From Period

Enter the earliest accounting period that you want to report from.

To Period

Enter the latest accounting period that you want to report to. You can enter periods that the depreciation process was run for.

Major Category

Enter the major category segment value that you want to report on. If you leave this parameter blank, all major categories are reported on.

Minor Category

Enter the minor category segment value that you want to report on. You can enter a minor category even if you do not enter a major category. If you leave this parameter blank, all minor categories are reported on.

Column Headings

Asset Details Section

This table shows the column headings.

In this column...	Oracle Assets prints...
Major Category	The value and description of the major category segment for assets listed on the current page.
Minor Category	The value and description of the minor category segment for assets listed on the current page.

In this column...	Oracle Assets prints...
Starting Depr Year	The fiscal year that the assets listed on the current page were first depreciated.
Asset Number	The asset number.
Description	The asset description.
Invoice Numbers	The invoice numbers associated with the original purchase of the asset.
Parent Asset Number	The parent asset number.
Original Cost	The original cost of the asset, including any cost adjustments or additional invoices applied before the first depreciation process.
Depr Rate	The depreciation rate.
Bonus Rate	The bonus depreciation rate.
Supplier Names	The supplier names associated with the original purchase of the asset.
Date Placed in Service	The date placed in service. The Fixed Assets Register report does not print this column by default; you can choose to print this column through RXi.
Cost Account	The asset cost account.
Depr Account	The depreciation expense account.
Reserve Account	The accumulated depreciation account.
Bonus Depr Account	The bonus depreciation expense account.
Bonus Reserve Account	The bonus accumulated depreciation account.
Initial Cost	The cost of the asset at the beginning of the period that you selected in the From Period parameter.

In this column...	Oracle Assets prints...
Cost Increase	The sum of any increases to the asset cost during the period range from any of these transactions: • Additions • Mass additions • Positive manual cost adjustments • Positive revaluations • Reinstatements
Cost Decrease	The sum of any reductions to the asset cost during the period range from any of these transactions: • Credit memos • Negative manual cost adjustments • Negative revaluations • Retirements The sum is printed as a positive number.
Final Cost	The cost of the asset at the end of the period that you selected in the To Period parameter.
Initial Revaluation	The total revaluation amount from the beginning of the asset life to the end of the previous period that you entered in the From Period parameter.
Revaluation Increase	The sum of changes to the asset cost due to any positive revaluations during the period range.
Revaluation Decrease	The sum of changes to the asset cost due to any negative revaluations during the period range. Retirements are not included.

In this column...	Oracle Assets prints...
Final Revaluation	The total revaluation amount from the beginning of the asset life to the end of the period that you entered in the To Period parameter.
Initial Depr Reserve	The life-to-date ordinary depreciation, excluding any bonus depreciation, at the beginning of the period that you entered in the From Period parameter.
Depr Reserve Increase	The sum of increases to ordinary accumulated depreciation during the period range due to any of these transactions: • Ordinary depreciation expense • Reinstatements • Positive financial adjustments • Positive tax reserve adjustments in the tax book
Depr Reserve Decrease	The sum of decreases to ordinary accumulated depreciation during the period range due to any of these transactions: • Retirements • Negative financial adjustments • Negative tax reserve adjustments in the tax book
Final Depr Reserve	The life-to-date ordinary depreciation, excluding any bonus depreciation, at the end of the period that you entered in the To Period parameter.
Initial Bonus Reserve	The life-to-date bonus depreciation at the beginning of the period that you entered in the From Period parameter.

In this column...	Oracle Assets prints...
Bonus Reserve Increase	The sum of increases to bonus depreciation reserve during the period range due to any of these transactions: • Bonus depreciation expense • Reinstatements • Positive financial adjustments
Bonus Reserve Decrease	The sum of decreases to bonus depreciation reserve during the period range due to any of these transactions: • Retirements • Negative financial adjustments
Final Bonus Reserve	The life-to-date bonus depreciation at the end of the period that you entered in the To Period parameter.
Initial Net Book Value	The initial net book value at the beginning of the period that you entered in the From Period parameter.
Net Book Value Increase	The increase to net book value during the period range, calculated as: *Net Book Value Increase = Cost Increase + Depr Reserve Decrease + Bonus Reserve Decrease*
Net Book Value Decrease	The decrease to net book value during the period range, calculated as: *Net Book Value Decrease = Cost Decrease + Depr Reserve Increase + Bonus Reserve Increase*
Final Net Book Value	The final net book value at the end of the period that you entered in the To Period parameter, calculated as: *Final Net Book Value = Final Cost - Final Depr Reserve - Final Bonus Reserve*

In this column...	Oracle Assets prints...
Transaction Date	The transaction date depending on the type of asset transaction: • **Addition** - Date placed in service • **Adjustment** - Transaction date, effective the last day of the accounting period • **Reinstatement** - Reinstatement date • **Retirement** - Retirement date • **Revaluation** - Revaluation date
Transaction Number	The transaction reference number for all four types of asset transactions.
Transaction Code	The transaction code depending on the type of asset transaction: • **Addition** - Transaction code for additions • **Adjustment** - Transaction code for adjustments • **Reinstatement** - Transaction code for reinstatements • **Retirement** - Transaction code for partial or full retirements • **Revaluation** - Transaction code for revaluations

In this column...	Oracle Assets prints...
Transaction Amount	The transaction amount depending on the type of asset transaction: • **Addition** - Transaction amount • **Adjustment** - Transaction amount • **Reinstatement** - Reinstatement amount • **Retirement** - Retired cost • **Revaluation** - Revaluation amount

Additional Column Headings

This table shows the column headings that are also available for use in your user-defined attribute set.

In this column...	Oracle Assets prints...
Asset Key Flexfield	The concatenated segments of the asset key flexfield value that is assigned to the asset
Depreciation Method	The depreciation method code that is associated with this asset in the chosen book
Life in Months	The useful life of the asset, expressed in month, in the chosen book
Life in Years	The useful life of the asset, expressed in years, in the chosen book
Prorate Convention	The prorate convention code associated with this asset in the chosen book
Tag Number	The tag number for the asset
Serial Number	The serial number for the asset

Retirement Section

This table shows the column headings.

In this column...	Oracle Assets prints...
Major Category	The value and description of the major category segment for assets listed on the current page.
Minor Category	The value and description of the minor category segment for assets listed on the current page.
Retirement Date	The retirement date.
Sales Invoice	The sales invoice number associated with the retirement.
Sales Amount	The proceeds of sale.
Asset Number	The asset number.
Description	The description of the asset.
Parent Asset Number	The parent asset number.
Asset Cost	The cost of the asset when at the time of retirement. If the asset was partially retired, the proportional retired cost is displayed.
Depr Reserve	The proportional amount of ordinary accumulated depreciation that was retired.
Bonus Reserve	The proportional amount of bonus depreciation reserve that was retired.
Net Book Value	The net book value that was retired.
Gain/Loss	The amount of realized gain or loss, including any reductions for removal cost. The gain/loss does not always equal the proceeds of sale minus retired net book value because removal cost is not shown in this report.

Related Topics

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

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

Running Reports and Programs, *Oracle Applications User Guide*

3

Argentina

Oracle General Ledger

Inflation Adjustment Overview

In Argentina, companies report both historical balances and inflation-adjusted balances. You can maintain both balances by keeping your historical balances in one ledger and your inflation-adjusted balances in another ledger. Follow the prerequisite steps for the historical/adjusted option described in the *Common Country Features* chapter.

Using Inflation Adjustment Based on a Price Index

Example for adjusting balances based on a price index

This example shows how the inflation rates and adjustment amounts are calculated to adjust account balances based on a price index. This table shows the price index values for the example.

Period	Price Index Value
November	100
December	101.1
January	102.5
February	103.4
March	106

Period	Price Index Value
April	108.7

The correction factors for the inflation rates are calculated with a precision of six decimal positions. The calculations are based on this formula:

Correction Factor = (Index Value for Last Month of Period Range / Index Value for First Month of Period Range) - 1

This table shows the correction factors for the different period ranges.

Period Range	Correction Factor (Inflation Rate)
December-April	0.075173
January-April	0.060488
February-April	0.051257
March-April	0.025472

Assume that the period-to-date and to-date balances of the Goodwill account have the values in this table for the periods December 2001 through March 2002:

Balances	December	January	February	March
Period-to-Date		20,000	30,000	40,000
To-Date	10,000	30,000	60,000	100,000

> **Note:** Period-to-date balances do not include the balance at the beginning of the period; they only include activity within the period. The period-to-date balance for a period can be calculated by subtracting the balance at the beginning of the period from the balance at the end of the period.

The inflation adjustment amount for the periods January through April is calculated as:

April Adjustment =

(Previous Year Final Balance * December-April Correction Factor) +

(January Period-to-Date Balance * January-April Correction Factor) +

(February Period-to-Date Balance * February-April Correction Factor) +

(March Period-to-Date Balance * March-April Correction Factor) =

(10,000 * 0.075173) +

(20,000 * 0.060488) +

(30,000 * 0.051257) +

(40,000 * 0.025472) =

4,518.08

This table shows the journal entry that adjusts the Goodwill account for inflation:

Accounts	Debit	Credit
Goodwill	4,518.08	
REI Account		4,518.08

Using the Inflation Adjustment Date

The Inflation Adjustment Date (Fecha Valor) feature lets you adjust a journal entry for a period that is before the effective date. For example, you can enter a journal entry for June and adjust the journal entry for a period that starts in January.

> **Note:** If you enter an inflation adjustment date that is after the journal entry effective date, General Ledger does not use that inflation adjustment date. Instead, the inflation adjustment is calculated based on the journal entry effective date.

To use the Inflation Adjustment Date feature, you must define the ledger where you will run the inflation adjustment process as an MRC primary ledger, even if you do not use the MRC feature in General Ledger. You can classify a ledger as primary in the Multiple Reporting Currencies tabbed region in the Ledger window.

Use the Change Currency window to enter the inflation adjustment date. You can navigate to the Change Currency window by pressing the Change Currency button in the Journals window. Enter the inflation adjustment date in the To Date field.

General Ledger only adjusts the lines with accounting flexfield combinations that fall within the account ranges you specified when you submitted the inflation adjustment process.

Example for using the inflation adjustment date

This example shows how the journal entry lines are adjusted for inflation according to the inflation adjustment date. This table shows the price index values for the example.

Period	Price Index Value
January	120
February	150
March	170
April	190
May	205

This table shows Journal Entry 1, which is effective on March 14. Assume that the current month is April. Only the Franchise Initial Fee account and the Capital account are within the specified account ranges:

Accounts	Debit	Credit
Franchise Initial Fee	100	
Cash	250	
Accounts Payable		50
Capital		300

Case 1 – Adjust Journal Entry 1 as shown in this table for inflation with the same effective and inflation adjustment dates. The inflation adjustment is calculated from the effective date.

Correction Factor = (Index Value for Last Month of Period Range / Index Value for First Month of Period Range) - 1

Correction Factor March-April = (190 / 170) - 1 = 0.1176

Accounts	Debit	Credit
Franchise Initial Fee	11.76	

Accounts	Debit	Credit
REI Account	23.52	
Capital		35.28

Case 2 – Adjust Journal Entry 1 as shown in this table for inflation with the inflation adjustment date set to February 10. The inflation adjustment is calculated from the inflation adjustment date.

Correction Factor February-April = (190 / 150) - 1 = 0.2666

Accounts	Debit	Credit
Franchise Initial Fee	26.67	
REI Account	53.31	
Capital		79.98

Related Topics

Entering Foreign Currency Journals, *Oracle General Ledger User Guide*

Oracle Payables

Withholding Tax in Argentina

In Argentina, customers who are withholding agents are responsible for withheld taxes from supplier invoices, when the supplier is subject to tax withholding and is not exempted by the tax authority. The customer pays the supplier invoice net the withheld amount, issues a withholding certificate for the withheld amount, and remits the tax withheld to the proper tax authority.

The main federal and provincial taxes and contributions that have a withholding regime in Argentina are:

- Income tax
- VAT
- Turnover tax

- Employer contribution (SUSS)

The calculation method (both the withholding basis and the rate used) differs by tax withholding type, by withholding category, and by province.

Withholding is calculated when you pay an invoice. The taxable base amount for VAT withholding is per invoice; the taxable base amount for all other withholdings is per payment.

As a withholding agent, you send payment documents with remittance advice to the appropriate tax authorities, and send detailed withholding certificates to suppliers.

> **Note:** Oracle Payables for Argentina does not create offsetting accounting entries for withholding tax.

> **Note:** The Oracle Payables for Argentina withholding tax solution, which is an extension of the Oracle Payables Automatic Withholding Tax functionality, has its own setup and does not require the use of withholding tax groups.

Income Tax Withholding

Income tax, a federal tax that individuals and legal entities pay for income obtained during the year, is withheld by the customer on behalf of a supplier and remitted directly to the proper tax authorities. Income taxes are withheld when the customer is an income tax withholding agent and the supplier is subject to income tax withholding and is not a withholding agent.

You must currently calculate income tax withholding for supplier invoices, debit memos, and credit memos. There are currently four different methods of income tax withholding calculation, three for domestic suppliers and one for foreign suppliers:

- Domestic suppliers: leases, regalias, goods and services
- Domestic suppliers: profesione, liberales, honorarios
- Domestic suppliers: petty cash
- Foreign suppliers

The calculation method for domestic suppliers depends on the category of goods or services in the invoice. Each calculation method has one or more withholding rates associated with it.

Domestic suppliers usually have two different withholding rates for each category based on the supplier tax registration status. You usually have a rate for registered suppliers and a different rate for nonregistered ones.

Income tax withholding has these characteristics:

- **Taxable base amount** – The income tax withholding taxable base amount is based on the sum of all invoice item lines for the same category within a payment to a supplier.

- **Payments with more than one withholding category** – For payments subject to more than one domestic income withholding category, Oracle Payables compares the sum of all calculated withholdings for all categories with the minimum withheld amount. Withholdings apply when the resulting sum is greater than or equal to the minimum withheld amount associated with income tax.

- **Tax payments** – Tax payments to the Argentine tax authority for income tax withheld amounts are in the ledger currency.

- **Income tax withholding certificate** – When you create a payment, you provide an income tax withholding certificate per category per payment to each supplier.

Domestic suppliers: leases, regalias, goods and services

- **Accumulated amounts for withholding** – The taxable base amount and the withheld amount are accumulated within a calendar month by supplier and by category. The accumulated figures are used in the withholding calculation.

- **Minimum taxable base amount** – There is a minimum taxable base amount associated with each category. Oracle Payables only performs withholding calculations when the cumulative month-to-date taxable base amount (including the current payment taxable base amount) is greater than or equal to the minimum taxable base amount.

- **Minimum withheld amount** – The minimum withheld amount applies to all income tax categories.

- **Registered and nonregistered suppliers** – There are different single withholding rates for registered suppliers and nonregistered suppliers.

- **Supplier exemption** – A supplier can have an exemption rate that applies to all income tax categories. Oracle Payables applies the exemption rate as part of the calculation method when the payment date is within the exemption period for the supplier.

Domestic suppliers: profesione, liberales, and honorarios

- **Accumulated amounts for withholding** – The taxable base amount and the withheld amount are accumulated within a calendar month by both supplier and category. The accumulated figures are used in the withholding calculation.

- **Minimum taxable base amount** – There is a minimum taxable base amount associated with each category. Oracle Payables only performs withholding

calculations when the cumulative month-to-date taxable base amount (including the current payment taxable base amount) is greater than or equal to the minimum taxable base amount.

- **Minimum withheld amount** – The minimum withheld amount applies to all income tax categories.

- **Registered suppliers** – There is a range scale table with different withholding rates for registered suppliers.

- **Nonregistered suppliers** – There is a single rate table for nonregistered suppliers.

- **Supplier exemption** – A supplier can have an exemption rate that applies to all income tax categories. Oracle Payables applies the exemption rate as part of the calculation method when the payment date is within the exemption period for the supplier.

Domestic suppliers: petty cash

- **Accumulated amounts for withholding** – There is no requirement to accumulate tax details for a period.

- **Minimum taxable base amount** – There is a minimum taxable base amount associated with each category. Oracle Payables only performs withholding calculations when the current payment taxable base amount for a category is greater than or equal to the minimum taxable base amount.

- **Minimum withheld amount** – The minimum withheld amount applies to all income tax categories.

- **Registered and nonregistered suppliers** – There are different single rate range tables for registered suppliers and nonregistered suppliers.

- **Supplier exemption** – A supplier can have an exemption rate that applies to all income tax categories. Oracle Payables applies the exemption rate as part of the calculation method when the payment date is within the exemption period for the supplier.

Foreign suppliers

There are currently about 16 foreign supplier categories (for example, technology transference contracts, real estate, transport, international news agencies).

- **Accumulated amounts for withholding** – There is no requirement to accumulate tax details for a period.

- **Minimum amounts** – There are no minimum taxable base amounts or minimum withheld amounts associated with foreign supplier categories.

- **Withholding rate** – There is a single withholding rate by category.
- **Supplier exemption** – Supplier exemption rates do not apply.
- **Assumed net gain** – There is a withholding tax rate for each category based on an associated assumed net gain percentage for the type of business associated with the category. The withholding agent can build the rate into the withholding rate.

VAT Withholding

Value Added Tax (VAT), a tax charged on the value added to goods or services at each stage of their supply, is withheld by the customer on behalf of a supplier and remitted directly to the proper tax authorities. VAT is withheld when the customer is a VAT withholding agent and the supplier is subject to VAT withholding, registered with the Argentine tax authority, and not a VAT withholding agent.

VAT withholding only applies to domestic supplier invoices. Unlike all other withholdings, the taxable base amount for VAT withholding is per invoice, not per payment. For withholding to apply, the sum of the invoice withholding amount must be greater than or equal to the minimum withheld amount for VAT.

There are currently three categories of VAT withholding: Goods, Services (including freight), and Real Estate. Each category is assigned a distinct withholding rate by the Argentine tax authority. There are no minimum taxable base amounts associated with VAT categories.

VAT withholding has these characteristics:

- **Taxable base amount** – The VAT taxable base amount is based on the sum of all invoice item lines within the same category within an invoice for a supplier.
- **Minimum withheld amount** – The minimum withheld amount applies to all VAT categories.
- **Withholding rate** – The withholding rate is the rate for a particular category for the time period that the payment date falls within.
- **Supplier exemption** – A supplier can have an exemption rate that applies to all VAT categories. Oracle Payables applies the exemption rate as part of the calculation method when the payment date is within the exemption period for a supplier.
- **Invoices with more than one withholding category** – For invoices subject to more than one VAT withholding category, Oracle Payables compares the sum of all calculated withholdings for all categories with the minimum withheld amount. Withholdings apply when the resulting sum is greater than or equal to the minimum withheld amount associated with VAT.
- **Tax payments** – Tax payments to the Argentine tax authority for VAT withheld

amounts are in the ledger currency.

- **VAT withholding certificate** – When you create a payment, you provide a VAT withholding certificate per category per invoice to each supplier.

Turnover Tax Withholding

Turnover tax withholding is the withholding of provincial taxes on behalf of the supplier. Turnover tax withholding applies to domestic suppliers only.

Provinces that levy Turnover tax are classified with a jurisdiction of Territorial or Country-wide. You can associate only one Territorial province jurisdiction with an invoice line, but you can associate several Country-wide province jurisdictions with an invoice line.

A Territorial province jurisdiction represents the province where the service is provided or where goods are delivered to customers. Withholding taxes for a Territorial province jurisdiction apply when:

- Customer is a Turnover tax withholding agent for the province
- Supplier is subject to Turnover tax in the province

Withholding taxes for a Country-wide province jurisdiction apply when the customer is a Turnover tax withholding agent and the supplier is subject to Turnover tax in the particular province.

The basic Turnover tax withholding calculation is based on a payment taxable base amount multiplied by the applicable withholding rate. Some provinces use a minimum taxable base amount while others use a minimum withheld amount. In addition, there is a different calculation method for multilateral agreements.

Turnover tax withholding has the following characteristics:

- **Provincial withholding categories** – Each province uses its own system to define withholding categories and assigns a distinct withholding rate to each category.
- **Withholding rate** – The withholding rate applied is the rate for a particular provincial category for the time period when the payment date falls.
- **Taxable base amount** – The taxable base amount is calculated based on the sum of all invoice item lines with the same province and category combination within a payment. Depending on the province, one of three methods applies for a minimum taxable base amount:
  - There is no minimum taxable base amount.
  - Compare the minimum taxable base amount with the payment taxable base amount for the category. If the payment taxable base amount is greater than or equal to the minimum taxable base amount, then calculate the withholding.

- Deduct the minimum taxable base amount from the payment taxable base amount, and calculate the withholding using the reduced figure.

- **Minimum withheld amount** – For provinces with a minimum withheld amount, the calculated withholding amount must be greater than or equal to a minimum withheld amount for withholding to apply.

- **Supplier exemption** – A supplier may have an exemption rate within a province. The exemption rate is applied as part of the calculation method whenever the payment date is within the exemption period for the supplier. The exemption rate is applied either at the category level within a province or at the province level for all categories within the province.

- **Multilateral suppliers** – Suppliers may have a multilateral agreement with some provinces. Features of a multilateral agreement are:

  - A different set of withholding rates or a different base amount, as compared to nonmultilateral suppliers.

  - A supplier percentage reduction, separate from individual supplier exemption rates. The percentage is dependent on the percentage of the supplier's revenue generated in a particular province.

- **Tax payments** – The withholding agent creates tax payments for each provincial tax authority in the ledger currency.

- **Turnover withholding certificate** – When you create a payment, provide a Turnover tax withholding certificate to each supplier. You issue one certificate for every supplier, province, and category combination.

Employer Contribution Withholding (SUSS)

Employer contribution withholding SUSS is a series of social security withholding regimes that you withhold from companies and remit to the federal authorities. These contributions apply to domestic suppliers only.

There are four regimes included under employer contribution SUSS:

- General withholding regime.

- Withholding regime for construction companies.

- Withholding regime for temporary personnel agencies.

- Withholding regime for private security companies

Employer Contribution General Withholding Regime

Companies must act as withholding agents for the Social Security Withholding Regime for payments made to companies that are both employers and VAT registered.

Employer contribution withholding SUSS has the following characteristics:

- **Reporting** – Monthly period reporting, with a prepayment for the first 15 days of the month.
- **Tax Calculation** – Calculation is at payment time (item line or memo line), on top of the document amount (invoice, debit memo, credit memo) rather than the payment amount.
- **Tax Rate** – The tax rate is 2%.
- **Minimum Withheld** - There is a minimum withheld amount of $40.
- **Exclusions** – Companies can ask for total or partial exclusion from this withholding regime.
- **Tax Regime Reporting Code** - 755.

Example

The withholding calculation method is the same as the VAT Withholding calculation. Consider these invoices:

Invoice 1 - 15/12/04 $4.000 + VAT Payment date 01/01/05

Invoice 2 - 17/12/04 $3.000 + VAT Payment date 02/01/05

Invoice 3 - 01/01/05 $1.000 + VAT Payment date 05/01/05

The withholding calculation for each invoice is as follows:

Invoice 1 - $80 (80>40) 4.000 x 2% = 80

Invoice 2 - $60 (60>40) 3.000 x 2% = 60

Invoice 3 - $0 (20<40) 1.000 x 2% = 20

Employer Contribution Withholding Regime for Construction Companies

Companies must act as withholding agents for the Social Security Withholding Regime when paying construction companies.

The zone where construction takes place may receive a discount against the standard rate. The discount is built into the standard rate for a zone.

Each zone has a standard set of two categories. The associated rates may differ by category and by zone (including discount). The withholding rate to apply is the rate for a particular category for the time period that the payment date falls within.

No minimum taxable base amounts or minimum withheld amounts exist for this

withholding tax.

Employer contribution withholding SUSS for construction companies has these characteristics:

- **Taxable base amount** – You calculate the taxable base amount for each zone and category combination associated with a payment by summing up invoice line amounts that apply by category within the zone.

- **Supplier exemption** – A supplier's exemption rate within the withholding applies to all zones.

- **Subcontractor withholdings** – If a supplier employs subcontractors for a contracting job for a withholding agent, the supplier withholds the contribution on behalf of the subcontractors. When the supplier sends an invoice to the withholding agent for work completed, the supplier includes a certificate letter indicating the amount of the contribution withheld. The withholding agent in turn uses the amount as a credit against the withholding taxes for the supplier.

- **Tax payments** – The withholding agent creates tax payments for each tax authority in the ledger currency.

- **Withholding certificate** – When you create a payment, you provide a tax withholding certificate to each supplier. You issue one certificate for every supplier, zone, and category combination.

Employer Contribution Withholding Regime for Temporary Personnel Agencies

Companies must act as withholding agents for the Social Security Withholding Regime when paying companies that are temporary personnel agencies.

The zone where work takes place may receive a discount against the standard rate. The discount is built into the standard rate for a zone.

An invoice normally consists of three invoice lines: salary, social security contribution, and mark up (profit margin). The withholding applies only to the salary line. The salary line is subject to the contribution withholding rate within the applicable zone or region. The mark-up line is potentially subject to Income, VAT, and Turnover withholding taxes.

Each zone has a standard set of five concepts. The associated rates may differ by concept and by zone (including discount). The normal practice is to combine the concepts into one category and apply one rate to the taxable base amount, taking into account the individual rates.

There are no minimum taxable base amounts, minimum withheld amounts, or supplier exemptions for this withholding tax.

Employer contribution withholding SUSS for temporary personnel agencies has the following characteristics:

- **Taxable base amount** – Oracle Payables calculates the taxable base amount for each zone and category combination associated with a payment by summing up the applicable invoice line amounts by category within the zone.

- **Contribution payments** – You create contribution payments for each tax authority in the ledger currency.

- **SUSS withholding certificate** – When you create a payment, you provide a SUSS contribution withholding certificate to each supplier. You issue one certificate for every supplier, zone, and category combination.

Employer Contribution Withholding Regime for Private Security Companies

Companies must act as withholding agents for the Social Security Withholding Regime when paying companies that provide private security services.

Employer contribution withholding SUSS for private security companies has the following characteristics:

- **Reporting** – Monthly period reporting, with a prepayment for the first 15 days of the month.

- **Cumulative Payments** – Cumulative payments are during the fiscal period.

- **Tax Calculation** – Calculation is at payment time and is based on the cumulative payment amount for the fiscal period.

- **Tax Rate** – The tax rate is 6%.

- **Minimum Taxable Base** - The minimum taxable base of $8000 is compared against the cumulative amount for the fiscal period.

- **Exclusions** – Companies can ask for total or partial exclusion from this withholding regime.

- **Tax Regime Reporting Code** - 754.

Example

The withholding calculation method is similar to the Income Tax Withholding Regime. The one difference is that the minimum taxable base of $8000 is compared with rather than subtracted from the cumulative payments. Consider these invoices:

Invoice 1 - 15/12/04 $4.000 + VAT Payment date 01/01/05

Invoice 2 - 17/12/04 $3.000 + VAT Payment date 02/01/05

Invoice 3 - 01/01/05 $3.000 + VAT Payment date 05/01/05

Invoice 4 - 05/01/05 $2.000 + VAT Payment date 10/01/05

The withholding calculation for each invoice is as follows:

Invoice 1 - $0 (4000<8000)

Invoice 2 - $0 (7000(4000+3000)<8000)

Invoice 3 - $600 (10000 (4000+3000+3000) > 8000) = 10.000 x 6%= 600 - 0 = 600

Invoice 4 - $120 (12000 (4000+3000+3000+2000)>8000) = 12.000 x 6% = 720 - 600 = 120

Argentine Simplified Regime Contributors (Monotributistas)

Through Resolution 2616, the Argentine Fiscal Authority created a new Withholding Regime for Income Tax and VAT applicable to Simplified Regime Contributors (Monotributistas). This new regime is effective from January 1st 2010 onwards, on any payments made to monotributistas that have met a certain annual threshold billing amount predefined by the government. The thresholds are subject to changes by the Federal Government.

Simplified Regime Contributors (monotributistas) are small businesses or individuals whose annual revenue does not exceed the threshold amounts stipulated by the government. They only pay to the fiscal authority a monthly fee that covers VAT and Income Tax. They are not considered subject to income or VAT withholding taxes until their billing does not meet the annual threshold.

The new withholding regime applicable to Simplified Regime Contributors was created to avoid certain companies or individuals using this fiscal category to pay less tax by withholding if the thresholds are passed. Once a Monotributista is excluded from the Simplified Regime they must register under Income Tax and VAT, and they will only apply again for the Simplified Regime after three years as registered contributors.

Almost every company in Argentina has transactions with Simplified Regime contributors. Companies in Argentina not complying with this requirement can face severe fines applied by the Federal Fiscal Authority.

Simplified Regime Contributors Process

Using the Argentine Extended Withholding solution, you can set up suppliers, withholding types, and rates applicable to simplified regimes (monotributistas). The Simplified Regime Contributors process consists of the following tasks:

1. Identify Suppliers who are Monotributistas
2. Verify Suppliers Billing Information against Fiscal Authority Thresholds
3. Analyze information through the Monotributistas Billing vs. Threshold Verification Report (for management reporting)
4. Automatically enable Simplified Regime applicability to Monotributistas that meet thresholds

Setting Up Simplified Regime Contributors

To set up the Simplified Regime Contributors feature, perform the following tasks:

1. Define the Threshold Amounts
2. Set Up Existing Suppliers
3. Define Simplified Regime Withholding Tax Types
4. Define New Withholding Tax Name
5. Update Company Withholding Applicability
6. Update Supplier Applicability
7. Transactions Entry

Define the Threshold Amounts

To define the Threshold amounts, navigate to the Simplified Regime Contributor Threshold window.

Payables > Localizations > Argentina Withholding Setup > Define Monotributo Suppler Threshold

Enter the Threshold Amount in Argentine pesos per Monotributista Contributor Types of Goods and Services.

Set Up Existing Suppliers

Set or unset suppliers as monotributistas using the VAT Registration Status Code Global Descriptive (GDF) segment. Mark the supplier as a Simplified Regime Contributor Type using the Global Descriptive Flexfield in the Payables Supplier window.

Set Simplified Regime Contributor Type (Seller of Goods of Services Provider).

Define Simplified Regime Withholding Tax Types

Define new Tax Types for Simplified Regimes by selecting the Simplified Regime checkbox. Verify that the Taxable Base Amount Basis for those withholding types selected as Simplified Regime is set to Invoice rather than Payment. For example, Simplified Withholding Regime for Income Tax or Simplified Withholding Regime for VAT.

Define New Withholding Tax Names

Define new Withholding Tax Names for those Simplified Regime Withholding Tax Types. Define one primary rate for each Simplified Regime Withholding Type.

Update Company Withholding Applicability

Enable company applicability for the Simplified Regimes Withholding Types.

Note: The company applicability setup is not automatically performed.

Update Supplier Applicability

You must manually enable (or disable) supplier applicability for the Simplified Regime Withholding Types. You can manually set up the supplier applicability once the threshold is met, or if the supplier is no longer a former monotributista under special rates.

> **Note:** This task can be performed automatically by the Monotributo report, or you can enable it manually.

Transactions Entry

If you run the Montributo report in the List/Verify mode, you have the option to run the report, identify the invoices from when the threshold was first met, manually update the supplier applicability, access that invoice (and subsequent ones), and manually change the withholding default by clicking the re-default button for each applicable line.

You can manually enter or re-default supplier withholding applicability at the Invoice Distribution level for unpaid invoices in the Invoice Distribution Withholdings window.

Argentina Monotributistas Billing vs. Threshold Verification Report

Use the Standard Submission window to run the Argentina Monotributistas Billing vs. Threshold Verification Report. The report can be executed in the following two modes:

- List and Verify
- List, Verify, and Update

List and Verify

In the List and Verify mode, the report lists the monotributistas both subject to and not subject to Simplified Withholding. Only billing information based on the report date provided is verified, and no setup or invoice applicability is updated.

List, Verify, and Update

In the List, Verify, and Update mode, the report lists the monotributistas both subject to and not subject to Simplified Withholding. Billing information based on the report date provided is verified, and the Supplier Applicability setup for the suppliers who are still not subject to, but have met the threshold, is automatically updated.

It will re-default primary withholding tax rates belonging to all types selected as Simplified Regime of unpaid invoices for which threshold is met.

With this report user will be able to do the following:

- Analyze past billing information from the last invoice date provided
- Identify or list monotributistas suppliers who are still not subject to withholdings taxes and former monotributistas who have become subject to simplified regimes withholding rates.

- Give the option to automatically update the supplier applicability setup and any unpaid invoices with simplified regime withholding rates for suppliers that have met the threshold.

Setting Up Oracle Payables for Withholding Tax

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

Step	Setup Task
1	Enable Extended Automatic Withholding Tax Calculation, page 3-19
2	Define Payables Options, page 3-19
3	Define Province Jurisdiction, page 3-20
4	Define Zones, page 3-21
5	Define Tax Authority Categories, page 3-22
6	Define Locations, page 3-23
7	Define Suppliers, page 3-24
8	Define Tax Authority ID Types, page 3-25
9	Define Supplier Provincial Inscription Numbers, page 3-26
10	Define Withholding Tax Types, page 3-27
11	Define Withholding Tax Codes and Rates, page 3-29
12	Define Company Withholding Applicability, page 3-33
13	Define Supplier Withholding Applicability, page 3-34
14	Define Legal Transaction Categories, page 3-36

Step	Setup Task
15	Define Transaction Letters, page 3-37
16	Define Tax Authority Transaction Types, page 3-38
17	Define DGI Transaction Types, page 3-38

Prerequisites

Before you can set up Oracle Payables for withholding tax, you must:

- Define a ledger
- Assign your ledger to a responsibility
- Define company information
- Assign the company to a responsibility
- Define Payables Financials options
- Define payment terms
- Define currencies

1. Enable Extended Automatic Withholding Tax Calculation

Enable extended automatic withholding tax calculation by setting the JG: Extended AWT Calculation profile option to *Yes* for your Oracle Payables responsibility. Use the System Profile Values window in the System Administrator responsibility to define the JG: Extended AWT Calculation profile option.

Related Topics

Overview of Setting User Profiles, *Oracle Applications System Administrator's Guide*

2. Define Payables Options

Use the Payables Options window to set control options and defaults that are used throughout Oracle Payables.

For Argentine tax withholdings, you need to set the options described here in the Withholding Tax tabbed region in the Payables Options window, so that Oracle Payables can correctly apply tax withholdings to supplier invoices.

To define Payables options for tax withholdings:

1. Navigate to the Payables Options window.
2. Navigate to the Withholding Tax tabbed region.
3. Check the Use Withholding Tax check box.
4. In the Apply Withholding Tax region, choose *At Payment Time.*
5. Navigate to the Withholding Amount Basis region.
6. Check the Include Discount Amount check box.
7. Uncheck the Include Tax Amount check box.
8. In the Create Withholding Invoice region, choose *At Payment Time.*

Related Topics

Payables Options, *Oracle Payables User Guide*

3. Define Province Jurisdiction

Use the Provinces window to maintain province information. Indicate whether the jurisdiction for each province is Territorial or Country-wide. Oracle Payables uses province information to calculate Turnover tax withholdings.

Prerequisites

Define province codes for the State Province lookup type in the Lookups window under the Applications Developer responsibility. Use the province codes when you define locations, provincial withholding tax types, and supplier provincial inscription numbers.

To define province lookup codes:

1. Navigate to the Lookups window.
2. Enter or query *JLZZ_STATE_PROVINCE* as the lookup type in the Type field.
3. Enter *Latin America Localizations* in the Application field, if it is not already displayed.
4. Enter *Province* in the Description field, if it is not already displayed.
5. Using a maximum of 15 characters, enter a unique lookup code for the province in the Code field.
6. Enter the province name for the lookup code in the Meaning field.

7. Enter the effective dates that you want the lookup code to be valid for in the From and To fields. The default date in the From field is the current date.

8. Check the Enabled check box to enable the lookup code for data entry.

9. Repeat steps 5 to 8 for each lookup code that you want to define for provinces.

To define province jurisdiction:

1. Navigate to the Provinces window.

2. In the Province Code field, enter a province code.

   The name of the province defaults in the Province Name field.

3. If the province has a Territorial province jurisdiction, check the Territorial check box.

   If the province has a Country-wide province jurisdiction, leave the Territorial check box unchecked.

4. Repeat steps 2 to 3 for each province.

Related Topics

Lookups, *Oracle Payables User Guide*

4. Define Zones

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

Define a lookup code for each zone in Argentina. Use the zone lookup codes when you define locations and withholding tax codes. Oracle Payables uses zone information to calculate zonal withholdings.

To define zone lookup codes:

1. Navigate to the Lookups window.

2. Enter or query *JLZZ_ZONE* as the lookup type in the Type field.

3. Enter *Latin America Localizations* in the Application field, if it is not already displayed.

4. Enter *Zone* in the Description field, if it is not already displayed.

5. Enter a unique lookup code for the zone in the Code field.

6. Enter the zone name for the lookup code in the Meaning field.

7. Enter the effective dates that you want the lookup code to be valid for in the From and To fields. The default date in the From field is the current date.

8. Check the Enabled check box to enable the lookup code for data entry.

9. Repeat steps 5 to 8 for each lookup code that you want to define for zones.

Related Topics

Lookups, *Oracle Payables User Guide*

5. Define Tax Authority Categories

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

Define one tax category code for each DGI tax code that you plan to use. Use the category codes to identify each category within each tax withholding. Use the tax authority category lookup codes when you define withholding tax codes.

To define tax authority category lookup codes:

1. Navigate to the Lookups window.

2. Enter or query *JLAR_TAX_AUTHORITY_CATEGORY* as the lookup type in the Type field.

3. Enter *Latin America Localizations* in the Application field, if it is not already displayed.

4. Enter *Argentine Tax Authority Category* in the Description field, if it is not already displayed.

5. In the Code field, enter the DGI tax code for the tax authority category.

6. Enter the tax category name, such as *Goods* or *Services*, in the Meaning field.

7. Enter the effective dates that you want the lookup code to be valid for in the From and To fields. The default date in the From field is the current date.

8. Check the Enabled check box to enable the lookup code for data entry.

9. Repeat steps 5 to 8 for each lookup code that you want to define for tax authority categories.

Related Topics

Lookups, *Oracle Payables User Guide*

6. Define Locations

Use the Location window and the Legal Entity Configurator to enter information about your company that is used for withholding calculations:

- Use the Location Address flexfield to enter province and zone codes
- Use the Legal Entity Configurator to set up and maintain the first party legal entities and establishments for each company site that is responsible for reporting withholding taxes to the tax authority. You can modify the Release 11*i* migrated location and organization information, and you can enter new definitions according to your requirements

Prerequisites

Before you can define locations, you must:

- Define provinces
- Define zones

To define withholding information for your company:

1. Navigate to the Location window.
2. Query or enter the location that you want.
3. Enter *Argentina (International)* in the Address Style field to enable the Argentine Location Address flexfield.
4. Navigate to the Location Address flexfield.
5. Enter your company's location address and contact information in the available fields.
6. In the Province field, enter the province for the location.
7. In the Zone field, enter the zone for the location.
8. Press the OK button.
9. Enter your company information using the Legal Entity Configurator.

Related Topics

Defining Legal Entities Using the Legal Entity Configurator, *Oracle Financials Implementation Guide*

Setting Up Locations, *Oracle HRMS Enterprise and Workforce Management Guide*

Lookups, *Oracle Payables User Guide*

7. Define Suppliers

To define suppliers for tax withholdings:

- Use the globalization flexfield in the Suppliers window to enter supplier withholding information
- Use the globalization flexfield in the Supplier Sites window to indicate the supplier site legal address to appear on withholding certificates and legal reports
- Define tax authority suppliers

In Argentina, there is normally one tax authority supplier per province for Turnover taxes and one federal tax authority for Income, VAT, and SUSS taxes. If necessary, you can define other tax authorities.

To define withholding information for suppliers:

1. Navigate to the Suppliers window.
2. Enter supplier information in the header region in the Supplier window.

   If the supplier is a tax authority, include a description of the supplier in the Alternate Name field, for example, *Tax Authority for Argentina*.
3. In the Taxpayer ID field, enter the supplier's taxpayer ID.

   Note: If the supplier is a tax authority, leave the field blank.
4. Navigate to the globalization flexfield.
5. In the Origin field, enter *Domestic* or *Foreign* to identify the supplier. The default is *Domestic*.
6. In the Taxpayer ID Type field, enter *Domestic Corporation or Foreign Business Entity*, *Employee*, or *Individual* for the supplier. The default is *Domestic Corporation* or *Foreign Business Entity*.
7. If the primary ID type is Domestic Corporation or Foreign Business Entity, enter the taxpayer ID validation digit in the Taxpayer ID Validation Digit field.
8. If the supplier is eligible for multilateral contributions, enter *Yes* in the Multilateral Contributor field. Otherwise enter *No*.
9. Enter the supplier's transaction letter for invoices in the Transaction Letter field.
10. In the VAT Registration Status Code field, select the tax conditions code for the

VAT Registration status that is associated with your supplier. The Supplier VAT Registration Status Code values are defined as lookup codes for lookup type JLZZ_AP_VAT_REG_STAT_CODE in the Lookups window.

11. Press the OK button.

12. Select the Sites button.

13. Query or enter the supplier site to use for legal reporting.

14. Navigate to the Supplier Sites window for the supplier site.

15. Navigate to the globalization flexfield.

16. In the Legal Address field, enter *Yes* to identify the supplier site for legal reporting.

17. In the Fiscal Printer Used field, enter Yes to indicate that a fiscal printer issued the purchasing document.

18. In the CAI Number field, enter the Printing Authorization Code provided by the Fiscal Authority to be associated with the printed documents. The CAI is associated with a supplier site and defaults onto any documents that are entered for that supplier site.

19. In the CAI Due Date field, enter the latest date the supplier is authorized to print legal documents. A supplier must always have a current CAI to print legal documents and a new CAI can be requested when necessary. The CAI Due Date is defaulted onto any documents that are entered for the supplier site for which the CAI and CAI due date were set.

20. Press the OK button.

21. If the supplier is a tax authority, navigate to the Classifications tabbed region.

22. In the Type field, enter *Tax Authority*.

Related Topics

Entering Suppliers, *Oracle Payables User Guide*

8. Define Tax Authority ID Types

Use the Lookups window to define lookup codes for Argentine tax authority ID types. You can select lookup codes from the lists of values after you define them.

Define one tax authority ID type code for each provincial Argentine tax authority. Use the tax authority ID type lookup codes when you define supplier provincial inscription numbers.

To define tax authority category lookup codes:

1. Navigate to the Lookups window.
2. Enter or query *JGZZ_ENTITY_ASSOC_ID_TYPE* as the lookup type in the Type field.
3. Enter *Latin America Localizations* in the Application field, if it is not already displayed.
4. Enter *ID Type for Related Business* in the Description field, if it is not already displayed.
5. In the Code field, enter a unique lookup code for the tax authority ID type.
6. In the Meaning field, enter a name for the tax authority ID type, such as *Province_SJUAN*.
7. Enter the effective dates that you want the lookup code to be valid for in the From and To fields. The default date in the From field is the current date.
8. Check the Enabled check box to enable the lookup code for data entry.
9. Repeat steps 5 to 8 for each lookup code that you want to define for tax authority ID types.

Related Topics

Lookups, *Oracle Payables User Guide*

9. Define Supplier Provincial Inscription Numbers

Use the Business Entity Relationships window to enter inscription number information for domestic suppliers. Each supplier has a unique provincial inscription number for each province where the supplier is subject to provincial tax withholdings.

The Business Entity Relationships window defines the inscription numbers of each supplier and the associated tax authority that applies for each inscription number. For each provincial tax authority associated with a supplier, maintain both the province code and the supplier's inscription number.

Prerequisites

Before you can define supplier provincial inscription numbers, you must:

- Define suppliers
- Define tax authority categories
- Define tax authority ID types

- Define provinces

To define supplier provincial inscription numbers:

1. Navigate to the Business Entity Relationships window.
2. In the Primary ID Number field, enter the supplier's taxpayer ID.
3. In the Entity Name field, enter the supplier's name, if it is not already displayed.
4. In the Name field of the Related Businesses region, enter the name of the first tax authority to associate with the supplier.
5. In the ID Type field, enter the tax authority ID type.
6. In the ID Number field, enter the supplier's inscription number for the province.
7. In the Effective Date and Ineffective Date fields, enter the beginning and ending dates for the supplier's withholding responsibility for the province.
8. Enter any comments in the Description field.
9. Repeat steps 5 to 8 for each tax authority to associate with the supplier.

10. Define Withholding Tax Types

Use the Withholding Tax Types window to define and maintain withholding tax types and their associated attributes for withholding calculation.

You must define a unique code and set of attributes for each withholding tax type. The attributes that you define should relate to the withholding tax codes that you intend to associate with each withholding tax type.

For Income taxes, you must define one Income tax type for domestic suppliers and one for foreign suppliers (for example, Income-Domestic and Income-Foreign). For Turnover taxes, you must define a tax type for each province.

> **Note:** The tax withholding types generate default attributes for withholding tax codes, but you can change default attributes as required. For more information, see Step 11. Define Withholding Tax Codes and Rates, page 3-29.

Many withholding tax type attributes apply only to a subset of the four withholding taxes (Income, VAT, Turnover, SUSS). The following procedure indicates which attributes apply to which type of withholding.

Prerequisites

Before you can define withholding tax types, you must:

- Define Oracle Payables system options
- Define tax authorities
- Define provinces

To define a withholding tax type:

1. Navigate to the Withholding Tax Types window.
2. Enter a unique code for the tax type in the Withholding Tax Type Code field.
3. Enter a description of the tax type in the Description field.
4. If the tax type is Income-Foreign, check the Applicable to Foreign Suppliers check box.

   Leave the check box unchecked for all other tax types.
5. In the Jurisdiction Type field, define the jurisdiction with one of these:
   - **Federal –** Income or VAT tax types
   - **Provincial –** Turnover tax types
   - **Zonal –** SUSS tax types
6. In the Taxable Base Amount Basis field, enter *Invoice* if the tax type is VAT.

   Enter *Payment* for all other tax types.
7. In the Minimum Taxable Amount Level field, enter *Category* if the tax type is Income-Domestic, Turnover, or SUSS (Private Security Companies only).

   Enter *Not Applicable* for all other tax types.
8. In the Minimum Withheld Amount Level field, enter one of these:
   - **Withholding Type –** Income-Domestic, VAT, Turnover (if province rules apply), or SUSS general withholding regime tax types.
   - **Category –** Turnover (if province rules apply) tax types.
   - **Not Applicable –** Income-Foreign or all other SUSS tax types.
9. If the tax type is Income-Domestic, VAT, or Turnover (if province rules apply), enter the minimum withheld amount in the Minimum Withheld Amount field.
10. In the Tax Authority field, enter the tax authority name for the tax authority associated with the withholding tax type.

11. In the Certificate Header Text field, enter header text for the tax type.

12. If the tax type is Turnover, enter the province for the Turnover tax in the Province field.

13. In the Supplier Exemption Level field, enter one of these:

    - **Withholding Type** – Income-Domestic, VAT, Turnover (if province rules apply), SUSS general withholding regime, and SUSS (Private Security Companies) tax types.

    - **Category –** Turnover (if province rules apply) tax types.

    - **Not Applicable –** Income-Foreign and SUSS (Temporary Personnel Agencies) tax types.

14. In the Tax Type Reporting Code field, enter a DGI-defined three-digit tax type code that identifies the tax type.

15. If the tax type is Income-Domestic or SUSS (Private Security Companies only), check the Cumulative Payment Applicable check box.

    Leave the check box unchecked for all other tax types.

16. If the tax type is SUSS (Construction Companies only), check the Credit Letter Allowed check box.

    Leave the check box unchecked for all other tax types.

17. If the tax type is a Turnover tax type with multilateral contributions, check the Allow Multilateral Contributions check box.

    Leave the check box unchecked for all other tax types.

18. If the tax type is VAT, check the Partial Payment Paid in Full check box so that Oracle Payables calculates the total withholding corresponding to the invoice in the first payment even though the payment is partial.

    Leave the check box unchecked for all other tax types.

19. If the tax type is VAT or Turnover (if province rules apply), check the VAT Inclusive check box.

    Leave the check box unchecked for all other tax types.

11. Define Withholding Tax Codes and Rates

Use the globalization flexfield in the Tax Codes window to define and maintain withholding information for withholding tax codes.

You associate a withholding tax type with each tax code that you define. The

withholding tax type generates default attributes for the tax code. In most cases, you can change the default attributes as required by the tax code definition.

You can associate a withholding tax type with more than one tax code. In general, you need to create a unique tax code within a withholding tax type whenever different rates or attributes apply.

For example, you must define unique tax codes for each of these combinations:

- Each withholding tax type and tax withholding category combination, by both registered and nonregistered rates
- Each Turnover tax withholding type and tax withholding category combination, by both multilateral and nonmultilateral rates and other details
- SUSS contribution types for each zone and contribution withholding category combination

You associate withholding tax codes with item, freight, and miscellaneous document line type amounts for the withholding tax calculation. You do not normally associate withholding tax codes with tax lines.

When you define a withholding tax code for period-based taxes, such as Income - Goods and Services and Income - Profesiones Liberales and Honorarios, you need to associate a special calendar with the withholding tax code. Use the Special Calendar window to define a special calendar for withholding tax code definitions.

After you define a tax code, use the Withholding Tax Details window to define and maintain withholding information for tax rates related to tax codes.

Prerequisites

Before you can define withholding tax codes, you must:

- Define zones
- Define tax authority categories
- Define withholding tax types
- Define a special calendar for period-based withholding tax codes

To define a withholding tax code and rate:

1. Navigate to the Tax Codes window.
2. In the Tax Code field, enter a unique name to describe the withholding tax code (maximum of 15 characters).

   For example, an Income tax code should include the income category, or a Turnover tax code, the province, withholding category, and supplier type.

3. In the Tax Type field, enter *Withholding Tax* for all tax codes.

4. In the Description field, enter a description of the withholding tax code.

   Note: After you define a tax code, fill in the information in the globalization flexfield in the Tax Codes window. Use the Withholding Tax Details window to define and maintain withholding information for tax rates related to tax codes. If you change any information in the globalization flexfield in the Tax Codes window, Payables clears the tax authority name in the Withholding Tax Details window.

5. Navigate to the globalization flexfield.

6. In the Withholding Type field, enter the withholding tax type to associate with the tax code.

7. In the Tax Regime Reporting Code field, enter the tax authority category that you want to associate with the tax code.

8. In the Foreign Rate Indicator field, enter *Yes* if the tax type associated with the tax code is Income-Foreign. Enter *No* for all other tax types.

9. In the Zone field, enter the zone name for the tax code.

   You only enter a value in the field if the tax type associated with the tax code has a jurisdiction of *Zonal*, such as an SUSS regime.

10. In the Item Line Type Applicability field, enter *Yes* if the withholding calculation applies to the invoice item line. Otherwise enter *No*.

11. In the Freight Line Type Applicability field, enter *Yes* if the withholding calculation applies to the invoice freight line. Otherwise enter *No*.

12. In the Miscellaneous Line Type Applicability field, enter *Yes* if the withholding calculation applies to the invoice miscellaneous line. Otherwise enter *No*.

13. In the Tax Line Type Applicability field, enter *Yes* if the withholding calculation applies to the invoice tax line. Otherwise enter *No*.

    Note: You do not normally associate withholding tax codes with tax lines.

14. In the Minimum Taxable Base Amount field, enter the minimum taxable base amount.

You only enter a value if the tax type associated with the tax code is defined as Category level for the minimum taxable base amount, such as Income or Turnover (if province rules apply).

If the tax type is SUSS (Private Security Companies), enter *8000*.

15. In the Minimum Withheld Amount field, enter the minimum withheld amount.

    You only enter a value if the tax type associated with the tax code is defined as Category level for the minimum withheld amount, such as Turnover (if province rules apply).

    If the tax type is SUSS (General regime), enter *40*.

16. If there is a minimum taxable base amount, enter one of the following in the Adjustment Minimum Base field:

    - **Compare –** If the calculation for the withholding compares the taxable base amount to the minimum taxable base amount and calculates withholding if the base amount is greater. Use this value for SUSS (Private Security Companies).

    - **Subtract** – If the calculation for the withholding subtracts the minimum taxable base amount from the taxable base amount .

17. Check the Cumulative Payment Applicable check box, if the tax type associated with the tax code is defined as cumulative payment applicable, such as Income-Domestic and SUSS (Private Security Companies), and is under the category Leases, Regalias, Goods and Services, or Profesiones.

18. In the Tax Inclusive field, enter one of the following:

    - **Yes** – VAT or Turnover (if province rules apply) tax type. The withholding is calculated on top of the line net amount of the included tax.

    - **No –** Income, SUSS, or Turnover (if province rules apply) tax type. The withholding is calculated on top of the line gross amount.

19. In the Supplier Condition Reporting Code field, enter the DGI code related to withholding tax code and rate. This code lets you differentiate between registered and nonregistered suppliers.

20. Press the OK button.

21. Navigate to the Withholding Tax Details window by pressing the Withholding Tax Details button.

22. In the Tax Authority Name field, enter the tax authority name for the tax code.

    Oracle Payables creates a withholding tax invoice for the tax authority during the

confirm payment process.

23. In the Amount Basis field, enter *Gross Amount* for all tax codes.

24. In the Period Basis field, define how cumulative amounts are computed. Enter *Period* if the withholding tax type associated with the tax code is Income - Goods and Services or Income - Profesiones Liberales and Honorarios. Enter *Invoice* for all other tax types.

25. If you entered *Period* in the Period Basis field, enter the special calendar to associate with the withholding tax code in the Calendar field.

    You only enter a value if the withholding tax type associated with the tax code is Income - Goods and Services or Income - Profesiones Liberales and Honorarios, and the tax code has a cumulative month-to-date taxable base amount requirement.

26. Uncheck the Create Tax Group check box for all tax codes.

27. Enter the tax code to apply rates to in the Type field of the Tax Rates region.

28. Enter the effective dates for the tax rate in Effective Dates From and To fields.

29. Enter the range amounts for the tax rate in the Amount Range From and To fields.

    Note: Some tax categories, such as Income - Profesiones Liberales, have different rates for different amount ranges. In this case, the authorities establish the amount to add and subtract from the taxable base amount to calculate the withholding.

30. If the tax category has different rates for different amount ranges, define as many ranges as needed and navigate to the globalization flexfield to enter the amount to add and subtract for each range.

31. Enter the amount to subtract from the withholding taxable base amount in the Amount To Subtract From a Taxable Base field.

32. Enter the amount to add to the calculated withholding amount in the Amount To Add to Withholding field.

33. Press the OK button.

12. Define Company Withholding Applicability

Use the Company Withholding Applicability window to define your company's status as a withholding agent. You must define your company's withholding applicability for each withholding tax type that applies to your company.

Prerequisites

Before you can define your company withholding applicability, you must:

- Define the legal entity
- Define provinces
- Define supplier provincial inscription numbers
- Define withholding tax types

To define your company withholding applicability:

1. Navigate to the Company Withholding Applicability window.
2. Select the applicable legal entity.
3. Navigate to the Company Withholding Types region.
4. In the Withholding Tax Type field, enter the withholding tax types to associate with your company.
5. Check the Agent Indicator check box next to each withholding tax type that your company is a withholding agent for.
6. For each withholding tax type with a jurisdiction level of *Provincial*, enter the province code for the tax authority that corresponds to each tax type in the Tax Authority Type field.

13. Define Supplier Withholding Applicability

Use the Supplier Withholding Applicability window to define and maintain withholding applicability for suppliers. For each supplier, you must define:

- Withholding tax types that the supplier is subject to
- Exemption percentage rates and applicable dates (domestic suppliers only), for each assigned withholding tax type with a supplier exemption level defined at withholding type level
- Multilateral contribution percentage rates and applicable dates (domestic suppliers only), for each assigned Turnover withholding tax type with multilateral contributions
- Tax authority types, for each assigned withholding tax type with a jurisdiction level of provincial

Use the Supplier Withholding Tax Codes window, available from the Supplier

Withholding Applicability window, to define:

- Withholding tax codes, for each assigned withholding tax type
- Primary withholding tax code, for each assigned withholding tax type
- Exemption percentage rates and applicable dates, for each assigned withholding tax code if the corresponding tax type supplier exemption level was defined at category level.

The primary withholding tax code is the key to applying withholdings to line types (item, freight, miscellaneous) for suppliers. When you enter a standard invoice, credit memo, or debit memo, Oracle Payables defaults the primary withholding tax code to each line that applies based on the tax code attributes.

> **Note:** You can change default withholding tax code information at invoice line level. See Invoices, page 3-42 for more information.

Prerequisites

Before you can define supplier withholding applicability, you must:

- Define suppliers
- Define withholding tax types
- Define withholding tax codes

To define supplier withholding applicability:

1. Navigate to the Supplier Withholding Applicability window.
2. Query the supplier that you want.
3. Check the Subject Indicator check box for each withholding tax type the supplier is subject to.
4. If the supplier is eligible for exemptions at the withholding tax type level, navigate to the Exemptions tabbed region.

   Oracle Payables only enables the tabbed region for withholding tax types with a supplier exemption level defined at the withholding type level.
5. Enter the start and end dates for the exemption in the Exemption Start Date and Exemption End Date fields.
6. Enter the exemption percentage rate in the Exemption Rate field.
7. If the supplier is eligible for multilateral contributions, navigate to the Multilateral

Contributions tabbed region.

Oracle Payables only enables the tabbed region for withholding tax types that have been defined as allowing multilateral contributions.

8. Enter the start and end dates for the multilateral contribution in the Start Date and End Date fields and the percentage rate in the Rate field.

9. Navigate to the Tax Authority Types tabbed region.

10. Enter the supplier's tax authority for the withholding tax type in the Tax Authority Type field.

11. Navigate to the Supplier Withholding Tax Codes window by pressing the Withholding Tax Codes button.

12. In the Tax Code field, enter the withholding tax codes to associate with the withholding tax type.

13. Check the Primary check box for the primary withholding tax code for the withholding tax type. You can check only one check box per withholding tax type.

14. If the supplier is eligible for an exemption from the withholding tax code, enter the start and end dates for the exemption in the Start Date and End Date fields and the percentage rate in the Rate field.

    Oracle Payables only enables the region for withholding tax types with a supplier exemption level defined at Category level.

14. Define Legal Transaction Categories

Use the Lookups window to define lookup codes for Argentine legal transaction categories. You can select lookup codes from the lists of values after you define them.

The Argentine legal transaction categories designate Payables transaction types for invoices. The Argentine legal transaction categories provide a more detailed breakdown of the standard Invoice transaction type. This table shows legal transaction categories and their corresponding standard transaction type:

Standard Transaction Type	Legal Transaction Category
Invoice	Invoice
Invoice	Debit Memo
Credit Memo	Credit Memo

Standard Transaction Type	Legal Transaction Category
Receipt	Receipt
Invoice	Cash Invoice
Invoice	Documento Aduanero
Invoice	R3419 Document
Invoice	Factura B
Invoice	Other

To define legal transaction category lookup codes:

1. Navigate to the Lookups window.
2. Enter or query *JLAR_LEGAL_TRX_CATEGORY* as the lookup type in the Type field.
3. Enter *Latin America Localizations* in the Application field, if it is not already displayed.
4. Enter *Argentine Legal Transaction Category* in the Description field, if it is not already displayed.
5. Enter a unique lookup code for the legal transaction category in the Code field.
6. Enter the name of a legal transaction category, such as *Invoice* or *Credit Memo*, for the lookup code in the Meaning field.
7. Enter the effective dates that you want the lookup code to be valid in the From and To fields. The default date in the From field is the current date.
8. Check the Enabled check box to enable the lookup code for data entry.
9. Repeat steps 5 to 8 for each legal transaction category.

Related Topics

Lookups, *Oracle Payables User Guide*

15. Define Transaction Letters

Use the Application Object Library Lookups window to define lookup codes for

Argentine transaction letters. You can select lookup codes from the lists of values after you define them.

In the Application Object Library Lookups window, query the JLAR_DOCUMENT_LETTER lookup type and enter unique lookup codes and meanings for Argentine transaction letters. Oracle Financials for Argentina automatically provides letters A, B, C, E, and X.

The Argentine transaction letter, or document letter, is a one-letter code (A, B, or C) that indicates the combined VAT conditions of the customer and supplier. The transaction letter appears as part of the invoice number submitted by the supplier.

For example, if a VAT-registered supplier sends an invoice to a VAT-registered customer, the transaction letter that appears on the invoice is *A*.

The transaction letter applies only to domestic suppliers. Use the transaction letter lookup codes when you define DGI transaction type codes.

Related Topics

Application Utilities Lookups and Application Object, *Library Lookups, Oracle Applications System Administrator's Guide*

16. Define Tax Authority Transaction Types

Use the Application Object Library Lookups window to define lookup codes for tax authority transaction types. You can select lookup codes from the lists of values after you define them.

In the Application Object Library Lookups window, query the JLAR_TAX_AUTHORITY_TRX_TYPE lookup type and enter unique lookup codes and meanings for tax authority transaction types.

Use the tax authority transaction type lookup codes when you define DGI transaction type codes.

Tax authority transaction types are codes that the DGI provides which represent distinct types of invoices or transactions. Companies are required to provide tax authority transaction types when reporting transactions to the DGI.

Related Topics

Application Utilities Lookups and Application Object, *Library Lookups, Oracle Applications System Administrator's Guide*

17. Define DGI Transaction Types

Use the Transaction Type Codes window to define DGI transaction types. A DGI transaction type is a combination of a legal transaction category, a transaction letter, and a transaction type.

The table below lists the DGI transaction type codes that you need to define, with their corresponding legal transaction category, transaction letter, and transaction type. Use

the table to define DGI transaction types. Some DGI transaction types do not have a transaction letter.

Oracle Payables generates the correct DGI transaction type code on an invoice, depending on the combination of legal transaction category and transaction letter that you enter in the globalization flexfield in the Invoices window. See Invoices, page 3-42 for more information.

Prerequisites

Before you can define DGI transaction types, you must define legal transaction categories, transaction letters, and transaction types.

DGI Transaction Type Codes

Enter the combination of Legal Transaction Category, Transaction Letter, and Transaction Type in this table to define each DGI Transaction Type Code.

Transaction Letter	Legal Transaction Category	Transaction Type
A	Invoice	01
A	Debit Memo	02
A	Credit Memo	03
A	Receipt	04
A	Cash Invoice	05
B	Invoice	06
B	Debit Memo	07
B	Credit Memo	08
B	Receipt	09
B	Cash Invoice	10
C	Invoice	11
C	Debit Memo	12
C	Credit Memo	13

Transaction Letter	Legal Transaction Category	Transaction Type
Not applicable	Documento Aduanero	14
C	Receipt	15
C	Cash Invoice (or other specified name)	16
Not applicable	R3419 (or other specified name)	39
Not applicable	Factura B (or other specified name)	88
Not applicable	Other	99

To define a DGI transaction type code:

1. Navigate to the Transaction Type Codes window.
2. In the Legal Transaction Category field, from the list of values, select a legal transaction category, such as *Invoice* or *Debit Memo*.
3. In the Transaction Letter field, from the list of values, select a transaction letter, such as *A*, *B*, or *C*.
4. In the Transaction Type field, from the list of values, select a transaction type that corresponds to the combination of legal transaction category and transaction letter.
5. Repeat steps 2 to 4 for each combination of legal transaction category, transaction letter, and transaction type.

Tax Treatment in Argentina

In Argentina, individuals or companies must pay taxes to federal, provincial, and city governments on most of the goods and services that they purchase. Oracle Payables for Argentina tax functionality helps you calculate tax on purchasing invoices, credit memos and debit memos for the following Argentine taxes:

- VAT (including VAT Perceptions)
- Other Federal Perceptions
- Provincial Perceptions

- Municipal Perceptions
- Excise

Each tax can have different calculation methods and rates depending on factors such as the location of the company, the supplier, or both; the items received; the status of the parties involved; and so on.

Tax Treatment Features

You must define a separate tax type in Payables for each tax or tax concept that you have to report, account for and print separately:

- VAT
- VAT Non Taxable
- VAT Perceptions
- Provincial Perceptions (for each province)
- Municipal Perceptions (for each municipality)
- Excise

VAT can have up to three tax types (VAT, VAT Non Taxable and VAT Perceptions) because these taxes have different applicability rules and rates. For Provincial and Municipal Perceptions, each province and municipality can be defined as separate tax types. Alternatively, you can create one tax type for Provincial Perceptions, one tax type for Municipal Perceptions, and separate tax codes for each of the different provinces and municipalities.

In the Tax Code window, you must define tax codes and associate each tax code with a defined tax type. The values of the tax types are entered as Tax Type lookup codes for the lookup type TAX TYPE in the Oracle Payables Lookups window.

VAT

VAT is a federal tax that is calculated on transactions with suppliers that involve purchasing invoices, debit memos, and credit memos. A single line may only have one VAT rate. A single invoice can have several VAT rates depending on the invoice lines.

VAT Non Taxable

VAT Non Taxable is used to identify the document lines that are non taxable and for which there are no associated taxes that are reported for VAT.

VAT Perceptions

VAT Perceptions is a tax invoiced to a client as prepayment of VAT. Periodically, a company pays the tax authority the amount corresponding to the total of the Perceptions collected, separate from the monthly VAT payment. Companies' designated VAT Perceptions agents by the tax authority are the only entities authorized to collect VAT Perceptions. VAT Perceptions are the only federal Perceptions that are levied on purchases and remitted to the federal authorities.

Provincial Perceptions

Provincial Perceptions is a tax paid at the provincial level. Each province has its own regulations, and each province's tax system has different calculation percentages. Provincial Perceptions are reported and accounted separately for each province.

Municipal Perceptions

Municipal Perceptions is a tax paid at the municipal level. Each municipality has its own regulations, and each municipality's tax system has different calculation percentages. Municipal Perceptions are reported and accounted separately for each municipality.

Excise

Excise is a tax that is calculated on documents for certain imported and specific products.

Entering Tax Regime Reporting Code for VAT Perceptions Tax

Use Oracle E-Business Tax to set up the VAT tax regime and taxes according to your requirements.

Related Topics

Setting Up Taxes, *Oracle E-Business Tax User Guide*

Invoices

When you enter a standard invoice, credit memo, debit memo, or prepayment invoice, Oracle Payables defaults withholding tax codes at the distribution line level based on your withholding tax setup information.

An invoice number consists of a branch number (which is the point of sale) and the actual document number, and may optionally have letters to clarify the purpose of the document. You must enter a dash between the branch number and the document number so that the two segments can be identified for the purposes of reporting, for example, 01-032567 ND. If the branch number entered in the first segment is less than 4 digits, the branch number will be preceded by zeros, for example 0001. Similarly if the

document number entered in the second segment is less than 8 digits, the document number will be preceded by zeros, for example, 00032567.

For Argentine withholding, you might need to perform one or more of these operations:

- Enter transaction and customs information at the invoice header level
- Indicate whether an invoice is classified as tax inclusive, and enter the tax amounts (if known) associated with each distribution line
- Enter a ship-to location at the distribution line level for invoices that do not have a purchase order
- Review the default withholding tax codes and, if necessary, change or delete tax codes
- If you use Invoice Gateway to import or enter documents, set Oracle Payables to include or exclude tax on distribution lines

Entering Withholding Information

Use the Invoices window to enter invoices, credit memos, debit memos, or prepayment invoices and associated withholding information.

Use the globalization flexfield in the Invoices window to enter transaction information and foreign supplier customs information.

Use the Ship To field in the Invoice Lines window to enter a ship-to location for invoices without a purchase order and if you want this location to be defaulted to all the invoice distributions..

> **Note:** When you use a distribution set to create invoice distributions and do not enter a ship-to location, a warning message will ask you to enter a ship-to location so that withholdings are defaulted for each distribution. If you ignore the message, you must manually update the ship-to locations for each distribution that you create.

Tax-inclusive Documents

Tax-inclusive documents use different taxable base amounts in the withholding calculations. Use the Tax Inclusive field in the globalization flexfield in the Invoices window to indicate whether an invoice is tax inclusive. If you know the tax amount, enter the amount for corresponding distribution lines in the Tax Inclusive Amount field in the globalization flexfield in the Distributions window.

If you know the tax amount, Oracle Payables bases the withholding calculation on the gross amount or net amount, depending on the withholding tax type attributes. If you do not know the tax amount, Oracle Payables bases the withholding calculation on the gross amount.

To enter withholding information for invoices:

1. Navigate to the Invoices window.
2. Query or enter the invoice that you want.
3. Navigate to the globalization flexfield.
4. In the Legal Transaction Category field, enter the legal transaction category for the transaction.
5. In the Transaction Letter field, enter the invoice transaction letter.

   Oracle Payables displays the DGI transaction type code in the Tax Authority Transaction Type field based on the values that you enter in the Legal Transaction Category field and the Transaction Letter field.
6. Enter the customs code in the Customs Code field (foreign supplier only).
7. Enter the invoice issue date in the Customs Issue Date field (foreign supplier only).
8. Enter the issue number in the Customs Issue Number field (foreign supplier only).
9. If the invoice is a tax-inclusive document, enter *Yes* in the Tax Inclusive field. Otherwise, enter *No*. The default value is *No*.
10. In the CAI Number field, Oracle Payables defaults the Printing Authorization Code associated with the supplier site of this document.
11. In the CAI Due Date field, Oracle Payables defaults the CAI Due Date for the CAI associated with the supplier site of this document.
12. Enter the destination code in the Destination Code field to associate this document with imports. Use the Lookups window to define destination code values with the lookup type JLZZ_AP_DESTINATION_CODE. Define the lookup code as Destination Code.
13. Press the OK button.
14. Navigate to the Distributions window by pressing the Distributions button.
15. Navigate to the first distribution line.

    If the invoice has a purchase order attached, Oracle Payables displays the ship-to location, which you can change until the invoice is approved. If there is no purchase order and you entered a ship-to location at the header level, the ship-to location defaults in the globalization flexfield. If you did not enter ship-to information at the header level, you must enter the ship-to location in the globalization flexfield.

16. If the invoice is a tax-inclusive document, enter the tax amount, if known, in the Tax Inclusive Amount field. If you do not know the tax amount, enter *0*.

    Note: To enter a value in the Tax Inclusive Amount field, you must enter *Yes* in the Tax Inclusive field in the globalization flexfield in the Invoices window.

17. Press the OK button.

18. Repeat steps 12 to 16 for each distribution line.

Related Topics

Entering Invoices Overview, *Oracle Payables User Guide*

Maintaining Withholding Tax Codes

Use the Invoice Distribution Withholdings window to view and update the withholding tax codes associated with distribution lines.

Oracle Payables defaults the primary withholding tax codes to distribution lines based on:

- Province and zone associated with the ship-to location
- Withholding tax code setup information
- Line type applicability

If necessary, you can change or delete the withholding tax code associated with a particular distribution line. Oracle Payables controls the changes you can make based on the withholding tax codes that you associated with the supplier. See Step 13. Define Supplier Withholding Applicability, page 3-34 for more information.

To view and update withholding tax codes:

1. Navigate to the Invoices window.
2. Query or enter the invoice that you want.
3. Navigate to the Distributions window by pressing the Distributions button.
4. Navigate to the first distribution line, and view and update the standard distribution line information.
5. Navigate to the Invoice Distribution Withholdings window by choosing Invoice Distribution Withholding from the Tools menu.

   Oracle Payables displays the default withholding tax codes for the distribution line.

6. If necessary, delete the tax code or change the tax code to another valid tax code for the withholding type in the Tax Code field.

   Note: If the changes you enter are incorrect, you can reapply the default tax codes by pressing the Redefault Withholdings button.

7. Save your work.

   If your changes are not valid, Oracle Payables displays an error message and does not allow the change.

8. Repeat steps 4 to 7 for each distribution line.

Payments

When you run a payment request or enter a quick payment, Oracle Payables performs withholding calculations based on the withholding tax types and withholding tax codes associated with distribution lines.

For Argentine withholding, you might need to perform one or more of the following tasks when processing payments:

- Review payments and withholding calculations
- Modify payments
- Print withholding certificates and withholding tax invoices
- Void or stop a payment
- Maintain SUSS withholding tax credits for suppliers

Related Topics

Creating Single Payments, *Oracle Payables User Guide*

Paying Invoices in Payment Batches, *Oracle Payables User Guide*

Defining DGI Currency Codes

On the Argentine Payables Purchasing Flat File, you must list the DGI currency code corresponding to the invoice currency. The DGI publishes the list of two-digit currency codes. Use the globalization flexfield in the Currencies window to define the DGI currency code for each currency.

To define a DGI currency code:

1. Navigate to the Currencies window.

2. Enter or query the currency that you want.

3. Navigate to the globalization flexfield.

4. In the Currency Code field, enter the two-digit DGI currency code for the currency.

Argentine Payables Withholding Certificate

Use the Argentine Payables Withholding Certificate to print supplier withholding certificates. The withholding certificate is a legal document that you send to the supplier with the remittance advice and check. The report produces one certificate per payment for each withholding tax type, province (if applicable), withholding category, and zone (if applicable).

Oracle Payables creates withholding certificate information during the format payment process for each withholding tax code within a supplier. You run the Argentine Payables Withholding Certificate after the confirm payment process.

> **Note:** Payables only creates withholding certificate information for suppliers that have a bill-to and ship-to address defined at the supplier site level.

The certificate contains standard information and information specific to the withholding tax type. Oracle Payables generates a unique certificate number by withholding type and province.

> **Note:** The payment date that appears on withholding certificates and tax invoices is the date of the format payment process. The confirm payment process date does not affect the payment date.

Use the Standard Request Submission windows to submit the Argentine Payables Withholding Certificate.

Report Parameters

Instruction Reference Number

Enter the payment batch number or quick payment to use.

Withholding Type Code

Enter the withholding tax code that you want certificates for.

Certificate Number

Enter a certificate number if you want to reprint a certificate and only if there is a batch name and withholding tax type entered.

Start Date

Enter the start date for the range that you want a certificate for.

End Date

Enter the end date for the range that you want a certificate for.

Supplier Name

Enter name of the supplier that you want a certificate for.

Supplier Name Range From

Enter the first supplier name for the range you want a certificate for.

Supplier Name Range To

Enter the last supplier name for the range you want a certificate for.

Supplier Number Range From

Enter the first supplier number for the range you want a certificate for.

Supplier Number Range To

Enter the last supplier number for the range you want a certificate for.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Argentine Payables Withholding Flat File

Use the Argentine Payables Withholding Flat Files to electronically report federal, zonal, and provincial withholding tax information into various DGI applications that run under SIAP. Run the Argentine Payables Withholding Flat File monthly and import the file into the correct DGI application, if required. After the flat files are imported, the DGI applications produce all required information, including flat files, and can also generate tax reports for control purposes.

The Argentine Payables Withholding Flat File has three formats, each for a different jurisdictions.

- **Federal** - For VAT and Income tax withholdings
- **Zonal** - For SUSS withholdings
- **Provincial** - For Turnover tax withholdings

Extract VAT and Income tax domestic withholdings information on a monthly basis for importing into the SICORE application. You can extract Income tax withholding

information for foreign suppliers to import into the DGI SICORE application. You might want to extract this withholding information on a per payment basis because the SICORE application is used to create foreign supplier withholding certificates.

Extract Zonal withholdings information on a monthly basis for importing into the DGI SIJP application.

The Argentine Payables Withholding Flat File can also extract provincial tax withholding information. Each province has its own format but the extract file contains commonly-required tax information.

The Argentine Payables Withholding Flat File reports the withholding tax amount in the ledger currency. For each format, the flat file generates one row per applicable tax withholding certificate. Payables will not report void certificates. The number and types of columns per row depend on the jurisdiction that taxes are reported for. Records are sorted by withholding date and supplier CUIT number for each format.

The document number, used in the federal and provincial formats, identifies a payment to a supplier. This number comprises the last five digits of the bank account number, followed by #, and then the last six digits of the check number.

For more information about file content, see Argentine Payables Withholding Flat File Content, page 3-48.

Use the Standard Request Submission windows to submit the Argentine Payables Withholding Flat File.

Report Parameters

Start Date

Enter the earliest withholding date that you want to include in the file.

End Date

Enter the latest withholding date that you want to include in the file.

Jurisdiction Type

Enter the jurisdiction type that you want to report withholding taxes for. You must select one of these jurisdiction types:

- Federal
- Provincial
- Zonal

Withholding Type Range From

Select the beginning tax type for the range of withholding tax types that you want to include in the flat file. You can only include withholding tax types that are associated

with the jurisdiction type that you selected.

Leave the Withholding Type Range From and To parameters blank to include all withholding tax types for the jurisdiction type that you selected.

Withholding Type Range To

Select the ending tax type for the range of withholding tax types that you want to include in the flat file. You can only include withholding tax types that are associated with the jurisdiction type that you selected.

Leave the Withholding Type Range From and To parameters blank to include all withholding tax types for the jurisdiction type that you selected.

Include Foreign Supplier Tax Types

Use the Include Foreign Supplier Tax Type parameter only for income tax withholdings within the Federal jurisdiction type. This parameter defaults to *No*. Change this parameter to *Yes* if you want foreign suppliers' withholding tax types included in the file.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Argentine Payables Supplier Statement Report

Use the Argentine Payables Supplier Statement report to provide supplier information in response to supplier inquires.

The Argentine Payables Supplier Statement report shows, for each supplier included in the report, all invoice transactions within a specified range of dates for a specified transaction type.

> **Note:** Payables only prints supplier information for suppliers that have a bill-to and ship-to address defined at the supplier header level.

The report groups transactions by currency. If you run the report by ledger currency, the report prints only one currency section for each supplier. If you run the report by transaction currency, the report prints as many sections as there are transactions in that currency for each supplier.

The Argentine Payables Supplier Statement report is also divided into two sections. The first section lists all transactions, including invoices, payments, withholdings, and applied prepayments, already applied to the supplier balance. The second section lists unapplied prepayments to show you what the supplier balance would be if the remaining amount of prepayments is applied.

Use the Standard Request Submission windows to submit the Argentine Payables Supplier Statement report.

Report Parameters

Report Currency

Enter *Functional* to include only the ledger currency of the customer in the report. Enter *Original* to include each transaction currency used by the supplier in the report.

Supplier Name From

Enter the name of the supplier that you want to report from. The Supplier Name From and To parameters are not affected by what you enter in the Supplier Taxpayer ID parameter.

Supplier Name To

Enter the name of the supplier that you want to report to. The Supplier Name From and To parameters are not affected by what you enter in the Supplier Taxpayer ID parameter.

Supplier Taxpayer ID

Enter the taxpayer ID for suppliers that you want to include in the report. This parameter is not affected by what you enter in the Supplier Name From and To parameters.

Start Date

Enter the accounting date for transactions that you want to report from. The supplier beginning balance is computed for all transactions before this start date.

End Date

Enter the accounting date for transactions that you want to report to.

Report Headings

This table shows the report headings.

In this heading…	Oracle Payables prints…
<Company Name>	Your company name
<Report Title>	*Supplier Statement*
Report Date	The date and time that you ran the report
Page	The current and total pages of the report

In this heading…	Oracle Payables prints…
Supplier Name	The supplier's name
Supplier Tax ID	The supplier's tax ID
Supplier Address	The supplier's address
From Date	The accounting date that you entered in the Start Date parameter to report transactions from
To	The accounting date that you entered in the End Date parameter to report transactions to

Column Headings

Note: Columns contain different information depending on whether the row is Invoice, Payment, Prepayment, or Withholding.

This table shows the column headings.

In this column…	Oracle Payables prints…
Date	In the first section of the report: • **Invoice** - the invoice date • **Payment** - the check date • **Prepayment** - the invoice prepayment date • **Withholding** - the accounting date in the distributions table In the second section of the report, the invoice prepayment date.

In this column…	Oracle Payables prints…
Document Type	In the first section of the report, the transaction type description. In the second section, the only possible value is *Prepayments and Advances*.
Transaction Number	The transaction number: • **Invoice** - the invoice number • **Payment** - the payment document number • **Prepayment (applied)** - the invoice prepayment number
Transaction Currency	The currency code of the original transaction.
Transaction Amount	The transaction amount in the transaction currency. In the first section of the report: • **Invoice** - the total amount of item and tax line distributions • **Payment** - the payment amount • **Prepayment** - the total amount of applied item lines, excluding taxes and withholding lines • **Withholding** - the total amount of withholding applied on invoices, including all distribution lines for all invoices that relate to the payment In the second section of the report, the total amount of item lines is printed for unapplied prepayments.
Transaction/Ledger Currency - Amount	The transaction amount in original currency or ledger currency.

In this column…	Oracle Payables prints…
Transaction/Ledger Currency - Remaining Amount	The remaining balance of the transaction. For invoices, the invoice amount due is printed. For prepayments, the unapplied item line distribution amount is printed in the second section of the report.
Transaction/Ledger Currency - Balance	The supplier running total in original currency or ledger currency.
Reference Information - Date	The document reference date. For payments, applied prepayments, and unapplied prepayments, the invoice date may be referenced. If withholdings are calculated at payment time, the payment date is listed.
Reference Information - Document Type	The type of document that is referenced: • **Payment** - *Invoices* • **Prepayment** - *Invoices* for unapplied prepayments that are partially applied and applied prepayments • **Withholding** - *Invoices* or *Payments* depending on the calculation method
Reference Information - Transaction Number	The number of the transaction that is referenced: • **Payment** - the invoice number • **Prepayment** - the invoice number for unapplied prepayments that are partially applied and applied prepayments • **Withholding** - the invoice or payment document number depending on the calculation method

Row Headings

This table shows row headings.

In this row…	Oracle Payables prints…
Beginning Balance	The beginning balance and the currency code for the transactions with this currency code. If submitted in transaction currency, the report displays a beginning balance for each currency code. If submitted in the ledger currency, the report prints only the beginning balance of the ledger currency code. The beginning balance is calculated with the information that exists in Payables Subledger Accounting Entries.
<Report Section 2 Title>	*Unapplied Prepayments*
Ending Balance	The ending balance and the currency code for the transactions with this currency code. In the first section of the report, the ending balance with all the transactions that were already applied for the supplier is printed. In the second section, the report prints what would be the ending balance if the unapplied transactions are applied.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Argentine Payables VAT Buying Report

The Argentine Payables VAT Buying report lists VAT information on purchases for any period, in your ledger currency.

The Argentine Payables VAT Buying report includes only VAT tax type distribution lines from documents that are accounted in the Payables subledger and a General Ledger date within the date range you select.

You can choose to exclude document types associated with a certain transaction letter from the Argentine Payables VAT Buying report. For example, you can exclude payments to tax authorities and employee expense reimbursements by entering the appropriate letter in the Transaction Letter for Excluded Transactions parameter.

The Argentine Payables VAT Buying report prints a separate line for each VAT rate on each document. For each document, the Argentine Payables VAT Buying report shows the document amount, the non-taxable amount, the exempt amount, and the perceptions amount, as well as the taxable amount, the tax rate, and the tax amount for

the standard VAT rate. If the document contains more than one VAT rate, the Argentine Payables VAT Buying report prints only the taxable amount, the tax rate, and the tax amount for each VAT rate other than the standard VAT rate.

The non-taxable amount for a document is the total of all document distribution lines associated with the tax type that you select as your non-taxable tax type.

The perceptions amount is the total of all tax amounts on the document associated with the tax type that you select as your perceptions tax type.

The exempt amount for a document is the total of all document distribution lines associated with a tax rate equal to zero. If a supplier bills a VAT exempt item, associate the distribution line to a zero-rate VAT tax type so that the flat file displays the transaction as an exempt amount.

The taxable amount for a VAT rate on a document is the total of all document distribution lines associated with that VAT rate.

The documents on the Argentine Payables VAT Buying report are sorted by document date, supplier, and document number.

Use the Standard Request Submission windows to submit the Argentine Payables VAT Buying report.

Report Parameters

Start Date

Enter the earliest General Ledger date associated with the tax distribution lines that you want to include on the report.

End Date

Enter the latest General Ledger date associated with the tax distribution lines that you want to include on the report.

Standard VAT Tax Rate

Enter the standard VAT tax rate for which you want to list document details.

Non-Taxable Tax Type

Enter the tax type that you use for nontaxable document lines. If you leave this parameter blank, no amounts appear in the Non-Taxable Amount column in the Argentine Payables VAT Buying report.

Perceptions Tax Type

Enter the tax type that you use for perceptions tax. If you leave this parameter blank, no amounts appear in the Perception Amount column in the Argentine Payables VAT Buying report.

Transaction Letter for Excluded Transactions

Enter the transaction letter for the document types that you want to exclude from the Argentine Payables VAT Buying report. Valid values are:

- A
- B
- C
- E
- X

Leave this parameter blank to include all document types.

Vat Tax Type

Enter the tax type that you use for VAT tax. This is a mandatory parameter.

Report Headings

This table shows report headings.

In this heading...	Oracle Payables prints...
<Company Name>	Your company name
Title	*VAT Buying Report*
From	The earliest General Ledger date included on the report
To	The latest General Ledger date included on the report
Report Date	The date that you ran the report
Page	The page number

Column Headings

This table shows column headings.

In this column...	Oracle Payables prints...
Document Date	The document date
Document Type	The DGI transaction type
Document Number	The document number
Supplier Name	The supplier name
Supplier Tax ID	The supplier taxpayer ID
Document Amount	The document amount
Non-Taxable Amount	The nontaxable amount
Taxable Amount	The taxable amount
VAT Tax Rate	The VAT tax rate
Tax Amount	The VAT tax amount for each tax rate
Exempt Amount	The exempt amount
Perception Amount	The perceptions tax amount

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Argentine Payables Purchasing Flat File

Use the Argentine Payables Purchasing flat file to list tax information on purchases made by your company. To meet Argentine legal requirements, run the Argentine Payables Purchasing flat file monthly and store the reports in electronic format so that the reports are available when requested by the Federal Tax Authority.

The Argentine Payables Purchasing flat file lists tax information for invoices, credit memos, and debit memos with an associated GL date that is within the range being reported. Only tax distribution lines from documents that are posted in General Ledger are included on the report.

You can choose to exclude document types associated with a certain transaction letter from the Argentine Payables Purchasing flat file. For example, you can exclude

payments to tax authorities and employee expense reimbursements by entering the appropriate letter in the Transaction Letter for Excluded Transactions parameter. For more information about transaction letters, see Step 17. Define DGI Transaction Types, page 3-38 and Invoices, page 3-42.

The Argentine Payables Purchasing Flat File contains two record types:

- Record Type 1-A transaction details record shows tax detail information for a document. Oracle Payables for Argentina creates a separate detail row for each VAT rate and a separate detail row for each non taxable VAT rate on a document. For other tax types, a single detail row is created on the last row for the document.

  For each document, the Argentine Payables Purchasing flat file shows the total amounts for the document amount, non taxable document amount, taxable amount, VAT amount, VAT exempt amount, VAT perceptions amount, other Federal perceptions amount, provincial perceptions amount, municipal perceptions amount, and excise tax amount that are reported within the flat file.

- Record Type 2-A transaction summary shows all the record type 1 details that are reported within the flat file.

For a voided document, all the amount fields show zeros.

The total document amount is the document total amount for all lines within the document.

The non taxable document amount is the total of all non tax line amounts on a document associated with the tax type selected as your non taxable tax type.

The taxable amount is the total of all line amounts on a document that are subject to a VAT rate greater than zero.

The VAT amount is the total VAT amount for the row being reported.

The VAT exempt amount is the total of all non tax line amounts on a document that are associated with a VAT tax rate of 0%.

The VAT perceptions amount is the total of all tax amounts on the document associated with the tax type selected as your VAT perceptions tax type.

The Other Federal perceptions amount is the total of all tax amounts on the document associated with the tax type selected as your other Federal perceptions tax type.

The provincial perceptions amount is the total of all tax amounts on the document associated with the tax type selected as your provincial perceptions tax type.

The municipal perceptions amount is the total of all tax amounts on the document associated with the tax type selected as your municipal perceptions tax type.

The excise tax amount is the total of all tax amounts on the document associated with the tax type that you select as your excise tax type.

The records in the Argentine Payables Purchasing flat file are sorted by GL date at document header level, DGI document type code, transaction number and supplier

taxpayer ID (CUIT). The Argentine Payables Purchasing flat file shows all amounts in the functional currency.

Use the Standard Request Submission windows to submit the Argentine Payables Purchasing Flat File.

Prerequisites

Before you run the Argentine Payables Purchasing flat file, you must perform these prerequisite steps:

- Define your additional company information.
- Define DGI currency codes for the currencies you use. For more information, see Defining DGI Currency Codes, page 3-38.
- Set up CAI and CAI Due Date that are provided by the Federal Tax Authority for a period of time. These values are associated with the printed documents. For more information, see Define Suppliers, page 3-24.
- Set up the Fiscal Printer for a supplier site that is associated with the purchasing documents. For more information, see Define Suppliers, page 3-24.
- Set up supplier VAT registration status codes for your suppliers. For more information, see Define Suppliers, page 3-24.
- Set up destination codes for your suppliers. For more information, see Entering Withholding Information, page 3-43.

Report Parameters

From Date

Enter the earliest General Ledger date that you want to include in the flat file.

To Date

Enter the latest General Ledger date that you want to include in the flat file.

VAT Tax Type

Enter the tax type for VAT.

Non Taxable Tax Type

Enter the tax type for VAT Non Taxable.

VAT Perception Tax Type Range

Enter the starting and ending tax types for the range of VAT Perceptions tax types to include in the flat file.

To report for a particular VAT Perception, enter the tax type in the To or From range. The flat file shows zero amounts in the VAT Perceptions amount fields if you leave the date range blank.

Other Federal Perception Tax Type Range

Enter the starting and ending tax types for the range of Other Federal Perceptions tax types to include in the flat file.

To report for a particular Other Federal Perception, enter the tax type in the To or From range. The flat file shows zero amounts in the Other Federal Perceptions amount fields if you leave the date range blank.

Provincial Tax Type Range

Enter the starting and ending tax types for the range of Provincial tax types to include in the flat file.

To report for a particular Provincial Perception, enter the tax type in the To or From range. The flat file shows zero amounts in the Provincial Perceptions amount fields if you leave the date range blank.

Municipal Tax Type Range

Enter the starting and ending tax types for the range of Municipal tax types to include in the flat file.

To report for a particular Municipal Perception, enter the tax type in the To or From range. The flat file shows zero amounts in the Municipal Perceptions amount fields, if you leave the date range blank.

Excise Tax Type Range

Enter the starting and ending tax types for the range of Excise tax types to include in the flat file.

To report for a particular Excise tax, enter the tax type in the To or From range. The flat file shows zero amounts in the Excise tax amount fields, if you leave the date range blank.

Transaction Letter For Excluded Transactions

Enter the transaction letter for the document types to exclude from the Argentine Payables Purchasing Flat File. Valid values are:

- A
- B
- C
- E

- X

Leave this parameter blank to include all document types.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Argentine Payables CITI Flat File

Use the Argentine Payables CITI Flat File to electronically report VAT information for Payables transactions to the DGI, if required. The Argentine Payables CITI Flat File lists VAT information for Payables documents that you received from your suppliers during the date range that you select, including invoices, debit memos, and prepayment invoices.

Run the Argentine Payables CITI Flat File monthly and import the flat files into the DGI CITI application, which runs under SIAP. After the flat files are imported, DGI CITI produces all the required information, including flat files, and can generate tax reports for control purposes.

The DGI CITI application can only accept a particular document's tax details once. To report multiple tax lines, with potentially different dates, the Argentine Payables CITI Flat File compares the accounting date that appears in the first tax line of the document with the selected date range to determine if it should report a document's details. If the date is within the range all the tax amounts will be summed up and one row inserted into the file.

The Argentine Payables CITI Flat File reports the tax amount in the ledger currency. Only posted documents with a positive tax amount and not canceled are reported.

The Argentine Payables CITI Flat File generates one row per applicable document, with nine columns in each row. The records in the Argentine Payables CITI Flat File are sorted by document date and CUIT number.

To define the document type, you must enter values for the transaction letter and the legal transaction code in the Transaction Type Codes window. The document number comprises a four-digit branch number and a unique twenty-digit sequential transaction number for the document type. The final three fields of the file (Third-party CUIT, Third-party name, VAT on Fees) are filled with blanks.

Use the Standard Request Submission windows to submit the Argentine Payables CITI Flat File.

Report Parameters

Start Date

Enter the earliest General Ledger date associated with the first VAT distribution line to be included in the file details.

End Date

Enter the latest General Ledger date associated with the first VAT distribution line to be included in the file details.

VAT Tax Type

Enter the VAT tax type that you use for VAT.

Transaction Letter From

Enter the beginning transaction letter associated with invoices, prepayment invoices, and debit memos. This parameter defaults to A, which you must first define in the Application Object Library Lookups window. You can change the default.

Transaction Letter To

Enter the ending transaction letter associated with invoices, prepayment invoices, and debit memos. This parameter defaults to A, which you must first define in the Application Object Library Lookups window. You can change the default.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Argentine Payables Perceptions Taken Flat File

Use the Argentine Payables Perceptions Taken Flat File to electronically report VAT perceptions tax information to the DGI, if required. The Argentine Payables Perceptions Taken Flat File lists VAT perceptions tax information for Payables documents during the date range that you select, including invoices, prepayment invoices, and debit memos. Run the Argentine Payables Perceptions Taken Flat File monthly and import the flat files into the DGI IVA application, which runs under SIAP. After the flat files are imported, the DGI IVA application produces all required information, including flat files, and can generate tax reports for control purposes.

The Argentine Payables Perceptions Taken Flat File reports the tax amount in the functional currency. Only posted transactions with a positive tax amount that were not canceled are reported.

The Argentine Payables Perceptions Taken Flat File creates one row of details for each perceptions tax line that appears on a document, subject to the date range that you report and the account date associated with the tax line. The records in the Argentine Payables Perceptions Taken Flat File are sorted by perceptions date, CUIT number, and document number.

The document number comprises a four-digit branch number and an eight-digit sequential transaction number for the document type.

Use the Standard Request Submission windows to submit the Argentine Payables Perceptions Taken Flat File.

Report Parameters

Start Date

Enter the earliest General Ledger date associated with VAT perceptions tax distribution lines that you want to report from.

End Date

Enter the latest General Ledger date associated with VAT perceptions tax distribution lines that you want to report to.

VAT Perceptions Tax Type

Select the tax type of perceptions tax from a list of values.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Oracle Receivables

Latin Tax Engine

Tax Treatment in Argentina

In Argentina, legal entities must collect and remit taxes to federal, state, and city governments on most of the goods and services that they sell. Oracle Receivables for Argentina and Oracle Order Management for Argentina tax functionality helps you calculate tax for invoices for the following Argentine taxes:

- Value Added Tax (VAT)
- Additional VAT
- VAT Not Categorized
- VAT Perceptions
- Provincial Turnover Perceptions
- Municipal Perceptions
- Excise

Each tax can have different calculation methods and rates depending on factors such as the location of the company, the customer, or both; the items received; the status of the parties involved; and so on.

Tax is levied at the time of invoice. Taxes may be levied on specific invoice line items, on an individual invoice, or on a related set of invoices.

Tax Treatment Features

The following taxes are currently levied in Argentina for Receivables purposes:

- VAT (including Additional VAT, VAT Not Categorized, and VAT Perceptions)
- Provincial Turnover Perceptions (for each province)
- Municipal Perceptions (for each municipality)
- Excise

You must define a separate tax category in Receivables for each tax that you are obliged to report, account for, or print separately.

For example, depending on your requirements, VAT can have up to five tax categories (VAT, Additional VAT, VAT Not Categorized, VAT Non Taxable, and VAT Perceptions) because these taxes have different applicability rules and rates. Similarly, Provincial Turnover Perceptions, Municipal Perceptions, and Excise are defined as separate tax categories. Provincial Turnover Perceptions and Municipal Perceptions are grouped by tax regime and reported separately to each province or municipality.

Oracle Receivables for Argentina calculates taxes on an invoice according to the following criteria:

- Tax condition of the customer, company, and invoiced item or service
- Location where the transaction takes place
- Effective tax date

You only have to define the taxes that are applicable to your organization; more than one tax may apply to an invoice line. Oracle Receivables takes into account the minimum taxable amounts and minimum tax amounts for each tax, if required.

When calculating taxes, Receivables determines the taxable base by considering a single transaction line, several transaction lines, or several related transactions, depending on the invoice.

VAT

VAT is a federal tax that is calculated on transactions with customers that involve invoices, debit notes, and credit notes. There may be more than one VAT rate for a single invoice line. A single line may only have one VAT rate. A single invoice can have several VAT rates depending on the invoice lines.

Additional VAT

Additional VAT is a federal tax that is calculated on transactions between registered VAT Companies with nonregistered VAT customers.

VAT Not Categorized

VAT Not Categorized is a tax that is calculated on transactions with non categorized customers. A customer may be classified as a non registered customer or a non categorized customer, but cannot be classified as both types.

VAT Non Taxable

VAT Non Taxable is used to identify the document lines that are non taxable and for which there are no associated tax lines that are reported for VAT, VAT Exempt, VAT Perceptions, Provincial Turnover Perceptions, Municipal Perceptions, or Excise.

VAT Perception

VAT Perception is a tax invoiced to a client as prepayment of a given tax. Periodically, a company pays the tax authority the amount corresponding to the total of the Perceptions collected from customers, separate from the monthly VAT payment. Companies designated VAT Perceptions agents by the tax authority are the only entities authorized to collect VAT Perceptions.

Provincial Turnover Perceptions

Provincial Turnover Perceptions is a tax paid at the provincial level. Each province has its own regulations, and each province's tax system has different calculation percentages, minimum taxable base amounts, and minimum amounts of perceptions. Turnover Perceptions are reported and accounted separately for each province.

Companies recognized by the provincial tax authority as perceptions or withholding agents in each jurisdiction practice Perceptions of this tax. Consequently the same company may be a Perceptions agent in more than one province.

Excise

Excise is a tax that is calculated on transactions for certain imported and specific products.

Municipal Perceptions

Municipal Perceptions is a tax paid at the municipal level for each municipal jurisdiction. Each municipality has its own regulations, and each municipality's tax system has different calculation percentages. Municipal Perceptions are reported and accounted separately for each municipality.

Argentine Tax Handling

You can set up Oracle Receivables for Argentina to automatically calculate VAT, Additional VAT, VAT Not Categorized, VAT Non Taxable, VAT Perceptions, and all

provincial, municipal, and excise taxes that apply to your invoices.

Receivables uses information about your company, your customers, and transaction items and memo lines to calculate these taxes. Each transaction consists of a customer ship-to address and one or more items or memo lines. For Receivables to calculate each tax correctly, you must define information about each tax for every customer address and item or memo line contained in your system.

Once you set up Receivables to manage VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise, the system performs the following operations on every invoice line:

- Identify the applicable taxes
- Determine the base amount on which the tax rate is applied
- Determine the tax rates
- Calculate the tax amounts

These processes are managed in Oracle Receivables by the Latin Tax Engine. You should refer to the information in the *Oracle Financials Common Country Features User Guide* about the Latin Tax Engine as you perform the Receivables setup tasks.

Setting Up for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise

This section describes the steps for setting up Oracle Receivables and the Latin Tax Engine to calculate VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise. Use the list below to help you complete the appropriate steps in the correct order.

YourOracle Receivables for Argentina installation already includes some of the codes and values described in this section. The setup tasks in this chapter indicate whether the data included in the accompanying tables is included in your installation by the following notices:

- **This data is already included in your installation** – The data referred to is part of your installation
- **EXAMPLE ONLY This data is not included in your installation** – The data referred to is an example only and is not included in your installation

For setup tasks that refer to data already included in your installation, you can use the task as a guideline for modifying existing information or adding new information, if this is required.

Prerequisites

Before you can set up Oracle Receivables to calculate VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise, you must set the JL AR Tax: Use Related Transactions for Threshold Checking profile option to *Yes* at the Site level.

Setup List

Step	Setup Task
1	Define System Options, page 3-69
2	Define Tax Conditions, page 3-70
3	Define Tax Condition Values, page 3-77
4	Define Legal Message Exception Codes, page 3-79
5	Define Tax Categories, page 3-79
6	Associate Tax Categories with Tax Conditions and Values, page 3-84
7	Define Tax Codes and Rates, page 3-88
8	Define Tax Condition Classes for Organizations, page 3-91
9	Assign Tax Condition Classes to Organizations , page 3-93
10	Define Tax Condition Classes for Customers, page 3-94
11	Assign Tax Condition Classes to Customers, page 3-96
12	Define Tax Exceptions by Customer Site , page 3-98
13	Define Tax Condition Classes for Transaction, page 3-99
14	Define Fiscal Classifications, page 3-104
15	Assign Tax Condition Classes and Fiscal Classifications to Items, page 3-105

Step	Setup Task
16	Assign Tax Condition Classes and Fiscal Classifications to Memo Lines, page 3-105
17	Define Latin Tax Group, page 3-106
18	Assign Tax Group to Transaction Types, page 3-108
19	Define Exceptions by Transaction Condition Value, page 3-109
20	Define Latin Tax Rules, page 3-110
21	Define Legal Messages, page 3-112
22	Associate Legal Messages and Tax Rules, page 3-113
23	Associate DGI UOM Codes with UOM Codes, page 3-113

1. Define System Options

Use the Create Application Tax Options page in Oracle E-Business Tax, the Oracle Receivables System Options window, and the globalization flexfield in the Oracle Receivables System Options window to set system options to allow the Latin Tax Engine to calculate VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise taxes.

This table shows the options to set for Argentina:

Tax Option Field Name	Suggested Setting
Tax Method	Latin Tax Handling
Location Flexfield Structure	Location Flexfield Structure
Tax Rule Set	Argentina
Compound Taxes	No

Tax Option Field Name	Suggested Setting
Calculation Level	Line
Rounding Rule	Nearest
Precision	2
Transaction Type	Your default transaction type
Location Flexfield Classification	State or Province

Use these guidelines for setting Oracle Receivables system options:

1. In the Location Flexfield Structure field, enter a location flexfield structure.

   Use one of the available location flexfield structures, or define your own location flexfield structure in the Key Flexfield Segments window. The name of the location flexfield structure that you define must contain either *State* or *Province* as one of the segments.

   > **Note:** You must define the segment *State* or the segment *Province* in English only, if you are going to use the Latin Tax Engine. The Latin Tax Engine only recognizes these values in English.

2. In the Location Flexfield Classification field, enter *State* or *Province*, depending on the location flexfield structure that you entered in the Location Flexfield Structure field.

3. In the Use Legal Message field, enter *Yes* if you want default legal messages to appear on your invoices. Enter *No* if you do not.

4. Check the Inclusive Tax Used check box.

5. Enter *Line* as the calculation level to let Oracle Receivables calculate taxes separately for each line.

Related Topics

Defining Receivables System Options, *Oracle Receivables User Guide*

2. Define Tax Conditions

Use the Lookups window to define lookup codes for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise tax conditions. Tax conditions determine whether Oracle Receivables calculates VAT, Provincial Turnover

Perceptions, Municipal Perceptions, and Excise on a specific transaction.

The tax conditions that you define describe the possible conditions of your company, your customers, and your transactions.

Define tax conditions for the following lookup types for each tax:

- ORGANIZATION_ATTRIBUTE
- CONTRIBUTOR_ATTRIBUTE
- TRANSACTION_ATTRIBUTE

After you define tax conditions, define the tax condition values for each tax condition. See Step 3. Define Tax Condition Values, page 3-77 for more information.

This table shows the tax condition lookup codes to define for VAT:

> **Note:** The organization tax condition VAT REGISTERED applies to VAT, Additional VAT, and VAT Perceptions inclusive.

This data is already included in your installation

Lookup Type	Lookup Code	Description
ORGANIZATION_ATTRIBUTE	VAT REGISTERED	Company Registration Status
CONTRIBUTOR_ATTRIBUTE	VAT CONT STATUS	Customer VAT Registration Status
CONTRIBUTOR_ATTRIBUTE	VAT PERC CONT STATUS	Customer VAT Perceptions Status
CONTRIBUTOR_ATTRIBUTE	VAT ADDL CONT STATUS	Customer Additional VAT Status
TRANSACTION_ATTRIBUTE	VAT TRANS STATUS	Transaction VAT Status
TRANSACTION_ATTRIBUTE	VAT PERC TRANS STATUS	Transaction VAT Perceptions Status
TRANSACTION_ATTRIBUTE	VAT ADDL TRANS STATUS	Transaction Additional VAT Status

These tables show the tax condition lookup codes to define for Turnover perceptions:

The data in this table is already included in your installation

ORGANIZATIONS

Lookup Type	Lookup Code	Description
ORGANIZATION_ATTRIBUTE	TO CF ORG STATUS	Company Perception Status CF
ORGANIZATION_ATTRIBUTE	TO BA ORG STATUS	Company Perception Status BA
ORGANIZATION_ATTRIBUTE	TO CR ORG STATUS	Company Perception Status CR
ORGANIZATION_ATTRIBUTE	TO ER ORG STATUS	Company Perception Status ER
ORGANIZATION_ATTRIBUTE	TO MI ORG STATUS	Company Perception Status MI
ORGANIZATION_ATTRIBUTE	TO SF ORG STATUS	Company Perception Status SF
ORGANIZATION_ATTRIBUTE	TO FO ORG STATUS	Company Perception Status FO
ORGANIZATION_ATTRIBUTE	TO CO ORG STATUS	Company Perception Status CO
ORGANIZATION_ATTRIBUTE	TO SE ORG STATUS	Company Perception Status SE
ORGANIZATION_ATTRIBUTE	TO JJ ORG STATUS	Company Perception Status JJ
ORGANIZATION_ATTRIBUTE	TO SA ORG STATUS	Company Perception Status SA
ORGANIZATION_ATTRIBUTE	TO MN ORG STATUS	Company Perception Status MN
ORGANIZATION_ATTRIBUTE	TO LR ORG STATUS	Company Perception Status LR

Lookup Type	Lookup Code	Description
ORGANIZATION_ATTRIBUTE	TO SJ ORG STATUS	Company Perception Status SJ
ORGANIZATION_ATTRIBUTE	TO SL ORG STATUS	Company Perception Status SL
ORGANIZATION_ATTRIBUTE	TO PR ORG STATUS	Company Perception Status PR
ORGANIZATION_ATTRIBUTE	TO RN ORG STATUS	Company Perception Status RN
ORGANIZATION_ATTRIBUTE	TO CH ORG STATUS	Company Perception Status CH

The data in this table is already included in your installation

CONTRIBUTORS

Lookup Type	Lookup Code	Description
CONTRIBUTOR_ATTRIBUTE	TO CF CONT STATUS	Customer Perception Status CF
CONTRIBUTOR_ATTRIBUTE	TO BA CONT STATUS	Customer Perception Status BA
CONTRIBUTOR_ATTRIBUTE	TO CR CONT STATUS	Customer Perception Status CR
CONTRIBUTOR_ATTRIBUTE	TO ER CONT STATUS	Customer Perception Status ER
CONTRIBUTOR_ATTRIBUTE	TO MI CONT STATUS	Customer Perception Status MI
CONTRIBUTOR_ATTRIBUTE	TO SF CONT STATUS	Customer Perception Status SF
CONTRIBUTOR_ATTRIBUTE	TO FO CONT STATUS	Customer Perception Status FO

Lookup Type	Lookup Code	Description
CONTRIBUTOR_ATTRIBUTE	TO CO CONT STATUS	Customer Perception Status CO
CONTRIBUTOR_ATTRIBUTE	TO SE CONT STATUS	Customer Perception Status SE
CONTRIBUTOR_ATTRIBUTE	TO JJ CONT STATUS	Customer Perception Status JJ
CONTRIBUTOR_ATTRIBUTE	TO SA CONT STATUS	Customer Perception Status SA
CONTRIBUTOR_ATTRIBUTE	TO MN CONT STATUS	Customer Perception Status MN
CONTRIBUTOR_ATTRIBUTE	TO LR CONT STATUS	Customer Perception Status LR
CONTRIBUTOR_ATTRIBUTE	TO SJ CONT STATUS	Customer Perception Status SJ
CONTRIBUTOR_ATTRIBUTE	TO SL CONT STATUS	Customer Perception Status SL
CONTRIBUTOR_ATTRIBUTE	TO PR CONT STATUS	Customer Perception Status PR
CONTRIBUTOR_ATTRIBUTE	TO RN CONT STATUS	Customer Perception Status RN
CONTRIBUTOR_ATTRIBUTE	TO CH CONT STATUS	Customer Perception Status CH
CONTRIBUTOR_ATTRIBUTE	TO CA CONT STATUS	Customer Perception Status CA
CONTRIBUTOR_ATTRIBUTE	TO CC CONT STATUS	Customer Perception Status CC
CONTRIBUTOR_ATTRIBUTE	TO LP CONT STATUS	Customer Perception Status LP

Lookup Type	Lookup Code	Description
CONTRIBUTOR_ATTRIBUTE	TO SC CONT STATUS	Customer Perception Status SC
CONTRIBUTOR_ATTRIBUTE	TO TF CONT STATUS	Customer Perception Status TF
CONTRIBUTOR_ATTRIBUTE	TO TU CONT STATUS	Customer Perception Status TU

This data in this table is already included in your installation

TRANSACTIONS

Lookup Type	Lookup Code	Description
TRANSACTION_ATTRIBUTE	TO CF TRANS STATUS	Transaction Perception Status CF
TRANSACTION_ATTRIBUTE	TO BA TRANS STATUS	Transaction Perception Status BA
TRANSACTION_ATTRIBUTE	TO CR TRANS STATUS	Transaction Perception Status CR
TRANSACTION_ATTRIBUTE	TO ER TRANS STATUS	Transaction Perception Status ER
TRANSACTION_ATTRIBUTE	TO MI TRANS STATUS	Transaction Perception Status MI
TRANSACTION_ATTRIBUTE	TO SF TRANS STATUS	Transaction Perception Status SF
TRANSACTION_ATTRIBUTE	TO FO TRANS STATUS	Transaction Perception Status FO
TRANSACTION_ATTRIBUTE	TO CO TRANS STATUS	Transaction Perception Status CO
TRANSACTION_ATTRIBUTE	TO SE TRANS STATUS	Transaction Perception Status SE

Lookup Type	Lookup Code	Description
TRANSACTION_ATTRIBUTE	TO JJ TRANS STATUS	Transaction Perception Status JJ
TRANSACTION_ATTRIBUTE	TO SA TRANS STATUS	Transaction Perception Status SA
TRANSACTION_ATTRIBUTE	TO MN TRANS STATUS	Transaction Perception Status MN
TRANSACTION_ATTRIBUTE	TO LR TRANS STATUS	Transaction Perception Status LR
TRANSACTION_ATTRIBUTE	TO SJ TRANS STATUS	Transaction Perception Status SJ
TRANSACTION_ATTRIBUTE	TO SL TRANS STATUS	Transaction Perception Status SL
TRANSACTION_ATTRIBUTE	TO PR TRANS STATUS	Transaction Perception Status PR
TRANSACTION_ATTRIBUTE	TO RN TRANS STATUS	Transaction Perception Status RN
TRANSACTION_ATTRIBUTE	TO CH TRANS STATUS	Transaction Perception Status CH
TRANSACTION_ATTRIBUTE	TO CA TRANS STATUS	Transaction Perception Status CA
TRANSACTION_ATTRIBUTE	TO CC TRANS STATUS	Transaction Perception Status CC
TRANSACTION_ATTRIBUTE	TO LP TRANS STATUS	Transaction Perception Status LP
TRANSACTION_ATTRIBUTE	TO SC TRANS STATUS	Transaction Perception Status SC
TRANSACTION_ATTRIBUTE	TO TF TRANS STATUS	Transaction Perception Status TF

Lookup Type	Lookup Code	Description
TRANSACTION_ATTRIBUTE	TO TU TRANS STATUS	Transaction Perception Status TU

3. Define Tax Condition Values

Use the Lookups window to define lookup codes for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise tax condition values.

Tax condition values specify each of the possible values of a tax condition. For example, the possible values of the tax condition VAT Registered for an organization are *Registered* and *Not Registered*.

Define tax conditions for the lookup type JLZZ_AR_TX_ATTR_VALUE.

VAT Registration status codes are defined as tax conditions. Use the lookup type JLZZ_AR_TX_ATTR_VALUE to define new lookup codes for VAT Registration status codes as *Tax Attribute Value Type*. For the new VAT Registration status code values, you need to complete all Latin Tax Engine setup. You should refer to the information in the *Oracle Financials Common Country Features User Guide* about the Latin Tax Engine as you perform the Receivables setup tasks.

You can update the existing tax condition codes with VAT Registration status codes that have the same meaning. For example, if you have the tax condition Registered and you need to define a VAT Registration status of *01-Registered*, insert *01-* at the beginning of the Meaning field. This mapping will provide the VAT Registration status two-digit code that is needed for reporting.

To update existing tax condition codes with VAT Registration status codes defined by the Fiscal Authority, you insert the two digit code in the Meaning field. For example, for the tax condition Registered, insert *01-* at the beginning of the Meaning field. *01-Registered* will provide the Fiscal Authority's registration status code for Registered contributors that is needed for reporting.

After you define tax condition values for each tax condition, you can associate both the tax condition and tax condition values with Latin tax categories. See: Step 6. Associate Tax Categories with Tax Conditions and Values, page 3-84 for more information.

This table shows the tax condition values to define for organizations, contributors, and transactions for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise:

This data is already included in your installation

Lookup Type	Lookup Code	Description
JLZZ_AR_TX_ATTR_VALUE	REGISTERED	Registered
JLZZ_AR_TX_ATTR_VALUE	NOT REGISTERED	Not registered
JLZZ_AR_TX_ATTR_VALUE	OUTSIDE REGISTERED	Organization is registered, but located outside province
JLZZ_AR_TX_ATTR_VALUE	EXPORT	Export
JLZZ_AR_TX_ATTR_VALUE	EXEMPT	Exempt
JLZZ_AR_TX_ATTR_VALUE	EXCLUDED	Excluded
JLZZ_AR_TX_ATTR_VALUE	APPLICABLE	Applicable
JLZZ_AR_TX_ATTR_VALUE	NOT APPLICABLE	Not applicable
JLZZ_AR_TX_ATTR_VALUE	PROV REGISTERED	Registered in the province
JLZZ_AR_TX_ATTR_VALUE	TOA REGISTERED	Provincial agreement with province
JLZZ_AR_TX_ATTR_VALUE	END CONSUMER	End Consumer
JLZZ_AR_TX_ATTR_VALUE	OUTSIDE PROV REGISTERED	Customer is registered with the province, but located outside the province
JLZZ_AR_TX_ATTR_VALUE	OUTSIDE TOA REGISTERED	Customer has provincial agreement with province, but located outside province
JLZZ_AR_TX_ATTR_VALUE	OUTSIDE EXEMPT	Customer is exempt in province, but located outside province
JLZZ_AR_TX_ATTR_VALUE	OUTSIDE END CONSUMER	Customer is end consumer, but located outside province
JLZZ_AR_TX_ATTR_VALUE	GOODS	Goods

Lookup Type	Lookup Code	Description
JLZZ_AR_TX_ATTR_VALUE	SERVICES	Services

4. Define Legal Message Exception Codes

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

Legal message exception codes are used to define the type of exception for which you can then associate a legal message. See Step 22. Associate Legal Messages and Tax Rules, page 3-113 for more information.

Add as many legal message exception codes as you require. Use the lookup type JL_ZZ_AR_TX_LEGAL_MESSAGE to define a new legal message exception code.

5. Define Tax Categories

Use the Lookups window to define lookup codes for tax categories for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise.

Use the Latin Tax Categories window, after you create the lookup codes, to define the VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise tax categories.

> **Note:** If you want the Latin Tax Engine to derive a tax code from a tax category, associate the tax code with a tax category after you define it in the Tax Codes and Rates window. See Step 7. Define Tax Codes and Rates, page 3-88 for more information.

You create five tax category lookup codes for VAT:

- VAT
- Additional VAT
- VAT Not Categorized
- VAT Non Taxable
- VAT Perceptions

You create three tax category lookup codes for additional tax categories:

- Provincial Turnover Perceptions
- Municipal Perceptions

- Excise

You create a Provincial Turnover Perceptions tax category lookup code for each province and similarly a Municipal Perceptions tax category lookup code for each municipality.

This table shows the tax category lookup codes to define for VAT:

This data is already included in your installation

Lookup Type	Lookup Code	Description
JLZZ_AR_TX_CATEGORY	VAT	Value Added Tax
JLZZ_AR_TX_CATEGORY	VATADDL	Additional Value Added Tax
JLZZ_AR_TX_CATEGORY	VATPERC	VAT Perceptions

This table shows the tax category lookup codes to define for Turnover perceptions:

This data is already included in your installation

Lookup Type	Lookup Code	Description
JLZZ_AR_TX_CATEGORY	TOPCF	Capital Federal Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPBA	Buenos Aires Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPCR	Corrientes Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPER	Entry Rios Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPMI	Misiones Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPSF	Santa Fe Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPFO	Formosa Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPCO	Cordoba Turnover Perception

Lookup Type	Lookup Code	Description
JLZZ_AR_TX_CATEGORY	TOPSE	Santiago del Estero Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPJJ	Jujuy Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPSA	Salta Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPMN	Mendoza Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPLR	La Rioja Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPSJ	San Juan Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPSL	San Luis Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPNQ	Neuquen Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPRN	Rio Negro Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPCH	Chubut Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPCA	Catamarca Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPCC	Chaco Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPLP	La Pampa Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPSC	Santa Cruz Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPTF	Tierra del Fuego Turnover Perception
JLZZ_AR_TX_CATEGORY	TOPTU	Tucuman Turnover Perception

Use the Latin Tax Categories window to define VAT, Provincial Turnover Perceptions,

Municipal Perceptions, and Excise tax categories, using the tax category lookup codes that you created in the Lookups window.

> **Note:** You can modify the tax categories included in your installation to suit your specific needs.

To define a tax category:

1. Navigate to the Latin Tax Categories window.
2. Select the applicable operating unit.
3. Enter a tax category in the Category field.
4. Enter the effective dates for this tax category. The tax category is effective within the range that you specify.
5. In the Threshold Check Level field, enter one of the following:
   - **Line** – Consider the current invoice line for threshold checking.
   - **Document** – Consider the current invoice for threshold checking.
   - **Operation** – Consider the current invoice and its related debit memos, credit memos, and related invoices for threshold checking.
6. In the Grouping Condition Type field, enter one of the following:
   - **Line** – Use the current invoice line amount as the base amount for threshold checking.
   - **Document** – Use the sum of all amounts of relevant lines as the base amount for threshold checking. For use with the values *Document* or *Operation* in the Threshold Check Level field.
   - **Transaction Condition** – Use the sum of all amounts of relevant lines as the base amount for threshold checking. For use with the values *Document* or *Operation* in the Threshold Check Level field.
7. If you entered *Transaction Condition* in the Grouping Condition Type field, enter the transaction condition to group by in the Grouping Condition field.

   > **Note:** Receivables automatically populates the Grouping Condition Type field with *Transaction Condition* and the Grouping Condition field with the applicable transaction condition, if you check the Grouping Attribute check box in the Associate Latin Tax Category

with Conditions and Values window for a tax category and tax condition combination. See Step 6. Associate Tax Categories with Tax Conditions and Values, page 3-84 for more information.

8. Select a tax code in the Tax Code field after you define tax codes and rates from a list of values, if you want to use a default tax code for this tax category.

   Note: You only perform this step after you define tax codes and rates. See Step 20. Define Latin Tax Rules, page 3-110 for more information.

9. In the Tax Authority Code field, select the DGI tax type code from the list of values.

   Note: Use the Latin Tax Categories window to associate DGI Tax Type Codes with tax categories. Before you associate these codes, you define lookup codes for the DGI Tax Type Code with the JLAR_AP_DGI_TAX_TYPE lookup type.

10. In the Min Amount, Min Taxable Basis, and Minimum % fields, enter the appropriate values to use with this tax.

    This table shows how Receivables uses the values in these fields:

Field Name	Tax Does Not Apply If...
Min Amount	Tax calculated is less than this value
Min Taxable Basis	Taxable base is less than this value
Minimum %	Tax rate is less than this value

11. Check the Inclusive Tax check box if you want tax included in the price at invoice line level. Leave the check box unchecked if you do not.

    Note: You cannot change the Inclusive Tax setting after you associate the tax category with a tax code or a tax group.

12. Check the Mandatory in Class check box if you want the tax category to appear in every tax condition class.

Note: This setting applies to VAT only (not Additional VAT or VAT Perceptions).

13. Check the Print check box if you want the tax line printed. Leave the check box unchecked if you do not.

14. In the Tax Regime field, select the tax regime from the list of values.

15. Provincial - Use this tax regime to group Provincial Turnover Perceptions tax categories for reporting purposes.

16. Municipal - Use this tax regime to group Municipal Perceptions tax categories for reporting purposes.

6. Associate Tax Categories with Tax Conditions and Values

Use the Associate Latin Tax Category with Conditions and Values window to associate VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise tax categories with tax conditions to create determining factor tax conditions. Oracle Receivables uses determining factor tax conditions to determine whether VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise apply to a transaction.

Define one determining factor tax condition for each combination of:

- VAT tax category and each condition type (organization, contributor, transaction)
- Provincial Turnover Perceptions tax category and each condition type (organization, contributor, transaction)
- Municipal Perceptions tax category and each condition type (organization, contributor, transaction)
- Excise tax category and each condition type (organization, contributor, transaction).

For the contributor condition type, you can associate a DGI customer condition code with contributor tax condition values. For the transaction condition type, you can associate a DGI tax regime code with transaction tax condition values. The Argentine Receivables Perceptions flat file uses these codes to sort perceptions tax information. Use the Oracle Receivables Lookups window to define DGI customer condition codes and DGI tax regime codes. Define DGI customer condition codes for the JLAR_AP_SUPP_CONDITION_CODE lookup type and DGI tax regime codes for the JLAR_TAX_AUTHORITY_CATEGORY lookup type.

This table shows the determining factor tax conditions to define for VAT:

This data is already included in your installation

Tax Category	Condition Type	Condition Name	Mandatory in Class	Determining Factor	Grouping Attribute	Condition Value
VAT	Organization Condition	VAT REGISTERED	Yes	Yes	No	Registered or Not Registered
VAT ADDL	Organization Condition	VAT REGISTERED	Yes	Yes	No	Registered or Not Registered
VATPERC	Organization Condition	VAT REGISTERED	Yes	Yes	No	Registered or Not Registered
VAT	Contributor Condition	VAT CONT STATUS	Yes	Yes	No	Registered or Not Registered
VAT ADDL	Contributor Condition	VAT ADDL CONT STATUS	Yes	Yes	No	Applicable or Not Applicable
VATPERC	Contributor Condition	VAT PERC CONT STATUS	Yes	Yes	No	Applicable or Not Applicable
VAT	Transaction Condition	VAT TRANS STATUS	Yes	Yes	No	Export or Exempt
VAT ADDL	Transaction Condition	VAT ADDL TRANS STATUS	Yes	Yes	No	Export or Exempt
VATPERC	Transaction Condition	VAT PERC TRANS STATUS	Yes	Yes	No	Export or Exempt

Use these guidelines for associating tax categories with tax conditions for VAT:

1. Check the Determining Factor check box for all tax categories and condition types.

   There is one determining factor tax condition for each tax category per condition

type.

2. Check the Mandatory in Class check box for all tax categories and condition types.

   All determining factor tax conditions are mandatory in class.

3. Uncheck the Grouping Attribute check box for all condition types. There is no threshold check for VAT.

4. In the Tax Reporting Code field, you can enter a DGI customer condition code for contributor condition values or a DGI tax regime code for transaction tax condition values.

5. For condition values, check the Default to Class check box to default a condition value to the tax condition class for a tax category, condition type, and condition name combination. You can only check the Default to Class check box for one condition value for each combination of tax category, condition type, and condition name.

This table shows an example of determining factor tax conditions to define for Turnover perceptions:

This data is already included in your installation

Tax Category	Condition Type	Condition Name	Mandatory in Class	Determining Factor	Grouping Attribute	Condition Value
TOPCF	Organization Condition	TO CF ORG STATUS	Yes	Yes	No	Registered or Not Registered
TOPCF	Contributor Condition	TO CF CONT STATUS	Yes	Yes	No	Prov Registered, Exempt, TOA Registered, End Consumer, Excluded
TOPCF	Transaction Condition	TO CF TRANS STATUS	Yes	Yes	Yes	Applicable or Not Applicable
TOPBA	Organization Condition	TO BA ORG STATUS	Yes	Yes	No	Registered or Not Registered

Tax Category	Condition Type	Condition Name	Mandatory in Class	Determining Factor	Grouping Attribute	Condition Value
TOPBA	Contributor Condition	TO BA CONT STATUS	Yes	Yes	No	Prov Registered, Exempt, TOA Registered, End Consumer, Excluded
TOPBA	Transaction Condition	TO BA TRANS STATUS	Yes	Yes	Yes	Applicable or Not Applicable

Use these guidelines for associating tax categories with tax conditions for Turnover perceptions:

1. Create a tax category for each province.
2. Create determining factor tax conditions for each province.
3. Create determining tax conditions for the province tax category for each of the three condition types (organization, contributor, and transaction).
4. Check the Determining Factor check box for all tax categories and condition types.
5. Check the Mandatory in Class check box for all tax categories and condition types.

   All determining factor tax conditions are mandatory in class.
6. Check the Grouping Attribute check box for transaction conditions only.

   By checking this check box, Receivables adds invoice lines with the same tax condition values before comparing the amount to the threshold.

   > **Note:** Receivables automatically populates the Grouping Condition Type field with *Transaction Condition* and the Grouping Condition field with the transaction condition in the Latin Tax Categories window for this tax category. See Step 5. Define Tax Categories, page 3-79 for more information.

7. In the Tax Reporting Code field, you can enter a DGI customer condition code for contributor condition values or a DGI tax regime code for transaction tax condition values.

8. For condition values, check the Default to Class check box to default a condition value to the tax condition class for a tax category, condition type, and condition name combination. You can only check the Default to Class check box for one condition value for each combination of tax category, condition type, and condition name.

7. Define Tax Codes and Rates

Use the Tax Codes and Rates window to define tax codes and rates for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise tax categories. Use the globalization flexfield in the Tax Codes and Rates window to assign a tax category to a tax code. Use these guidelines for creating Tax Codes and Rates:

1. Navigate to the Tax Codes and Rates window.
2. Navigate to the globalization flexfield.
3. Enter the tax category for the tax code in the Tax Category field.
4. Select the DGI transaction code from the list of values in the DGI Transaction Code field to assign a code to all documents that include VAT Non Taxable or a VAT rate of 0%.

   Use the Lookups window to define DGI transaction code values with the lookup type JLZZ_AP_DGI_TRX_CODE. Define the lookup code as DGI Transaction Code.
5. Enter the Turnover Jurisdiction Code to associate the Turnover Jurisdiction with the Provincial Turnover Perceptions tax.

   Use the Lookups window to define Turnover Jurisdiction Code values with the lookup type JLZZ_AR_TO_JURISDICTION_CODE. Define the lookup code as Turnover Jurisdiction Code.
6. Enter the Municipal Jurisdiction to associate the Municipal Jurisdiction with a Municipal Perceptions tax.

Define as many tax codes as you need for each type of tax. You must define at least one tax code for each VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise tax category, and for each tax rate that exists for a tax category.

For example, if the VAT tax category has one tax rate for goods and a different tax rate for services, you must define two tax codes for the VAT tax category.

VAT

Define one tax code for each tax rate. Define tax codes with the credit sign, because the tax codes correspond to VAT liabilities.

This table provides a guideline for defining tax codes for VAT. Actual rates and accounts depend on the prevailing legislation and on your company's chart of accounts.

EXAMPLE ONLY This data is not included in your installation

The key to this table is:

Table Header

- **Cat** - Abbreviation for *Category*.
- **Acct** - Abbreviation for *Account*.
- **Incl** - Abbreviation for *Inclusive*.

Tax Code	From	Tax Type	Tax Rate %	Sign	Tax Cat	Tax Acct	Allow Exempt	Adhoc	Incl Tax	Allow Incl Override
VAT–0	01/01/90	VAT	0	Credit	VAT	01-240 805-1010-000 0-000-0000	No	No	No	No
VAT–1	01/01/90	VAT	16	Credit	VAT	01-240 805-1011-000 0-000-0000	No	No	No	No
VAT–A-1	01/01/90	VAT	20	Credit	VAT ADDL	01-240 805-1012-000 0-000-0000	No	No	No	No
VAT–P-1	01/01/90	VAT	5	Credit	VATP ERC	01-240 805-1013-000 0-000-0000	No	No	No	No

Use these guidelines for defining VAT tax codes:

1. Enter *VAT* in the Tax Type field.
2. Uncheck the Allow Exempt check box. This field is not used by the Latin Tax Engine.
3. Uncheck the Adhoc check box. The tax rate cannot allow changes to the transaction entry.

4. Uncheck the Inclusive Tax and Allow Inclusive Override check boxes. VAT is not included in the price of an item.

Turnover perceptions

Define at least one tax code for each tax rate under each province tax category that you will use.

This table provides a guideline for defining tax codes for Turnover perceptions. Actual rates and accounts depend on the prevailing legislation and on your company's chart of accounts.

EXAMPLE ONLY This data is not included in your installation

The key to this table is:

Table Header

- **Cat** - Abbreviation for *Category*.
- **Acct** - Abbreviation for *Account*.
- **Incl** - Abbreviation for *Inclusive*.

Tax Code	From	Tax Type	Tax Rate %	Sign	Tax Cat	Tax Acct	Allow Exempt	Adhoc	Incl Tax	Allow Incl Override
Goods	01/01/90	Sales Tax	3	Credit	TOPCF	01-236575-1004-0000-000-0000	No	No	No	No
Services	01/01/90	Sales Tax	4	Credit	TOPCF	01-236575-1003-0000-000-0000	No	No	No	No
Prof-fees	01/01/90	Sales Tax	10	Credit	TOPCF	01-236575-1001-0000-000-0000	No	No	No	No

Tax Code	From	Tax Type	Tax Rate %	Sign	Tax Cat	Tax Acct	Allow Exempt	Adhoc	Incl Tax	Allow Incl Override
Goods	01/01/90	Sales Tax	3	Credit	TOPBA	01-236 575-1004-0000-000-0000	No	No	No	No
Services	01/01/90	Sales Tax	4	Credit	TOPBA	01-236 575-1003-0000-000-0000	No	No	No	No
Prof-fees	01/01/90	Sales Tax	10	Credit	TOPBA	01-236 575-1001-0000-000-0000	No	No	No	No

Use these guidelines for defining Turnover Perceptions, Municipal Perceptions, and Excise tax codes:

1. Enter *VAT* in the Tax Type field.
2. Uncheck the Allow Exempt check box. This field is not used by the Latin Tax Engine.
3. Uncheck the Adhoc check box. The tax rate cannot allow changes to the transaction entry.
4. Uncheck the Inclusive Tax and Allow Inclusive Override check boxes. Turnover perceptions is not included in the price of an item.

Related Topics

Tax Codes and Rates, *Oracle Receivables User Guide*

8. Define Tax Condition Classes for Organizations

Use the Latin Tax Condition Classes window to define tax condition classes for your organization to manage Provincial Turnover Perceptions, Municipal Perceptions, and Excise.

An organization tax condition class defines the tax category and tax condition values for each tax category that apply to an organization.

Each organization tax condition class must contain every tax category marked as Mandatory in Class, and the determining factor tax conditions defined for the tax category, at the organization level. The organization tax condition class can also contain non-Mandatory in Class tax categories, if applicable. For each organization tax condition class, define only one tax condition value for each tax category and tax condition combination.

You must define a separate organization tax condition class for each location that has different tax requirements. For example, if your organization has one location in Buenos Aires and a second location in Capital Federal; and the Buenos Aires location can only tax Buenos Aires turnover perceptions, and the Capital Federal location can only tax Capital Federal turnover perceptions, you must define two organization tax condition classes. In the above example, if both locations could tax both turnover perceptions, they could share the same class.

After you define organization tax condition classes for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise, assign them to your organization. See Step 9. Assign Tax Condition Classes to Organizations, page 3-93 for more information.

This table shows an example of an organization tax condition class:

EXAMPLE ONLY This data is not included in your installation

Class Type	Class Code	Description	Tax Category	Condition Code	Value Code
Organization	VAT-CF-1	VAT Registered and CF Registered	VAT	VAT REGISTERED	REGISTERED
Organization	VAT-CF-1	VAT Registered and CF Registered	VAT ADDL	VAT REGISTERED	REGISTERED
Organization	VAT-CF-1	VAT Registered and CF Registered	TOPCF	TO CF ORG STATUS	PROV REGISTERED

Use these guidelines for defining a tax condition class for organizations:

1. In this example, you previously defined the tax condition VAT REGISTERED with the tax condition value of REGISTERED, and the tax condition TO CF ORG STATUS with the tax condition value of PROV REGISTERED as determining factor tax conditions for the VAT, VAT ADDL, and TOPCF tax categories for an organization.

See Step 6 Associate Tax Categories with Tax Conditions and Values, page 3-84 for more information.

2. Enter *Organization* in the Class Type field and *Organization Condition* in the Condition Type field, so that you can assign this condition to organizations.

3. Select the applicable operating unit.

4. If your organization is registered as an agent for VAT, enter the tax categories VAT and VAT ADDL and assign both tax categories the value REGISTERED.

5. If your organization is registered as an agent for VAT Perceptions, enter the tax category VATPERC with the value REGISTERED.

6. If your organization is registered as an agent for Turnover perceptions in the province of its principal location, enter the tax category for the province, such as TOPCF, with the value REGISTERED.

7. If your organization is registered as an agent for Turnover perceptions in other provinces, enter the tax category for each province with the value OUTSIDE REGISTERED.

8. Check the Enabled check box for every tax category, tax condition, and tax condition value that you enter. If you want to omit one or more of these combinations from the tax condition class, uncheck the check box.

   You can use the Enable All and Disable All buttons to enable or disable all check boxes at once. You can enable or disable check boxes individually, depending on your needs.

9. Assign Tax Condition Classes to Organizations

Use the globalization flexfield in the Location window to assign an organization tax condition class to an organization. The organization inherits the values for the determining tax conditions associated with each tax category contained in the tax condition class.

Assign the organization tax condition class to the location associated with the master inventory organization. The master inventory organization is the organization that you define in the Item Validation Organization field of the Order Management Parameters window.

Assign the organization tax condition class to an organization location according to the example in this table:

Location Name	Establishment Type
Organization Location	VAT and Capital Federal Turnover Perceptions Registered

Note: When you use AutoInvoice, Oracle Receivables uses the tax condition class of the ship-from location.

Related Topics

Defining Order Management System Parameters, *Oracle Order Management Implementation Guide*

10. Define Tax Condition Classes for Customers

Use the Latin Tax Condition Classes window to define contributor tax condition classes (for customers) to manage VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise.

A contributor tax condition class identifies a combination of VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise responsibilities for the customer.

After you create contributor tax condition classes for both VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise, assign them to your customers. See Step 11. Assign Tax Condition Classes to Customers, page 3-96 for more information.

Customers and VAT registration

Customers both registered for VAT and not registered for VAT are charged VAT. In addition, customers that are not registered for VAT are also charged Additional VAT.

Therefore, when you define your tax group and tax rules, you should include tax condition values of both REGISTERED and NOT REGISTERED so that Receivables generates VAT for all customers. You must also decide whether you want to include customers with tax condition values of EXPORT or EXEMPT in the tax group and tax rules to generate VAT for these customers.

Naming conventions

This section shows the naming convention for the contributor tax condition classes included in your installation.

Note: The two exceptions to this naming convention are VAT-EXEMPT for exempt customers and VAT-EXPORT for customers outside of Argentina.

The naming convention is **VAT-X-YY-Z**, where:

X

- **A** - Customer is charged Additional VAT

- **P** - Customer is charged VAT Perceptions
- **Blank** - Customer is charged VAT only

YY

Turnover province location of customer site.

Z

- **1** - PROV REGISTERED (registered in the province)
- **2** - TOA REGISTERED (registered with an agreement in the province)
- **3** - EXEMPT (exempt from provincial perceptions)
- **4** - EXCLUDED (excluded from provincial perceptions)
- **5** - END CONSUMER (end consumer purchasing fixed assets only)

This table shows an example of a contributor tax condition class:

This data is already included in your installation

Class Type	Class Code	Description	Tax Category	Condition Code	Value Code
Contributor	VAT-EXEMPT	VAT Exempt	VAT	VAT CONT STATUS	EXEMPT
Contributor	VAT-EXPORT	VAT Export	VAT	VAT CONT STATUS	EXEMPT
Contributor	VAT-A-BA-1	BA Registered, VAT, and VAT Additional	VAT	VAT CONT STATUS	NOT REGISTERED
Contributor	VAT-A-BA-1	BA Registered, VAT, and VAT Additional	VATADDL	VAT ADDL CONT STATUS	APPLICABLE

Class Type	Class Code	Description	Tax Category	Condition Code	Value Code
Contributor	VAT-A-BA-1	BA Registered, VAT, and VAT Additional	TOPBA	TO BA CONT STATUS	REGISTERED

Use these guidelines for defining tax condition classes for customers:

1. You previously defined the tax conditions as determining factor tax conditions for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise tax categories for a contributor.

   See Step 6. Associate Tax Categories with Tax Conditions and Values, page 3-84 for more information.

2. Assign a tax condition value for the determining factors within each tax condition class.

   For VAT, the predefined tax condition is VAT CONT STATUS with tax condition values of EXEMPT, EXPORT, REGISTERED, and NOT REGISTERED. For Additional VAT, the predefined tax condition is VAT ADDL CONT STATUS with tax condition values of APPLICABLE and NOT APPLICABLE.

3. Enter *Contributor* in the Class Type field and *Contributor Condition* in the Condition Type field, so that you can assign these conditions to customers.

11. Assign Tax Condition Classes to Customers

Use the Contributor Class field in the globalization flexfield in the Customer Addresses window to assign a contributor tax condition class to each of your customers. The customer inherits the values for the determining factor tax conditions associated with each tax category contained in the tax condition class.

This table shows a guideline for assigning contributor tax condition classes to your customers:

Customer	Class
Customer A (tax exempt)	VAT Exempt
Customer B (BA registered, VAT Additional applicable)	VAT-A-BA-1

Customer	Class
Customer B (Foreign)	VAT-EXPORT

After you assign a contributor tax condition class to each of your customers, use the Define Customer Site Tax Profile window to copy the tax condition values to each individual customer site.

Defining Customer Site Tax Profiles

Use the Define Customer Site Tax Profile window to copy the tax condition values to each individual customer site, after you assign a contributor tax condition class to your customers.

You can also use the Define Customer Site Tax Profile window to modify the tax condition values for one customer site only, without changing the tax condition class assignment for the customer's other sites.

> **Note:** You must perform this step for each customer address, even if you do not modify the profile, in order for each customer site to inherit the necessary values from the contributor tax condition class.

Example of how to use the Define Customer Site Tax Profile window

Your company's inventory organization (ship-from site) is located in Capital Federal, with an additional location in Buenos Aires. You ship to a customer in Chubut who also has customer sites in Buenos Aires. This makes the transaction taxable in Buenos Aires.

Assume that the customer is registered for VAT and registered for Turnover with Chubut. Also assume that the customer has a provincial agreement with Buenos Aires.

To accommodate this transaction in Receivables:

1. Assign the contributor tax condition class that contains the Chubut turnover tax category to the customer.

2. Navigate to the Define Customer Site Tax Profile window for the Chubut customer site for the customer.

   The Define Customer Site Tax Profile window displays the tax category VAT with the tax condition value REGISTERED; and the tax category TOPCH with the tax condition value PROV REGISTERED.

3. Add the tax category *TOPBA* for Buenos Aires Turnover perceptions and the tax condition value *OUTSIDE TOA REGISTERED* for the customer's provincial agreement with Buenos Aires.

   > **Note:** You must also create entries in the tax group and tax rules to

accommodate the value of OUTSIDE TOA REGISTERED for the TOPBA tax category.

12. Define Tax Exceptions by Customer Site

Use the Latin Tax Exceptions by Customer Site window to define tax exceptions by customer site for combinations of customer sites and tax categories.

You define tax exceptions by customer site when a customer is eligible for a tax deduction in a certain tax category and geographical location, or either. For example, new customers that bring business into Argentina may receive tax deductions and are therefore classified as tax exceptions.

Note: All tax exceptions are per customer address, not the customer.

Prerequisites

Before you can use the Latin Tax Exceptions by Customer Site window, you must:

- Define customers and customer sites
- Define tax locations in the Latin Locations window
- Identify the interstate and intrastate tax exceptions per customer and customer site

To define tax exceptions by customer sites:

1. Navigate to the Latin Tax Exceptions by Customer Site window.
2. In the Customer Name field, enter the customer that you want.
3. Enter the customer address that you want in the Location field.
4. Press the Find button.

   Oracle Receivables displays the tax categories that apply to this customer site in the Tax Category fields.
5. Update the tax categories to reflect the tax exception for this customer site.

   Delete tax categories that do not apply, or enter new tax categories.
6. In the Effective Dates fields, enter the effective dates for each tax category to reflect the tax exception.
7. In the Code field, enter the tax code for each tax category.

   The Latin Tax Engine retrieves the tax code for a tax category when the rate-level tax rule is Exceptions by Customer Site.

8. Repeat steps 2 to 7 for each customer and customer address that you want to apply tax exceptions to.

13. Define Tax Condition Classes for Transactions

Use the Latin Tax Condition Classes window to define transaction tax condition classes to manage VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise. Define taxable and excludable tax conditions for goods and services for VAT, additional VAT, and VAT perceptions; define applicable and not applicable tax conditions for goods and services for Turnover perceptions for each province.

After you define transaction tax condition classes for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise, assign them to items and memo lines. See Step 15. Assign Tax Condition Classes and Fiscal Classifications to Items, page 3-105 and Step 16. Assign Tax Condition Classes and Fiscal Classifications to Memo Lines, page 3-105 for more information.

These tables show examples of tax condition classes for transactions:

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Taxable Goods

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	T-GOODS	Goods subject to VAT or Turnover	VAT	Transaction Condition	VAT TRANS STATUS	GOODS
Transaction	T-GOODS	Goods subject to VAT or Turnover	VATADDL	Transaction Condition	VAT ADDL TRANS STATUS	GOODS
Transaction	T-GOODS	Goods subject to VAT or Turnover	VATPERC	Transaction Condition	VAT PERC TRANS STATUS	GOODS
Transaction	T-GOODS	Goods subject to VAT or Turnover	TOPCF	Transaction Condition	TO CF TRANS STATUS	APPLICABLE

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	T-GOODS	Goods subject to VAT or Turnover	TOPBA	Transaction Condition	TO BA TRANS STATUS	APPLICABLE

Excluded Goods from Turnover Perceptions

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	T-GOODS-NO TO	Goods subject to VAT but not Turnover	VAT	Transaction Condition	VAT TRANS STATUS	GOODS
Transaction	T-GOODS-NO TO	Goods subject to VAT but not Turnover	VATADDL	Transaction Condition	VAT ADDL TRANS STATUS	GOODS
Transaction	T-GOODS-NO TO	Goods subject to VAT but not Turnover	VATPERC	Transaction Condition	VAT PERC TRANS STATUS	GOODS

Taxable Services

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	T-SERVICES	Services subject to VAT or Turnover	VAT	Transaction Condition	VAT TRANS STATUS	SERVICES

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	T-SERVICES	Services subject to VAT or Turnover	VATADDL	Transaction Condition	VAT ADDL TRANS STATUS	SERVICES
Transaction	T-SERVICES	Services subject to VAT or Turnover	VATPERC	Transaction Condition	VAT PERC TRANS STATUS	SERVICES
Transaction	T-SERVICES	Services subject to VAT or Turnover	TOPCF	Transaction Condition	TO CF TRANS STATUS	APPLICABLE
Transaction	T-SERVICES	Services subject to VAT or Turnover	TOPBA	Transaction Condition	TO BA TRANS STATUS	APPLICABLE

Excluded Services from Turnover Perceptions

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	T-SERVICES-NO TO	Services excluded from Turnover	VAT	Transaction Condition	VAT TRANS STATUS	EXEMPT
Transaction	T-SERVICES-NO TO	Services excluded from Turnover	VATADDL	Transaction Condition	VAT ADDL TRANS STATUS	EXEMPT
Transaction	T-SERVICES-NO TO	Services excluded from Turnover	VATPERC	Transaction Condition	VAT PERC TRANS STATUS	EXEMPT

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	T-SERVICES-NO TO		TOPCF	Transaction Condition	TO CF TRANS STATUS	NOT APPLICABLE
Transaction	T-SERVICES-NO TO		TOPBA	Transaction Condition	TO BA TRANS STATUS	NOT APPLICABLE

Use these guidelines for defining tax condition classes for transactions:

1. You previously defined the tax conditions as determining factor tax conditions for the VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise tax categories for a transaction.

   See Step 6. Associate Tax Categories with Tax Conditions and Values, page 3-84 for more information.

2. In the Value Code field, assign a condition value for the determining factors within each tax condition class.

   Enter *Goods* or *Services* for VAT, and *Applicable* or *Not Applicable* for Turnover perceptions.

3. Enter *Transaction* in the Class Type field and *Transaction Condition* in the Condition Type field, so that you can assign these conditions to transactions.

4. You must define a transaction tax condition class for every different tax classification that you have.

   For example, if you have a standard goods class of T-GOODS, but you have one item that is not taxable in Capital Federal, you must define another class for this condition. You can define this class based on the T-GOODS example above in one of two ways: T-GOODS-NO-CF or T-GOODS-NOCF-EX.

   The T-GOODS-NO-CF class in this table omits the Capital Federal tax category TOPCF from the class:

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	T-GOODS-NO-CF	Goods subject to VAT or Turnover	VAT	Transaction Condition	VAT TRANS STATUS	GOODS
Transaction	T-GOODS-NO-CF	Goods subject to VAT or Turnover	VATADDL	Transaction Condition	VAT ADDL TRANS STATUS	GOODS
Transaction	T-GOODS-NO-CF	Goods subject to VAT or Turnover	VATPERC	Transaction Condition	VAT PERC TRANS STATUS	GOODS
Transaction	T-GOODS-NO-CF	Goods subject to VAT or Turnover	TOPBA	Transaction Condition	TO BA TRANS STATUS	APPLICABLE

The T-GOODS-NO-CF class in this table omits the Capital Federal tax category TOPCF from the class:

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	T-GOODS-NOCF-EX	Goods subject to VAT or Turnover	VAT	Transaction Condition	VAT TRANS STATUS	GOODS
Transaction	T-GOODS-NOCF-EX	Goods subject to VAT or Turnover	VATADDL	Transaction Condition	VAT ADDL TRANS STATUS	GOODS
Transaction	T-GOODS-NOCF-EX	Goods subject to VAT or Turnover	VATPERC	Transaction Condition	VAT PERC TRANS STATUS	GOODS

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	T-GOODS-NOCF-EX	Goods subject to VAT or Turnover	TOPCF	Transaction Condition	TO CF TRANS STATUS	EXEMPT
Transaction	T-GOODS-NOCF-EX	Goods subject to VAT or Turnover	TOPBA	Transaction Condition	TO BA TRANS STATUS	APPLICABLE

Note: Depending on the tax group and tax rules you define, these tax condition classes may or may not generate taxes in the same way.

14. Define Fiscal Classifications

Use the Latin Fiscal Classifications window to define fiscal classifications for items and memo lines. You define fiscal classifications for both items (Goods) and memo lines (Services). You can also create specific fiscal classification codes within goods and services, for example, alcohol (Goods), tobacco (Goods), consultancy (Services), catering (Services).

You can optionally associate tax codes that you defined in the Tax Codes and Rates window with fiscal classifications to derive a tax rate. See Step 7. Define Tax Codes and Rates, page 3-88 for more information.

If you want to derive a tax code and rate from a fiscal classification code, you must create a fiscal classification tax rule. See Step 20. Define Latin Tax Rules, page 3-110 for more information.

Check the Enabled check box to activate a fiscal classification code. You can use the Enable All and Disable All buttons in the Latin Fiscal Classifications window to enable or disable all check boxes at once. You can enable or disable codes individually, depending on your needs.

This table shows an example of fiscal classifications. Actual assignments depend on the prevailing legislation.

EXAMPLE ONLY This data is not included in your installation

Fiscal Classification Code	Description	Tax Category	From Date	Tax Code
Standard	Standard Items	VAT	01/01/90	VAT 21
Alcohol	Alcohol	TOPBA	01/01/90	BA 11
Service	Taxable Service	(Optional)	(Optional)	(Optional)

15. Assign Tax Condition Classes and Fiscal Classifications to Items

Use the globalization flexfield in the Master Item window to assign a transaction tax condition class and fiscal classification to each item by associating item categories to items. The item inherits the values for all the tax conditions associated to each tax category from the tax condition class.

Note: Ensure that you have defined the applicable item categories.

You must assign a fiscal classification code to an item. The Latin Tax Engine uses the fiscal classification code to find the tax code to apply, if the rule assignment directs the Latin Tax Engine to take the tax code from the fiscal classification.

To assign a tax condition class to an item:

1. Navigate to the Master Item window.
2. Enter the inventory organization that you want.
3. Enter or query the item that you want.
4. Click the Master Display Attributes radio button to display master item attributes.
5. Navigate to the globalization flexfield to select the applicable item category.
6. Press the OK button.

Note: Oracle Inventory copies the fiscal classification and transaction class to each inventory item from the master item. However, if the fiscal classification or transaction class are different for each inventory organization, you must update them manually.

16. Assign Tax Condition Classes and Fiscal Classifications to Memo Lines

Use the Standard Memo Lines window to assign a transaction tax condition class and

fiscal classification to each memo line. The memo line inherits the values for all the tax conditions associated to each tax category from the tax condition class.

You must assign a fiscal classification code to a memo line. The Latin Tax Engine uses the fiscal classification code to find the tax code to apply, if the rule assignment directs the Latin Tax Engine to take the tax code from the fiscal classification.

To assign a tax condition class to a memo line:

1. Navigate to the Standard Memo Lines window.
2. Enter or query the memo line that you want.
3. In the Tax Product Category field, enter the applicable fiscal classification to apply to this memo line.
4. Press the OK button.

17. Define Latin Tax Group

Use the Latin Tax Groups window to define a tax group for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise. Create assignments in the tax group for each combination of organization, contributor, and transaction condition values subject to VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise. You must have at least one entry for each tax that you are required to levy.

Create one tax group for the VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise responsibilities that apply to your company.

After you create a tax group for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise, assign the tax group to each transaction type. See Step 18. Assign Tax Group to Transaction Types, page 3-108 for more information.

When the Latin Tax Engine calculates tax on a transaction line, it compares the values for organization tax condition class, customer site profile class, and transaction tax condition class (item or memo line) with the values in the tax group to determine the tax categories to calculate.

This table shows an example of a single tax group for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise calculations in Argentina. The example includes:

- VAT for Registered and Foreign customers
- Turnover perceptions in Buenos Aires for Goods and Services

Actual assignments depend on the prevailing legislation.

EXAMPLE ONLY The data in this table is not included in your installation

The key to this table is:

Table Header

- **Cont** - Abbreviation for *Contributor*.
- **Org** - Abbreviation for *Organization*.
- **Trans** - Abbreviation for *Transaction*.

Tax Group: AR_TAX Description: Argentine tax group

Tax Category	Cont Value	Org Value	Trans Value	Effective From	Effective To	Tax Code	Mini-mum Amount	Minimum Taxable Basis
VAT	EXPORT	REGISTERED	GOODS	01/01/90	Default	None	None	None
VAT	REGISTERED	REGISTERED	GOODS	01/01/90	Default	VAT-0	None	None
TOPBA	PROV REGISTERED	REGISTERED	APPLICABLE	01/01/90	Default	BA-5	None	300.000

If the tax group AR_TAX were applied to a transaction line with the values in these tables, the Latin Tax Engine would calculate VAT and TOPBA taxes for the transaction line:

Contributor Tax Condition Class

Tax Category	Tax Condition Value
VAT	REGISTERED
VATPERC	APPLICABLE
TOPBA	PROV REGISTERED

Organization Tax Condition Class

Tax Category	Tax Condition Value
VAT	REGISTERED

Tax Category	Tax Condition Value
TOPBA	REGISTERED
TOPCF	REGISTERED

Transaction Tax Condition Class

Tax Category	Tax Condition Value
VAT	GOOD
VATPERC	GOOD
VAT ADD	GOOD
TOPBA	APPLICABLE
TOPCF	APPLICABLE

Use these guidelines for defining the tax group:

1. The tax code that you enter in the Tax Code field for a tax category is used to derive the tax rate for a transaction only when the tax rule looks to the tax group for the tax rate.

2. If you check the Use Category Thresholds check box for a tax category, and if:

   - Minimum Amount, Minimum Taxable Basis, or Minimum % fields contain values, the Latin Tax Engine uses these values.

   - Minimum Amount, Minimum Taxable Basis, or Minimum % fields do not contain values, the Latin Tax Engine uses the threshold values defined in the Latin Tax Category Details window. If there are no threshold values defined, then the Latin Tax Engine uses the threshold values defined in the Latin Tax Categories window, if any.

3. If you do not check the Use Category Thresholds check box, the Latin Tax Engine assumes it should use the minimum amounts for this entry. If there are no values for the entry, no minimum is used.

18. Assign Tax Group to Transaction Types

Use the globalization flexfield in the Transaction Types window to assign the tax group

that you defined for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise to each transaction type.

When you use a transaction type to enter a transaction, the tax group defaults to the tax line.

Check the Tax Calculation check box and the Allow Overapplication check box for each transaction type. This lets the Latin Tax Engine calculate and account taxes.

Assign the tax group to your transaction types according to the example in this table:

EXAMPLE ONLY This data is not included in your installation

Transaction Type	Tax Code
Transaction Type 1	AR_<NAME>
Transaction Type 2	AR_<NAME>
Transaction Type 3	AR_<NAME>

19. Define Exceptions by Transaction Condition Value

Use the Latin Tax Exceptions by Transaction Condition Values window to define tax exceptions by transaction condition value for combinations of transaction condition values and tax categories.

For example, if you have a tax condition for VAT on goods, you can create an exception for goods identified as fixed assets. The task below explains how to define a transaction condition value tax exception for fixed assets.

After you define transaction nature exceptions, you must create a Latin tax rule for transaction nature exceptions. See Step 20. Define Latin Tax Rules, page 3-110 for more information.

See Defining Fixed Asset Exceptions, page 3-131 for more information.

Prerequisites

Before you can use the Latin Tax Exceptions by Transaction Condition Values window, you must:

- Define tax categories
- Define tax condition classes for transactions
- Assign tax condition classes to items

To define a transaction condition value exception for fixed assets:

1. Navigate to the Latin Tax Exceptions by Transaction Condition Values window.

2. In the Priority Number field, enter a number to identify the priority for the tax condition that you enter in the Tax Condition Name field.

3. In the Tax Category field, query the tax category that you want.

4. In the Tax Condition Name field, query the tax condition that you want for this tax category.

5. Navigate to the Tax Rates region.

6. In the Tax Condition Value field, enter the first tax condition value to use as an exception for the tax condition.

7. In the Start Date Active and End Date Active fields, enter the effective dates for this transaction condition value exception.

8. In the Tax Code field, enter the tax code to use for this transaction condition value exception.

   The tax code that you enter identifies the tax rate exception.

9. If applicable, enter the minimum tax amount, minimum percentage, or minimum taxable base for this transaction condition value exception.

10. Repeat steps 6 to 9 for each tax condition value that you want to use as a transaction condition value exception for this tax condition.

11. Repeat steps 3 to 10 for all transaction condition value exceptions that you want to define.

20. Define Latin Tax Rules

Use the Latin Tax Rules window to define one or more tax rules for each combination of tax category, contributor condition value, and transaction type that need to have taxes calculated. The Latin Tax Engine uses these rules to determine the correct tax code to apply to a transaction. Define as many tax rules as you require.

If you defined exceptions by customer site and exceptions by transaction condition value, or either, define exceptions as your first tax rules.

Latin Tax Engine and Tax Rules

Tax rules include Transaction Condition Value Exception, Customer Site Exception, Customer, and Latin Tax Group.

When the Latin Tax Engine is invoked, it looks at the tax rules that you have defined in the order assigned to them. The Latin Tax Engine checks the rule with the lowest priority to see if a tax code exists for the rule. If there is no tax code, the Latin Tax Engine proceeds to the tax rule with the next lowest priority, and so on.

For example, for the first rule Transaction Condition Value Exception, the Latin Tax

Engine looks to see if the tax category definition for Transaction Condition Value Exception has a tax code. For the rule Customer, the Latin Tax Engine looks to see if there is a rule for this customer.

> **Note:** When the Latin Tax Engine must calculate two or more tax categories based on the same rule, you can define a second tax group. For example, if a customer has a 50% reduction on both VAT and VAT Perceptions, you can define a second tax group for the customer and use this tax group for the customer's transactions.

Defining Tax Rules

To define tax rules, you need to determine the tax rules that you need for each tax according to your setup.

To determine how to define tax rules for a tax category:

1. Determine the most common way to find the tax rate for the tax category.

   The most common way to find the tax rate is usually the rule Latin Tax Group because the tax group defines the three characteristics of your company, the customer, and the transaction. If you choose to define Latin Tax Group as the most common way to determine a tax rate, you must enter a tax code on every line in the tax group for the tax category.

2. Determine the exceptions that apply to the tax category.

   The exceptions help you to determine the rules that you define. For example, a tax category may have the following exceptions:

   - Customer Site Exception for certain customer addresses
   - Transaction Condition Value Exception for fixed asset transactions
   - Customer Exception for certain customers

3. Determine the hierarchy of the exceptions from step 2.

   The hierarchy determines the priority that you assign to each rule. To continue with the example in step 2, the probable hierarchy for these exceptions is:

   - Transaction Condition Value Exception
   - Customer Site Exception
   - Customer Exception

   > **Note:** An approach to determining the hierarchy is to consider a transaction where all three rules apply, then choose the rule

that you want the Latin Tax Engine to select first. Then apply this approach to the remaining rules.

4. Define tax rules, according to the hierarchy you determined, for each transaction type and contributor value to which the rules apply.

   This table shows the rules to define for Additional VAT according to the hierarchy described in steps 2 and 3 (with contributor value of Not Registered and transaction type of Invoice).

   EXAMPLE ONLY This data is not included in your installation

Category	Value	Transaction Type	Rule Level	Priority	Rule
VATADDL	NOT REGISTERED	Invoice	Rate	10	Transaction Condition Value Exception
VATADDL	NOT REGISTERED	Invoice	Rate	20	Customer Site Exception
VATADDL	NOT REGISTERED	Invoice	Rate	30	Customer
VATADDL	NOT REGISTERED	Invoice	Rate	40	Latin Tax Group

21. Define Legal Messages

Use the Standard Messages window to enter your legal messages.

You enter a name for the legal message in the Name field, the type of message in the Type field, and the text of the message in the Message field.

After you define legal messages, you need to associate each message with a combination of tax rule, tax exception, and rule data.

See Step 22. Associate Legal Messages and Tax Rules, page 3-113 for more information.

Related Topics

Standard Messages, *Oracle Receivables User Guide*

22. Associate Legal Messages and Tax Rules

Use the Associate Latin Tax Legal Messages window or Legal Messages window to associate legal messages with Latin tax rules. You associate a legal message, which you created in the Standard Messages window, with a combination of tax rule, tax exception, and rule data.

Legal messages are fiscal messages on invoices that explain the reason why a lower tax rate is applied to an invoice line for various exceptions.

23. Associate DGI UOM Codes with UOM Codes

Use the globalization flexfield in the Units of Measure window to assign DGI UOM codes to Oracle Inventory UOM codes. The Argentine Receivables Sales Documents Duplicates Flat File lists the DGI UOM codes assigned to the Inventory UOM codes associated with the reported line items in your sales documents.

Before you can use the globalization flexfield in the Units of Measure window, you must:

- Define a descriptive flexfield segment for the Define Unit of Measure globalization flexfield.
- If necessary, customize the Argentine Receivables Sales Documents Duplicates Flat File for the descriptive flexfield segment attribute that you define.

Use the Descriptive Flexfield Segments window to define a descriptive flexfield segment with Attribute15 for the Define Unit of Measure flexfield. By default the Argentine Receivables Sales Documents Duplicates Flat File uses Attribute15 to store the DGI UOM codes. If you are already using Attribute15, you can use a different attribute. You must then customize the Argentine Receivables Sales Documents Duplicates Flat File to replace Attribute15 with the attribute that you will use.

To define a descriptive flexfield segment for DGI UOM codes:

1. Navigate to the System Administrator responsibility.
2. Navigate to the Descriptive Flexfield Segments window.
3. Query the Application *Oracle Inventory* and the Title *Define Unit of Measure*.
4. Uncheck the Freeze Flexfield Definition box to unfreeze the flexfield.
5. Complete the Descriptive Flexfield Segments window according to your business requirements.
6. Choose the Segments button to navigate to the Segments Summary window.
7. Choose the Open button to navigate to the Segments window.

8. Enter a Name to identify this segment, such as *DGI UOM*, and a Description.

9. In the Column field, enter *Attribute15*, or another available attribute, if necessary.

10. Complete the Segments window according to your business requirements.

11. Save your work.

12. In the Descriptive Flexfield Segments window, check the Freeze Flexfield Definition box to freeze the flexfield.

13. Save your work.

14. If necessary, customize the Argentine Receivables Sales Documents Duplicates Flat File by replacing Attribute15 with the attribute that you enabled.

After you define a descriptive flexfield segment for DGI UOM codes, you can assign DGI UOM codes to Inventory UOM codes.

To assign a DGI UOM code to an Inventory UOM code:

1. Navigate to the Oracle Inventory responsibility.

2. Navigate to the Units of Measure window.

3. Enter or query a unit of measure that you will use in your sales documents.

4. Navigate to the globalization flexfield for the selected unit of measure.

5. In the DGI UOM field, enter the DGI UOM code that you want to report for this unit of measure.

6. Press the OK button.

Related Topics

Defining Descriptive Flexfields, *Oracle Applications Flexfields Guide*

Defining Segments, *Oracle Applications Flexfields Guide*

Defining Units of Measure, *Oracle Inventory User Guide*

Latin Tax Reports

Argentine Receivables Income Tax Self-Withholding Report

In Argentina, companies that are self-withholding agents can withhold income tax on customer invoices as a prepayment for their income tax, and pay the self-withheld tax to the tax authority.

Use the Argentine Receivables Income Tax Self-Withholding Report to help you calculate and review withholding taxes on Receivables invoices and debit memos. You

should run the Argentine Receivables Income Tax Self-Withholding Report every two weeks.

The Argentine Receivables Income Tax Self-Withholding Report sorts by concept and then by customer. The report lists for each customer within a concept the applicable Receivables documents, transaction dates and amounts, applied dates and amounts, taxable amounts, and the customer self-withholding calculation. The report provides summary self-withholding amounts, concept totals, and the total self-withholding amount for the report.

Use the Standard Request Submission windows to submit the Argentine Receivables Income Tax Self-Withholding Report. See: Using Standard Request Submission, *Oracle Applications User Guide*.

Prerequisites

Before you can run the Argentine Receivables Income Tax Self-Withholding Report, you must complete these steps:

1. Define lookup codes for income tax self-withholding tax conditions:
   - Transaction attribute - Lookup type: TRANSACTION_ATTRIBUTE.
   - Organization attribute - Lookup type: ORGANIZATION_ATTRIBUTE.
   - Contributor attribute - Lookup type: CONTRIBUTOR_ATTRIBUTE.

   See: 2. Define Tax Conditions, page 3-70.

2. Define lookup codes for income tax self-withholding tax condition values - Lookup type: JLZZ_AR_TX_ATTR_VALUE. One code for each applicable tax attribute value.

   See: 3. Define Tax Condition Values, page 3-77.

3. Define the income tax self-withholding tax category - Lookup type: JLZZ_AR_TX_CATEGRY.

   See: 5. Define Tax Categories, page 3-79.

4. Set up income tax self-withholding tax conditions, by associating the tax category with the transaction, organization, and contributor attributes and the tax attribute values.

   See: 6. Associate Tax Categories with Tax Conditions and Values, page 3-84.

5. Set up tax codes for the income tax self-withholding tax category.

   See: 7. Define Tax Codes and Rates, page 3-88.

6. Assign the income tax self-withholding tax category to your existing tax condition classes.

See: 13. Define Tax Condition Classes for Transactions, page 3-99.

7. Define tax exceptions by transaction condition value for income tax self-withholding, and define the minimum taxable base and minimum tax amount values for each tax condition value.

   See: 19. Define Exceptions by Transaction Condition Value, page 3-109.

Report Parameters

GL Application From Date

Enter the earliest GL application date to include on the report.

GL Application To Date

Enter the latest GL application date to include on the report.

Tax Category

Enter the income tax self-withholding tax category.

Tax Category Transaction Condition Name

Enter the income tax self-withholding transaction condition name.

Report Headings

In this heading...	Oracle Receivables prints...
<Company Name>	Your company name
<Report Title>	*Income Tax Self-Withholding Report*
Period	The transaction date range included on the report
Date	The date and time that you ran the report
Page	The page number
Concept	The income tax self-withholding concept
Rate	The concept rate
Minimum Taxable Basis	The concept minimum taxable basis
Min Tax Amount	The concept minimum taxable amount
Customer Name	The customer name
Taxpayer ID	The customer taxpayer ID

Column Headings

In this column...	Oracle Receivables prints...
Document Number	The transaction number
Document Date	The transaction date
GL Applied Date	The date the transaction was applied to General Ledger
Document Amount	The transaction amount
Applied Amount	The amount applied to General Ledger
Taxable Amount	The taxable amount

Row Headings

In this row...	Oracle Receivables prints...
Customer Total	The total taxable amount for the customer for the concept
Self Withholding Amount	The self-withholding tax amount for the customer for the concept
Concept Amount	The total self-withholding tax amount for the concept
Total Self Withholding	The total self-withholding tax amount for the report

Argentine Receivables CITI Flat File

Use the Argentine Receivables CITI flat file to electronically report VAT information for Receivables credit memos for a company to the DGI, if required. The Argentine Receivables CITI flat file lists VAT information for Receivables credit memos that you issued to your customers during the date range that you select. Run the Argentine Receivables CITI flat file monthly and import the flat files into the DGI CITI application, which runs under SIAP. After the flat files are imported, DGI CITI produces all the required information, including flat files, and can generate tax reports for control purposes.

The Argentine Receivables CITI flat file reports the tax amount in the functional

currency. Only completed credit memos with VAT are reported.

The Argentine Receivables CITI flat file generates one row per applicable credit memo within a particular company, with six columns in each row. Applicable credit memos are based on comparing the parameter date range with the document date. If the document date is within the selected date range, all the VAT distribution lines are summed up in the Tax Amount. The records in the Argentine Receivables CITI flat file are sorted by document number.

To define the document type, you must enter values for the transaction letter and the legal transaction code in the Transaction Type Codes window. The document number comprises a four-digit branch number and a unique twenty-digit sequential transaction number for the document type. The final three fields of the file (Third-party CUIT, Third-party name, VAT on Fees) are filled with blanks.

Use the Standard Request Submission windows to submit the Argentine Receivables CITI flat file.

Report Parameters

Start Date

Enter the earliest date that is to be compared with the document date to determine if a document's details should be included in the file details.

End Date

Enter the latest date that is to be compared with the document date to determine if a document's details should be included in the file details.

VAT Tax Category

Enter the tax category that you use for VAT from a list of values.

Transaction Letter From

Enter the beginning transaction letter associated with credit memos that you want to include in the file. This parameter defaults to A. You can change the default.

Transaction Letter To

Enter the ending transaction letter associated with credit memos that you want to include in the file. This parameter defaults to A. You can change the default.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Argentine Receivables VAT Sales Report

The Argentine Receivables VAT Sales report lists VAT information for sales transactions. The Argentine Receivables VAT Sales report shows all amounts in your ledger currency.

The Argentine Receivables VAT Sales report lists VAT information for invoices, credit memos, and debit memos that have a transaction date within the date range that you select. Only completed transactions are included on the report.

The Argentine Receivables VAT Sales report prints a separate detail line for each VAT rate greater than zero within a document. For each VAT rate, the Argentine Receivables VAT Sales report shows the transaction total amount, the nontaxable amount, the

additional VAT amount, the exempt amount, and the perceptions amount, as well as the taxable amount, the VAT rate, and the VAT amount for each VAT rate on the transaction.

The transaction total amount for a document is the document total amount.

The VAT amount for a document is the VAT amount for the rate being reported.

The incremental VAT amount is the incremental VAT tax amount.

The nontaxable amount for a document consists of the tax amounts that are not related to VAT. The nontaxable amount includes all taxes other than VAT that are noninclusive, such as turnover perceptions.

The taxable base amount for a document is the total of all transaction lines by VAT tax code that is subject to a VAT rate greater than zero.

The exempt amount for a document is the total of all transaction lines either subject to VAT at a zero rate or not subject to VAT.

The additional VAT amount for a document is the total of all tax amounts associated with the tax category that you select as your additional VAT tax category.

The perceptions amount for a document is the VAT perceptions amount.

The transactions on the Argentine Receivables VAT Sales report are sorted by document type and document number.

Use the Standard Request Submission windows to submit the Argentine Receivables VAT Sales report.

Prerequisites

Before you run the Argentine Receivables VAT Sales report, you must perform these prerequisite steps:

- Define your additional company information.
- Set up your customers for Argentine taxpayer ID validation.
- Set up Oracle Receivables for Argentina for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise tax treatment. For more information, see Setting Up for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise, page 3-67.
- Set up Oracle Receivables for Argentina for transaction numbering. For more information, see Transaction Numbering Overview, page 3-133.
- Enter transactions subject to VAT.

Report Parameters

From Date

Enter the earliest transaction date that you want to include on the report.

To Date

Enter the latest transaction date that you want to include on the report.

Tax Regime Code

Select a tax regime to report on, or leave blank to report on all applicable tax regimes.

VAT Tax Category

Enter the VAT tax category that you use for VAT.

VAT Incremental Tax Category

Enter the VAT incremental tax category that you use for additional VAT.

VAT Perceptions Tax Category

Enter the VAT Perceptions tax category that you use for VAT perceptions.

Report Headings

This table shows report headings.

In this heading...	Oracle Receivables prints...
<Company Name>	Your company name
<Company Taxpayer ID>	Your company taxpayer ID
<Report Title>	*VAT Sales Report*
Period	The transaction date range included on the report
Report Date	The date and time that you ran the report
Page	The page number

Column Headings

This table shows column headings.

In this column...	Oracle Receivables prints...
Customer Name	The customer name
Taxpayer ID	The customer taxpayer ID and validation digit
Document Date	The transaction date

In this column...	Oracle Receivables prints...
Type	The DGI document code for the transaction, based on the VAT document letter and the document type
Document Number	The transaction number
Total Document Amount	The total transaction amount
Non Taxable Amount	The nontaxable amount
Taxable Amount	The taxable amount
VAT Rate	The VAT tax rate
VAT Amount	The VAT tax amount for each tax rate
Additional Amount	The additional VAT tax amount
VAT Exempt Amount	The exempt amount
VAT Perception Amount	The VAT perceptions tax amount

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Argentine Receivables Perceptions Flat File

Use the Argentine Receivables Perceptions flat file to electronically report VAT perceptions tax information for Receivables transactions to the DGI, if required. The Argentine Receivables Perceptions flat file lists VAT perceptions tax information for all documents that contain perceptions taxes in Oracle Receivables during the date range that you select, including invoices, debit memos, and credit memos for a particular company. Run the Argentine Receivables Perceptions flat file monthly and import these flat files into the DGI SICORE application, which runs under SIAP. After the flat files are imported, the DGI SICORE application produces all required information, including flat files, and can generate tax reports for control purposes.

The Argentine Receivables Perceptions flat file reports tax amounts in the functional currency. Only completed transactions with VAT perceptions tax lines are reported.

The Argentine Receivables Perceptions flat file creates one row of detail for each perceptions tax regime that appears on a completed document, subject to the date range that you report and the accounting date associated with the tax line. The records in the

Argentine Receivables Perceptions flat file are sorted by document code and document number.

The document code is a DGI code that identifies the types of documents that VAT perceptions taxes originate from. The codes are:

- 01 for Invoices
- 03 for Credit Memos
- 04 for Debit Memos

The document number comprises a four-digit branch number and an eight-digit document number within the branch.

The DGI Tax Regime Code is a three-digit code defined by the DGI that identifies the regime within the VAT Perceptions Tax type. You should enter this code when you create VAT Perceptions tax codes.

Use the Standard Request Submission windows to submit the Argentine Receivables Perceptions flat file.

Report Parameters

Start Date

Enter the earliest General Ledger date associated with the VAT perceptions tax distribution lines that you want to include in the file.

End Date

Enter the latest General Ledger date associated with the VAT perceptions tax distribution lines that you want to include in the file.

VAT Perception Tax Category

Enter the tax type that is used for VAT perceptions tax.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Argentine Receivables Other Perceptions Flat File

Use the Argentine Receivables Other Perceptions flat file to list perceptions information on documents that are included in the Argentine Receivables Sales Documents Duplicates flat file. To meet Argentine legal requirements you should run the Argentine Receivables Other Perceptions flat file when you run the Argentine Receivables Sales Documents Duplicates flat file so that the flat file is available when the Federal Tax Authority requests this information.

The Argentine Receivables Other Perceptions flat file lists detail information on the perceptions tax line amounts in invoices, credit memos, and debit memos that have an associated GL date, a document date that is within the range being reported, and at least one perceptions tax associated with the document. Only completed transactions are included in the flat file.

Oracle Receivables for Argentina creates one row per provincial perceptions tax and

one row per municipal perceptions tax that appears on each applicable document. If provincial perceptions taxes and municipal perceptions taxes appear on the same document, each unique tax with the same tax category is reported on a separate line. For example, for one provincial perceptions tax and two municipal perceptions taxes, Oracle Receivables for Argentina creates three rows: one row for the provincial perceptions tax, and two rows for the municipal perceptions taxes.

For each document, the Argentine Receivables Other Perceptions flat file shows the total amounts for the provincial turnover perceptions amount and municipal perceptions amount that were reported within the flat file.

For a voided document, all the amount fields show zeros.

The records in the Argentine Receivables Other Perceptions flat file are sorted by document date, transaction type, and transaction number. The Argentine Receivables Other Perceptions flat file shows all amounts in the transaction currency.

Use the Standard Request Submission windows to submit the Argentine Receivables Other Perceptions flat file.

Prerequisites

Before you run the Argentine Receivables Other Perceptions flat file, you must perform these prerequisite steps:

- Define your additional company information.
- Set up Oracle Receivables for Argentina for Provincial Turnover Perceptions and Municipal Perceptions tax treatment. For more information, see Setting Up for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise, page 3-67.
- Set up Oracle Receivables for Argentina for transaction numbering. For more information, see Transaction Numbering Overview, page 3-133.
- Enter transactions subject to Provincial Turnover Perceptions and Municipal Perceptions Tax.

Report Parameters

From Date

Enter the earliest transaction date that you want to include on the report.

To Date

Enter the latest transaction date that you want to include on the report.

Provincial Tax Category Regime

Enter the tax regime that you use to group Provincial Perceptions tax categories.

Municipal Tax Category Regime

Enter the tax regime that you use to group Municipal Perceptions tax categories.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Argentine Receivables Sales Flat File

Use the Argentine Receivables Sales flat file to list tax information for sales transactions. To meet Argentine legal requirements run the Argentine Receivables Sales flat file monthly and store the reports in electronic format so the reports are available when requested by the Federal Tax Authority.

The Argentine Receivables Sales flat file lists tax information for invoices, credit memos, and debit memos with an associated GL date, a document date that is within the range being reported, and at least one tax code associated with the document. Only completed transactions are included on the report.

The Argentine Receivables Sales flat file contains two record types:

- Record Type 1-A transaction details record shows tax detail information for a document. Oracle Receivables for Argentina creates a separate detail row for each VAT rate and a separate detail row for each non taxable VAT rate on a document. For other tax categories, a single detail row is created on the last row for the document.

  For each document, the Argentine Receivables Sales flat file shows the total amounts for the document amount, non taxable document amount, taxable amount, VAT amount, not registered tax amount, VAT exempt amount, federal perceptions amount, provincial perceptions amount, municipal perceptions amount, and excise tax amount that are reported within the flat file.

- Record Type 2-A transaction summary that shows all the record type 1 details that were reported within the flat file.

For a voided document, all the amount fields show zeros.

The total document amount is the document total amount for all lines within the document.

The non taxable document amount is the total of all non tax line amounts on a document associated with the tax category that you select as your non taxable tax category.

The taxable amount is the total of all line amounts on a document that are subject to a VAT rate greater than zero.

The VAT amount is the total VAT amount for the row being reported.

The not registered tax amount is the total of all tax amounts on the document associated with the tax category that you select as your VAT additional or VAT not categorized tax category.

The VAT exempt amount is the total of all non tax line amounts on a document that are associated with a VAT tax rate of 0%.

The federal perceptions amount is the total of all tax amounts on the document associated with the tax category selected as your VAT perceptions tax category.

The provincial perceptions amount is the total of all tax amounts on the document associated with the tax categories selected as your provincial perceptions tax categories, which are grouped together using a tax regime.

The municipal perceptions amount is the total of all tax amounts on the document associated with the tax categories that you select as your municipal perceptions tax categories, which are grouped together using a tax regime.

The excise tax amount is the total of all tax amounts on the document associated with the tax category that you select as your excise tax category.

The records in the Argentine Receivables Sales flat file are sorted by document date, transaction type, and transaction number. The Argentine Receivables Sales flat file shows all amounts in the functional currency.

Use the Standard Request Submission windows to submit the Argentine Receivables Sales flat file.

Prerequisites

Before you run the Argentine Receivables Sales flat file, you must perform these prerequisite steps:

- Define your additional company information.
- Set up your customers for Argentine taxpayer ID validation.
- Define DGI currency codes for the currencies that you use. For more information, see Defining DGI Currency Codes, page 3-144.
- Set up Oracle Receivables for Argentina for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise Tax treatment. For more information, see Setting Up for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise, page 3-67.
- Set up Oracle Receivables for Argentina for transaction numbering. For more information, see Transaction Numbering Overview, page 3-133.
- Set up CAI and the CAI due date that are provided by the Federal Tax Authority for a period of time and a specific batch source. These values are associated with the printed documents. For more information, see Define Transaction Sources, page 3-141.
- Set up the fiscal printer for the batch sources that are associated with the sales documents. For more information, see Define Transaction Sources, page 3-141.
- Set up customer VAT registration status codes for your customers. For more information, see Define Tax Condition Values, page 3-77.
- Set up DGI transaction codes for the VAT rate of 0%. For more information, see Define Tax Codes and Rates, page 3-88.

- Enter transactions subject to VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise Tax.

Report Parameters

From Date

Enter the earliest transaction date that you want to include on the report.

To Date

Enter the latest transaction date that you want to include on the report.

VAT Tax Category

Enter the tax category for VAT.

VAT Additional Tax Category

Enter the tax category for VAT Additional.

VAT Not Categorized Tax Category

Enter the tax category for VAT Not Categorized.

VAT Non Taxable Tax Category

Enter the tax category for VAT Non Taxable.

VAT Perceptions Tax Category

Enter the tax category for VAT Perceptions.

Provincial Tax Category Regime

Enter the tax regime to group Provincial Perceptions tax categories.

Municipal Tax Category Regime

Enter the tax regime to group Municipal Perceptions tax categories.

Excise Tax Category

Enter the tax category for Excise Tax.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Argentine Receivables Sales Documents Duplicates Flat File

Use the Argentine Receivables Sales Documents Duplicates flat file to create flat files with sales documents details in a specific format established by the Federal Tax Authority. To meet Argentine legal requirements, run the Argentine Receivables Sales Documents Duplicates flat file monthly and store the reports in electronic format so that the reports are available when requested by the Federal Tax Authority for audit or other legal purposes.

The Argentine Receivables Sales Documents Duplicates flat file lists tax information for invoices, credit memos, and debit memos with an associated GL date, a document date within the range reported, and at least one tax code associated with the document. Only completed transactions are included on the report.

The Argentine Receivables Sales Documents Duplicates flat files consist of two files: one for transaction headers (the flat file called "CABECERA YYYYMM" which indicates the period being reported), and one for transaction lines (the flat file called "DETALLE YYYYMM").

The transaction headers file contains two record types:

- Record Type 1-A transaction details record shows detail information for a document. Oracle Receivables for Argentina creates one detail row per applicable invoice, credit memo, or debit memo that is being reported.

  For each document, the Argentine Receivables Sales Documents Duplicates flat file shows the total amounts for the document amount, non taxable document amount, taxable amount, VAT amount, not registered tax amount, VAT exempt amount, federal perceptions amount, provincial perceptions amount, municipal perceptions amount, and excise tax amount that have been reported within the flat file.

- Record Type 2-A transaction summary shows all the record type 1 details that are reported within the flat file.

The Transaction Lines file contains only one record type that provides detailed drill down information of the documents reported in the record type 1 of the transaction headers file. Oracle Receivables for Argentina creates a separate row for each non tax line on an applicable document that was reported in the transaction headers file.

For a voided document, all the amount fields show zeros.

The total document amount is the document total amount for all lines within the document.

The non taxable document amount is the total of all non tax line amounts on a document associated with the tax category that you select as your non taxable tax category.

The taxable amount is the total of all line amounts on a document that are subject to a VAT rate greater than zero.

The VAT amount is the total VAT amount for the document that is being reported.

The not registered tax amount is the total of all tax amounts on the document associated with the tax category selected as your VAT additional or VAT not categorized tax category.

The VAT exempt amount is the total of all non tax line amounts on a document that are associated with a VAT tax rate of 0%.

The federal perceptions amount is the total of all tax amounts on the document associated with the tax category selected as your VAT perceptions tax category.

The provincial perceptions amount is the total of all tax amounts on the document associated with the tax categories selected as your provincial perceptions tax categories, which are grouped together using a tax regime.

The municipal perceptions amount is the total of all tax amounts on the document associated with the tax categories that you select as your municipal perceptions tax categories, which are grouped together using a tax regime.

The excise tax amount is the total of all tax amounts on the document associated with the tax category selected as your excise tax category.

The records in the Argentine Receivables Sales Documents Duplicates flat file are sorted by document date, transaction type, and transaction number. The Argentine Receivables Sales Documents Duplicates flat file shows all amounts in the transaction currency.

Use the Standard Request Submission windows to submit the Argentine Receivables Sales Documents Duplicates flat file. See: Using Standard Request Submission, *Oracle Applications User Guide*.

Prerequisites

Before you run the Argentine Receivables Sales Documents Duplicates flat file, you must perform these prerequisite steps:

- Define your additional company information.
- Set up your customers for Argentine taxpayer ID validation.
- Define DGI currency codes for the currencies you use. For more information, see Defining DGI Currency Codes, page 3-144.
- Set up Oracle Receivables for Argentina for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise Tax treatment. For more information, see Setting Up for VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise, page 3-67.
- Set up Oracle Receivables for Argentina for transaction numbering. For more information, see Transaction Numbering Overview, page 3-133.
- Set up CAI and the CAI due date that are provided by the Federal Tax Authority for a period of time and a specific batch source. These values are associated with the printed documents. For more information, see Define Transaction Sources, page 3-141.
- Set up the Fiscal Printer for the batch sources that are associated with the sales documents. For more information, see Define Transaction Sources, page 3-141.
- Set up customer VAT registration status codes for your customers. For more information, see Define Tax Condition Values, page 3-77.
- Set up DGI transaction codes for the VAT rate of 0%. For more information, see Define Tax Codes and Rates, page 3-88.
- Enter transactions subject to VAT, Provincial Turnover Perceptions, Municipal Perceptions, and Excise Tax.
- Assign DGI UOM codes to Inventory UOM codes. For more information, see Associate DGI UOM Codes with UOM Codes, page 3-113.

Report Parameters

From Date

Enter the earliest transaction date that you want to include on the report.

To Date

Enter the latest transaction date that you want to include on the report.

VAT Tax Category

Enter the tax category for VAT.

VAT Additional Tax Category

Enter the tax category for VAT Additional.

VAT Not Categorized Tax Category

Enter the tax category for VAT Not Categorized.

VAT Non Taxable Tax Category

Enter the tax category for VAT Non Taxable.

VAT Perceptions Tax Category

Enter the tax category for VAT Perceptions.

Provincial Tax Category (Type)

Enter the tax regime to group Provincial Perceptions tax categories.

Municipal Tax Category (Type)

Enter the tax regime group Municipal Perceptions tax categories.

Excise Tax Category

Enter the tax category for Excise Tax.

Argentine Receivables Withholding Taken Flat File

Use the Argentine Receivables Withholding Taken flat file to electronically report VAT and income tax withholdings taken by your customers on your behalf to the DGI, if required. The Argentine Receivables Withholding Taken flat file lists VAT and Income tax withholdings associated with Receivables documents during the date range and for the range of withholding tax regimes that you select. Run the Argentine Receivables Withholding Taken flat file monthly for VAT withholdings and annually for income tax withholdings. Import the flat file with VAT withholding information into the DGI IVA application and the flat file with income tax withholding information into the DGI Ganancia application. The DGI applications produce all the required information, including flat files, and can generate tax reports for control purposes after the flat files are imported.

The withholding information that you receive from your customers is contained in withholding certificates. Enter the withholding certificate information in the Receipts window. Create a separate receipt for each withholding certificate and enter the certificate number, the certificate date, the withholding regime, and the withholding amount.

The Argentine Receivables Withholding Taken flat file reports all tax information in the ledger currency. One row per applicable withholding certificate is created within withholding tax regime and date range, within an operating unit.

The records in the Argentine Receivables Withholding Taken flat file are sorted by withholding date, withholding agent's CUIT number, and withholding certificate number.

Use the Standard Request Submission windows to submit the Argentine Receivables Withholding Taken flat file.

Report Parameters

Start Date

Enter the earliest accounting date associated with a mandatory withholding certificate receipt you want to report from.

End Date

Enter the latest accounting date associated with a mandatory withholding certificate receipt you want to report to.

Withholding Tax Regime From

Enter the beginning withholding regime name for the range of withholding regime details that you want included in the file.

Withholding Tax Regime To

Enter the ending withholding regime name for the range of withholding regime details that you want included in the file.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Entering Withholding Tax Information for Receipts

Use the globalization flexfield in the Receipts window to enter withholding tax information for a receipt. There should be one receipt per certificate number. The receipt amount is the withholding amount that appears on the certificate.

To enter withholding tax information:

1. Navigate to the Receipts window.
2. Enter information for a new receipt.
3. Navigate to the globalization flexfield.
4. In the Withholding Certificate Number field, enter a withholding certificate number.
5. In the Withholding Date field, enter the withholding date.
6. In the Tax Regime Reporting Code field, enter the three-digit DGI-defined code that identifies the withholding regime.
7. Press the OK button.

Defining Fixed Asset Exceptions

Define a transaction condition class for fixed assets to use for transaction exceptions for fixed assets.

Use the Lookups window to define a transaction condition and transaction condition value for fixed assets. Use the Latin Tax Condition Classes window to define a transaction tax condition class for fixed assets.

You must define a Latin tax rule for tax exceptions by transaction condition value. See Step 20. Define Latin Tax Rules, page 3-110 for more information.

To define an exception for fixed assets:

1. Use the Lookups window to define a tax condition for fixed assets.

   Define the transaction tax condition lookup code as *Fixed Asset Transactions*. Use the lookup type *Transaction_Attribute*.

2. Use the Lookups window to define a tax condition value for the fixed assets tax condition.

   Use the lookup type *JLZZ_AR_TX_ATTR_VALUE*. Define the lookup code as *Fixed Asset*.

3. Use the Associate Latin Tax Category with Conditions and Values window to associate the transaction tax condition *Fixed Asset Transactions* with the applicable tax categories.

   Uncheck the Mandatory in Class and Determining Factor check boxes. *Fixed Asset Transactions* is not a determining factor tax condition.

4. Use the Latin Tax Condition Classes window to define a fixed asset transaction tax condition class.

   Enter all of the standard conditions and values in the class. In the Tax Class Details region, enter the tax categories that require a transaction tax condition exception for fixed assets.

5. Define a Latin tax rule for tax exceptions by transaction condition value.

To use the fixed asset transaction tax condition class:

1. Navigate to the Transactions window.

2. Enter an invoice.

3. Navigate to the Lines window by pressing the Line Items button.

4. Enter the invoice line that contains the fixed asset.

5. Navigate to the More tabbed region.

6. Navigate to the globalization flexfield.

7. Change the default tax condition class with the fixed asset transaction tax condition class that you defined.

8. Press the OK button.

Collection Processing Overview

In Argentina, a single collection receipt can contain payments that use more than one payment method, such as a combination of checks and cash.

For example, a single receipt that totals $25,000 might consist of two checks of $10,000 each drawn on different banks, and a cash payment of $5,000:

Example 1

Receipt Total: $25,000

Means of payment: Check 1 - Bank of Boston USD 10,000

Means of payment: Check 2 - Citibank USD 10,000

Cash USD 5,000

Total payment USD 25,000

A collection receipt can also consist of receipts and invoices in several different currencies as shown in this table:

Example 2

Receipt or Invoice Item	Amount
Receipt 1	1,000 USD (consisting of 850 USD and 300 pesos)
Receipt 2	3,000 yen (consisting of 100 pesos and USD 50)
Invoice 1	850 USD
Invoice 2	300 pesos
Invoice 3	100 pesos
Invoice 4	50 USD

Oracle Receivables lets you enter separate receipts as one receipt by grouping the receipts together into a receipt package. To group several receipts together into a single receipt package, assign the same receipt package number to all the receipts.

If you use Lockbox to create receipts, Oracle Financials enters the payment batch name as the receipt package number. You can change the receipt package number for these receipts later, if you want.

Assigning Receipt Package Numbers

Use the globalization flexfield in the Receipts window to assign a receipt package number to a receipt. Oracle Receivables groups all the receipts with the same receipt package number into one receipt package.

To assign a receipt package number:

1. Navigate to the Receipts window.
2. Enter information for a new receipt.
3. Navigate to the globalization flexfield.
4. In the Package Number field, enter a receipt package number. To group this new receipt with a previously entered receipt, enter the same receipt package number that you entered for the previous receipt.

   Note: If you use Lockbox to create receipts, QuickCash copies the payment batch name that was created by Lockbox to the Package Number field. You can change the payment batch name to a receipt package number later, if you want.

5. Press the OK button.

Related Topics

Using AutoLockbox, *Oracle Receivables User Guide*

Transaction Numbering Overview

In Argentina, all transaction numbers have the same format with three segments:

X-9999-99999999

- The first segment (X) is the *VAT document letter*, a single-letter alphabetic code determined by a combination of the company's ship-from location VAT registration status and the customer's ship-to location VAT registration status.
- The second segment (9999) is the *branch number*, a four-digit numeric code that

represents either a point-of-sale branch or a product line branch.

- The third segment (99999999) is a unique eight-digit *sequential number* that represents the number for a VAT document letter and branch number combination.

If required by law, you can also print a *bar code* on each invoice, debit memo, and credit memo. Receivables generates the numeric code to use for printing the required bar code on legal documents.

The Argentine transaction numbering functionality includes these features:

- **Sequential Transaction Numbering** - Transaction numbers are sequentially numbered regardless of whether transactions are manually entered or imported. The numbering is gapless and chronological.

- **Format Check for Manually Entered Transactions** - Transaction numbers assigned to manual transactions are derived from the imported transaction source. When you complete a transaction, the transaction is automatically assigned the next transaction number from the imported transaction source that corresponds to the manual transaction source.

- **Damaged Invoices** - You can copy damaged invoices (invoices that are printed on forms that are damaged by printer errors) to create new invoices. The transaction number of the new invoice is generated with the transaction source that was used to generate the original invoice's transaction number. The transaction date that is used is the last date that was assigned for the transaction source.

VAT Document Letter

Argentina currently uses the VAT document letters A, B, C, E, and X. The VAT document letter is determined by a combination of the VAT registration status of the company's ship-from location and the VAT registration status of the customer's ship-to location. If the ship-to location is not available, the bill-to location is used.

This table shows an example of how VAT document letters can be used for invoices, debit memos, and credit memos:

Customer VAT Registration Status	Company VAT Registration Status: Registered	Company VAT Registration Status: Nonregistered, Exempt, or Not Responsible
Registered	A	C
Non Registered	A	C
Exempt	B	C

Customer VAT Registration Status	Company VAT Registration Status: Registered	Company VAT Registration Status: Nonregistered, Exempt, or Not Responsible
Export	E	E

Oracle Receivables uses the VAT document letter *X* to refer to waybills.

Branch Number

The branch numbering method for the transaction number is defined as either point of sale or product line. A point of sale is where invoices are issued, such as a factory outlet or office. A product line is a group of products or services pertaining to a company. For example, cars and trucks can be two product lines of an automotive corporation.

Your company must decide which method to use. After you choose your branch numbering method in Oracle Financials, you cannot change the method.

This table shows examples of possible branch numbering methods and branch numbers:

Method	Four-Digit Branch Number
Single point-of-sale	0001
Single product line	0001
Multiple points-of-sale	
Point-of-sale 1	0001
Point-of-sale 2	0002
Point-of-sale 3	0003
Multiple product lines	
Product line 1	0001
Product line 2	0002
Product line 3	0003

Sequential Number

In Argentina, the eight-digit sequential number is assigned in two ways. You can:

- Use a different sequence for each transaction type, such as invoices, credit memos, or debit memos.
- Use a common sequence for all transaction types with the same VAT document letter.

Numeric Bar Code

In Argentina, companies that print their own legal documents are required by law to print a bar code on every Receivables invoice, credit memo, and debit memo. The bar code contains this information:

- CUIT - Company taxpayer ID.
- DGI document type code for the Receivables document - This code is a combination of the VAT document letter and the transaction type and associated invoice class of the Receivables document.
- Point of sale branch number.
- Printing Authorization Code (CAI).
- CAI due date.
- Validation Digit - The validation digit is generated by an algorithm using the above information.

Receivables calculates and stores a numeric bar code value with each record that you create in the Source and Type Relationships window. See: 7. Define Source and Type Relationships, page 3-143.

Prerequisites

Before you can use DGI document type codes for the numeric bar code, you must:

- Define lookup codes for Argentine legal transaction categories. See: 14. Define Legal Transaction Categories, page 3-36.
- Define lookup codes for Argentine transaction letters. See: 15. Define Transaction Letters, page 3-37.

Setting Up Transaction Numbering

This section describes how to set up transaction numbering. Use this list to help you complete the appropriate steps in the correct order.

Step	Setup Task
1	Define the Branch Numbering Method, page 3-137
2	Define VAT Document Letters, page 3-137
3	Define Branch Numbers, page 3-139
4	Assign Branch Numbers, page 3-140
5	Define Transaction Sources, page 3-141
6	Define Order Management Transaction Types, page 3-143
7	Define Source and Type Relationships, page 3-143

1. Define the Branch Numbering Method

Use the globalization flexfield in the System Options window to define the branch numbering method as either point of sale or product line. After you define the branch numbering method, you cannot change the definition.

To define the branch numbering method:

1. Navigate to the System Options window.
2. Navigate to the globalization flexfield.
3. Select either *Product Line* or *Point of Sale* from the list of values in the Branch Number Method field.
4. Press the OK button.

> **Note:** The remaining fields in the globalization flexfield are not used for transaction numbering. These fields are used for tax treatment. For more information, see Tax Treatment in Argentina, page 3-64.

2. Define VAT Document Letters

Assign VAT document letters to combinations of organization tax condition value and

contributor tax condition value for the VAT tax category. These definitions determine which VAT document letter is used for a transaction number.

The organization condition value corresponds to the VAT registration status of your ship-from location, and the contributor condition value corresponds to the VAT registration status of the customer's ship-to location.

For example, in the VAT Document Letter Assignments window, you enter *Registered* for the organization condition value and *Exempt* for the contributor condition value. You assign the VAT document letter B to this combination. Later, you enter a transaction that involves your ship-from location with a registered VAT registration status and a customer's ship-to location with an exempt VAT registration status. The VAT document letter B is used for the transaction number based on your definition in the VAT Document Letter Assignments window.

For more tax information, see Tax Treatment in Argentina, page 3-64.

Assigning VAT Registration Statuses to Ship-From and Ship-To Locations

Assigning VAT registration statuses involves these steps:

- Use the Item Validation Organization field of the Parameters window in Oracle Order Management to assign the item validation organization to your operating unit.

  The item validation organization is used as a ship-from location.

- Assign VAT registration statuses, or tax condition values, to tax condition classes for organizations. For more information, see Define Tax Condition Classes for Organizations, page 3-91.

- Assign organization tax condition classes to the item validation organization, or ship-from location. The VAT registration status of the tax condition class is accordingly assigned to the ship-from location. For more information, see Assign Tax Condition Classes to Organizations, page 3-93.

- Assign VAT registration statuses, or tax condition values, to tax condition classes for customers. For more information, see Define Tax Condition Classes for Customers, page 3-94.

- Assign customer tax condition classes to customer sites, or ship-to locations. The VAT registration status of the tax condition class is accordingly assigned to the ship-to location. For more information, see Assign Tax Condition Classes to Customers, page 3-96.

Prerequisites

Before you can assign VAT document letters to combinations of condition values, you must associate the VAT tax category with conditions and condition values in the Latin Tax Engine. For more information, see Associate Tax Categories with Tax Conditions

and Values, page 3-84.

Assigning VAT Document Letters

Use the VAT Document Letter Assignments window to assign a VAT document letter to combinations of organization condition value and contributor condition value for the VAT tax category.

To assign a VAT document letter:

1. Navigate to the VAT Document Letter Assignments window.

   The Find Tax Category window appears on top of the VAT Document Letter Assignments window.

2. Select *VAT*, the tax category that you want to associate the organization and contributor conditions for.

3. Press the OK button.

4. In the VAT Document Letter Assignments window, Oracle Receivables displays the operating unit in the Operating Unit field and organization tax condition name in the Organization Condition field.

   Enter an organization tax condition value in the Organization Value field.

5. Oracle Receivables displays the contributor tax condition name in the Contributor Condition field.

   Enter a contributor tax condition value in the Contributor Value field.

6. In the Document Letter field, enter the letter that you want to associate with this combination of organization and contributor values.

7. Enter the activation date for the VAT document letter in the From Date field.

8. Enter the expiration date for the VAT document letter in the To Date field.

Related Topics

Defining Order Management System Parameters, *Oracle Order Management Implementation Guide*

3. Define Branch Numbers

Define branch numbers for your point-of-sale codes or your product line codes, depending on the branch numbering method you use. If you have only one point of sale or product line, you can use any four-digit code, such as 0000. If you have multiple points of sale or product lines, define a different code for each point of sale or product line, such as 0001 for the first point of sale or product line, 0002 for the second, and so on.

Define branch numbers with the lookup type code *JLAR_BRANCH_NUMBER*. Use the Lookups window in the Application Developer responsibility to define your branch numbers.

4. Assign Branch Numbers

You assign branch numbers differently depending on whether your branch numbering method is point of sale or product line.

Point of Sale

Use the globalization flexfield in the Transaction Sources window to assign branch numbers to a transaction source. For more information, see Define Transaction Sources, page 3-141.

Product Line

Use the globalization flexfield in the Master Item window or the Standard Memo Lines window to assign branch numbers to a product line. You assign branch numbers to product lines differently depending on whether the product is an item or a service.

For an item, use the globalization flexfield in the Master Item window. For a service, use the globalization flexfield in the Standard Memo Lines window.

To assign a branch number to an item:

1. Navigate to the Master Item window.
2. Query the item that you want.
3. Navigate to the globalization flexfield.
4. Select the Oracle application that you want from the list of values in the Inventory Item Application field.
5. Enter the branch number in the Branch Number field.
6. Press the OK button.

To assign a branch number to a memo line:

1. Navigate to the Standard Memo Lines window.
2. Query the memo line that you want.
3. Navigate to the globalization flexfield.
4. Enter the branch number in the Branch Number field.
5. Press the OK button.

5. Define Transaction Sources

A transaction source defines where invoicing activity originates. For example, a manual transaction source means that transactions were manually entered. An imported transaction source means that transactions were automatically entered from a file or another accounting system using AutoInvoice.

Use the Transaction Sources window and the globalization flexfield on the Transaction Sources window to define the transaction sources. You associate the imported transaction source that you create with a branch number and a VAT document letter.

You must associate each manual transaction source that you create with an imported transaction source. This association causes manually entered transactions to synchronize with the number sequence of the imported transaction source. You must define the imported transaction source that you want to associate with a manual transaction source before you define the manual transaction source.

Use the Last Transaction Date and Advance Days fields in the globalization flexfield to control your sequencing. Oracle Receivables uses the Last Transaction Date field to store the last transaction date with this transaction source and prevent transactions from being entered out of sequence. You cannot enter a transaction with a transaction date that is prior to the last transaction date.

Oracle Receivables uses the Advance Days field to prevent transactions from being entered for dates far into the future. For example, if the advance days limit is five, you cannot complete an invoice with a date more than five days from the current date. In summary, you can only enter transactions with a transaction date that is between the last transaction date and the date arrived at by adding the advance days to the current date.

> **Note:** You must enter a CAI Number and CAI Due Date to create the numeric bar code for transactions. If you do not enter a CAI Number and CAI Date, Receivables does not generate a numeric bar code value.

> **Note:** Guarantees, deposits, and chargebacks must not be included in the number sequences for invoices, debit memos, and credit memos. If you use guarantees, deposits, and chargebacks, you should use different transaction sources for these transactions than the transaction sources that you use for invoices, debit memos, and credit memos.

To define an imported transaction source:

1. Navigate to the Transaction Sources window.
2. Navigate to the Batch Source tabbed region.
3. Enter a name for the transaction source in the Name field.

4. Enter a source description in the Description field.

5. In the Type field, select *Imported* from the list of values.

6. Check the Automatic Transaction Numbering check box.

7. Navigate to the globalization flexfield.

8. Leave the Imported Source field blank.

9. Enter the branch number for this source in the Branch Number field. If you are using the point-of-sale method, assign the branch number here.

10. Enter the VAT document letter for this source in the Document Letter field.

11. Enter a date in the Last Transaction Date field. To use this transaction source, you cannot enter or import a transaction with a transaction date that is prior to this last transaction date.

    After a transaction was entered or imported using this transaction source, Oracle Receivables displays the transaction date of the last transaction with this VAT document letter and branch number combination. You cannot update the Last Transaction Date field for this transaction source anymore.

12. In the Advance Days field, enter the number of days that a transaction can be entered in advance, as measured from the system date. The Advance Days limit prevents future dated transactions from being assigned numbers out of sequence.

13. In the Fiscal Printer field, enter Yes to indicate that a fiscal printer issued the sales document.

14. In the CAI Number field, enter the Printing Authorization Code provided by the Fiscal Authority to be associated with the printed documents. The CAI is defaulted onto the CAI field in the Transactions window GDF for the batch source with an associated CAI and CAI Due Date.

    This field is mandatory to generate a numeric bar code.

15. In the CAI Due Date field, enter the latest date the company is authorized to print legal documents. A company must always have a current CAI to print legal documents and a new CAI can be requested when necessary. The CAI Due Date is defaulted onto the CAI Due Date field in the Transactions window GDFs for the batch source with an associated CAI and CAI Due Date.

    This field is mandatory to generate a numeric bar code.

16. Press the OK button.

To define a manual transaction source:

1. Navigate to the Transaction Sources window.
2. Navigate to the Batch Source tabbed region.
3. Enter a name for the transaction source in the Name field.
4. Enter a source description in the Description field.
5. In the Type field, select *Manual* from the list of values.
6. Navigate to the globalization flexfield.
7. In the Imported Source field, enter the name of the imported transaction source that you want to associate with this manual transaction source. The manual transaction source uses the same VAT document letter and branch number combination as its associated imported transaction source.
8. Leave the remaining fields blank.
9. Press the OK button.

6. Define Order Management Transaction Types

If you are importing orders from Oracle Order Management into Oracle Receivables, define Order Management transaction types in the Transaction Types window.

In the Receivables Transaction Type field of the Finance tabbed region, assign a Receivables transaction type to each Order Management transaction type.

The Receivables transaction type is assigned to a Receivables transaction source in the Source and Type Relationships window and determines the transaction source that is used for the order when the order is imported into Oracle Receivables. For more information, see Define Source and Type Relationships, page 3-143.

Related Topics

Defining Transaction Types, *Oracle Order Management Implementation Guide*

7. Define Source and Type Relationships

Use the Source and Type Relationships window to associate a transaction type with an imported transaction source from an operating unit. Associating a transaction type with a transaction source allows the transaction type to use that transaction source.

Defining source and type relationships ensures that you cannot use an incorrect numbering sequence for a transaction type. All invoices, debit memos, and credit memos are sequentially numbered, regardless of whether the transactions are imported or manually entered.

If you want to use the same sequence for all transaction types with the same VAT

document letter, associate one transaction source with all those transaction types. Otherwise, associate each transaction type with a different transaction source.

> **Note:** You can associate a transaction type with more than one imported transaction source only if all the sources are assigned the same branch number. The VAT document letter assignments can be different.

The Source and Type Relationships window associates each transaction type and imported transaction source combination with the DGI document type code and numeric bar code. Receivables recalculates the numeric bar code each time you update its associated Company CUIT, DGI Document Type code, Point of sale branch number, CAI code, or CAI due date.

The numeric bar code associated with each combination of transaction source and transaction type is copied to the transaction header-level globalization flexfield of the respective invoice, credit memo, or debit memo. In this way, the same numeric bar code is always printed with the same document.

To associate a transaction type with a transaction source:

1. Navigate to the Source and Type Relationships window.
2. Query or enter the Transaction Source that you want.
3. Enter the first Transaction Type Name that you want. Receivables defaults the Description, Invoice Class, and numeric Bar Code, and checks the Enabled box.
4. Repeat step 3 for all the transaction types that you want to associate with this transaction source.
5. If you want to disable a source and type relationship, uncheck the relevant check box.

Defining DGI Currency Codes

On the Argentine Receivables Sales flat file and the Argentine Receivables Sales Documents Duplicates flat file, you must list the DGI currency code corresponding to the transaction currency. The DGI publishes the list of currency codes. Use the globalization flexfield in the Currencies window to define the DGI currency code for each currency.

To define a DGI currency code:

1. Navigate to the Currencies window.
2. Enter or query the currency that you want.

3. Navigate to the globalization flexfield.

4. In the Currency Code field, enter the DGI currency code for the currency.

Argentine Receivables AutoInvoice Batch Source Update Program

Use the Argentine Receivables AutoInvoice Batch Source Update program to update transaction sources from other systems with a transaction source defined in the Source and Type Relationships window. The program updates the transactions imported into the RA_INTERFACE_LINES Receivables interface table.

> **Note:** Use this program only if you are using the point-of-sale branch numbering method.

In the Source and Type Relationships window, transaction types are linked with transaction sources. The Argentine Receivables AutoInvoice Batch Source Update program uses the Receivables transaction type that is assigned to the imported transaction to determine the related transaction source. This transaction source is used to replace the transaction source of the imported transaction.

When you run the Argentine Receivables AutoInvoice Batch Source Update program, the Argentine Receivables AutoInvoice Batch Source Update report is automatically generated. The report displays the imported transaction numbers with errors as well as the records that are successfully updated. For more information, see Argentine Receivables AutoInvoice Batch Source Update Report, page 3-146.

Run the Argentine Receivables AutoInvoice Batch Source Update program before running AutoInvoice.

Use the Standard Request Submission windows to submit the Argentine Receivables AutoInvoice Batch Source Update program.

Prerequisites

Import transactions from other systems into the RA_INTERFACE_LINES Receivables interface table.

Program Parameters

GL Date From

Enter the GL date for the imported transactions that you want to update transaction sources from.

GL Date To

Enter the GL date for the imported transactions that you want to update transaction sources to.

Ship Date From

Enter the ship date for the imported transactions that you want to update transaction sources from.

Ship Date To

Enter the ship date for the imported transactions that you want to update transaction sources to.

Transaction Date From

Enter the transaction date for the imported transactions that you want to update transaction sources from.

Transaction Date To

Enter the transaction date for the imported transactions that you want to update transaction sources to.

Default Date

Enter the date that the program uses for validation if an imported transaction does not have a transaction or GL date.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Importing Data From Your Feeder System, *Oracle Receivables User Guide*

Argentine Receivables AutoInvoice Batch Source Update Report

Use the Argentine Receivables AutoInvoice Batch Source Update report to see which imported transactions are successfully updated with a new transaction source and which records are not. This report is automatically generated when you run the Argentine Receivables AutoInvoice Batch Source Update program. For more information, see Argentine Receivables AutoInvoice Batch Source Update Program, page 3-145.

The Updated Records section of the Argentine Receivables AutoInvoice Batch Source Update report lists the imported transactions that are successfully updated with a Receivables transaction source.

The Error Records section of the report displays errors with reference to the original transaction numbers of the imported transactions, for example, the sales order number from Oracle Order Management.

Report Headings

This table shows the report headings.

In this heading...	Oracle Receivables prints...
<Ledger>	The ledger name
<Report Title>	*Argentine Receivables AutoInvoice Batch Source Update Report*
Report Date	The date and time that the report is run
Page	The current and total page numbers

Column Headings

This table shows the column headings.

In this column...	Oracle Receivables prints...
Original Transaction Number	The original number of the imported transaction, such as the sales order number
Message Text	• **Updated Records section** - *Original batch source: <original source> is updated with new batch source: <new source>* • **Error Records section** - The error message relevant to the imported transaction

Row Headings

This table shows the row headings.

In this row...	Oracle Receivables prints...
Number of Updated Records	The number of imported transactions that the Argentine Receivables AutoInvoice Batch Source Update program successfully updated

In this row...	Oracle Receivables prints...
Number of Errors Encountered	The number of errors that the Argentine Receivables AutoInvoice Batch Source Update program encountered

Argentine Receivables AutoInvoice Programs

Use the Argentine Receivables AutoInvoice Import program to import transactions from other systems into Oracle Receivables. The program transfers information from interface tables to transaction tables and automatically assigns transaction numbers to those transactions. Use the Argentine Receivables AutoInvoice Master program to submit more than one instance of the Argentine Receivables AutoInvoice Import program.

> **Note:** Run the Argentine AutoInvoice program chronologically and separately for each date to ensure chronological transaction numbering.

Two parameters in the Argentine AutoInvoice programs differ from Oracle Receivables programs. The list of values for the Transaction Source parameter of the Argentine Receivables AutoInvoice Import Program and the Invoice Source parameter of the Argentine Receivables AutoInvoice Master Program includes only transaction sources that are assigned to transaction types in the Source and Type Relationships window, as well as transaction sources that do not have automatic transaction numbering enabled. The list of values for the Transaction Type parameter in both of the Argentine programs likewise includes only transaction types that are defined in the Source and Type Relationships window.

AutoInvoice Execution, AutoInvoice Validation, and Oracle Receivables automatically generates the AutoInvoice Exception reports when you run an AutoInvoice program.

Use the Standard Request Submission windows to submit the Argentine Receivables AutoInvoice Import program or the Argentine Receivables AutoInvoice Master program.

Prerequisites

Before you run the Argentine Receivables AutoInvoice Import program or the Argentine Receivables AutoInvoice Master program, you must:

- Assign a Receivables transaction type to the transactions that you want to import. Use the Receivables transaction type that is linked in the Source and Type Relationships window to the transaction source that you want to use.
- Import transactions from other systems into Receivables interface tables.

Related Topics

Importing Invoice Information Using AutoInvoice, *Oracle Receivables User Guide*

Importing Transactions Using AutoInvoice, *Oracle Receivables User Guide*

Using Standard Request Submission, *Oracle Applications User Guide*

Oracle Assets

Inflation Adjustment Overview

In Argentina, companies adjust the cost, accumulated depreciation, and year-to-date depreciation expense amounts of their assets for inflation. You can report historical amounts for your assets as well as inflation-adjusted amounts by choosing the historical/adjusted option in Oracle Assets. The historical/adjusted option lets you maintain and report both historical amounts and inflation-adjusted amounts by using two separate depreciation books. Keep the historical amounts in a corporate book and the inflation-adjusted amounts in a tax book.

> **Note:** You can implement the Multiple Reporting Currencies (MRC) feature while using the historical/adjusted option in Oracle Assets by using the historical book as your MRC primary book. You must not use the adjusted depreciation book as your MRC primary book because the inflation adjustment transactions must not be included when MRC converts your transactions to another currency. Using the historical book as your MRC primary book ensures that you maintain only the correct transactions in your MRC reporting book.

Using Asset Groups

You must report your asset information organized by asset group. Oracle Assets for Argentina lets you define asset groups and assign your asset categories to these asset groups. The Argentine Exhibit of Fixed Assets report provides asset information organized by asset group. For more information, see the Argentine Exhibit of Fixed Assets Report, page 3-155.

One of your asset groups must contain only Construction in Process (CIP) assets. Oracle Assets assigns all CIP assets to this group, regardless of their asset category.

Inflation Adjustment Setup

This section describes how to set up Oracle Assets for Argentina for the inflation adjustment process. Use this list to help you complete the appropriate steps.

- Enable Automatic Revaluation Rate Calculation

- Define Price Indexes
- Set up depreciation books, page 3-150
- Define asset groups, page 3-152
- Set up asset categories, page 3-152
- Define inflation start dates
- Set up assets in a depreciation book, page 3-154

Set Up Depreciation Books

Use the Book Controls window and the globalization flexfield on the Book Controls window to set up your depreciation books for inflation adjustment. You can enable or disable inflation adjustment at depreciation book level. If you enable inflation adjustment for a depreciation book, you can choose to enable or disable inflation adjustment for individual asset categories and assets when you define them. If you disable inflation adjustment for a depreciation book, none of the assets in that book can be adjusted.

To set up depreciation books:

1. Navigate to the Book Controls window.
2. Enter a depreciation book.
3. Navigate to the globalization flexfield.
4. Enter *Yes* in the Adjust for Inflation field to enable inflation adjustment for assets in this depreciation book. Enter *No* to disable inflation adjustment for all assets in this book.
5. In the Journal Category for Depreciation Expense of Retired Assets field, enter the journal category that you want to use for the journal entries created by the Inflation Adjustment of Retired Assets process.

   After you perform inflation adjustment for this book, you can view information about the most recent inflation adjustment in the next two fields. Oracle Assets displays the period name for the most recent inflation adjustment in the Last Inflation Adjustment Period field, and the revaluation ID for the most recent inflation adjustment in the Last Inflation Adjustment field.
6. Press the OK button.
7. In the Book Controls window, navigate to the Calendar tabbed region.
8. In the GL Ledger field, select the General Ledger ledger that you want to transfer

this depreciation book's journal entries to. If you are using the historical/adjusted option in both General Ledger and Oracle Assets, select the historical ledger for your historical book and the adjusted ledger for your adjusted book.

9. Complete the Allow GL Posting check box according to your depreciation book's requirements. If you are using the historical/adjusted option in both General Ledger and Oracle Assets, check the Allow GL Posting check box for both your historical book and your adjusted book.

10. Navigate to the Accounting Rules tabbed region.

11. If you want to allow revaluation in this book, check the Allow Revaluation check box.

12. If you want to revalue accumulated depreciation, check the Revalue Accumulated Depreciation check box.

13. If you want to revalue year-to-date depreciation, check the Revalue YTD Depreciation check box.

14. If you want to retire revaluation reserve, check the Retire Revaluation Reserve check box. In Argentina, you usually do not retire revaluation reserve.

15. If you want to amortize revaluation reserve, check the Amortize Revaluation Reserve check box. In Argentina, you usually do not amortize revaluation reserve.

16. If you want to revalue fully reserved assets, check the Revalue Fully Reserved Assets check box.

    If you choose to revalue fully reserved assets, enter a life extension factor in the Life Extension Factor field. To maintain the current asset life without extending it, enter *1*. You can also enter the maximum number of times an asset can be revalued as fully reserved in the Maximum Revaluations field and enter a life extension ceiling in the Life Extension Ceiling field.

17. Navigate to the Tax Rules region.

18. If you are defining a tax book and you want to include CIP assets in the tax book, check the Allow CIP Assets check box. You must include CIP assets in your adjusted tax book, if you are using the historical/adjusted option, so that you can adjust the CIP assets for inflation in the adjusted tax book.

Related Topics

Defining Depreciation Books, *Oracle Assets User Guide*

Asset Management in a Highly Inflationary Economy (Revaluation), *Oracle Assets User Guide*

Construction-in-Process (CIP) Assets, *Oracle Assets User Guide*

Define Asset Groups

Use the Exhibit of Fixed Assets Groups window to define your asset groups. The asset groups that you define here appear in the list of values in the Asset Group field in the globalization flexfield on the Asset Categories window when you assign your asset categories to asset groups. The asset groups also appear on the Argentine Exhibit of Fixed Assets report.

You must define one asset group as the CIP group. Oracle Assets automatically assigns all CIP assets to this group, regardless of their asset category. You should not assign any asset categories to the CIP group manually.

After you define an asset group, you can use the Exhibit of Fixed Assets Groups window to update or delete the asset group. You can only delete an asset group, however, if no asset categories are assigned to that group.

To define asset groups:

1. Navigate to the Exhibit of Fixed Assets Groups window.
2. Enter the names for your asset groups in the Name fields.
3. Check the CIP Group check box for the asset group that you want to define as your CIP group. You can choose any asset group as the CIP group, but you can only check the CIP Group check box for one asset group at a time.

Set Up Asset Categories

Use the Asset Categories window, the globalization flexfield on the Asset Categories window, and the Default Depreciation Rules window to set up your asset categories for inflation adjustment. In the Asset Categories window, you can specify the revaluation reserve account that you want to use to offset the inflation adjustments for assets in a category in a particular depreciation book.

In the globalization flexfield, you can enable or disable inflation adjustment for the asset category in a particular depreciation book. If you enable inflation adjustment for an asset category in a book, you can choose to enable or disable inflation adjustment for individual assets when you define them. If you disable inflation adjustment for an asset category in a book, none of the assets in that category can be adjusted in that book.

In this way, you can choose to adjust an asset category in one depreciation book while preventing the same asset category from being adjusted in another book. You can also choose to adjust some asset categories in a depreciation book for inflation while preventing other categories in the same book from being adjusted.

If inflation adjustment is disabled for an entire depreciation book, however, none of the asset categories in that book can be adjusted.

Oracle Financials for Argentina also lets you use the globalization flexfield to assign

your asset categories to asset groups for the Argentine Exhibit of Fixed Assets report. You can assign several asset categories to the same asset group, but you can only assign each asset category to one asset group.

Oracle Assets automatically assigns all CIP assets to one group, regardless of their asset category. You can choose which asset group to define as your CIP group in the Exhibit of Fixed Assets Groups window. You should not assign any asset categories to the CIP group manually in the globalization flexfield.

In the Default Depreciation Rules window, you can assign a price index to the asset category. The price index is used to calculate the inflation rate for all the assets in this asset category.

To set up asset categories:

1. Navigate to the Asset Categories window.
2. Enter an asset category.
3. Navigate to the General Ledger Accounts region.
4. Enter a depreciation book in the Book field.
5. In the Revaluation Reserve field, enter the revaluation reserve account used to offset inflation adjustments for assets in this category.
6. Navigate to the globalization flexfield.
7. Enter *Yes* in the Adjust for Inflation field to enable inflation adjustment for assets in this asset category. Enter *No* to disable inflation adjustment for all assets in this category.

   If inflation adjustment is enabled for this depreciation book, the Adjust for Inflation field defaults to *Yes*. Otherwise, the Adjust for Inflation field defaults to *No*.
8. Enter the asset group for this asset category in the Asset Group field.

   Note: Do not manually enter the CIP asset group for any category in the Asset Group field. Oracle Assets automatically assigns all CIP assets to this group, regardless of their asset category.
9. Press the OK button.
10. In the Asset Categories window, press the Default Rules button.

    The Default Depreciation Rules window appears.
11. In the Price Index field, enter the price index that you want to use to calculate the inflation rate for this asset category.

12. Enter appropriate information in the remaining fields.

Related Topics

Setting Up Asset Categories, *Oracle Assets User Guide*

Asset Management in a Highly Inflationary Economy (Revaluation), *Oracle Assets User Guide*

Set Up Assets in a Depreciation Book

Use the globalization flexfield on the Books window to enable or disable inflation adjustment for individual assets. You enable or disable inflation adjustment for an asset in a particular depreciation book.

In this way, you can choose to adjust an asset in one depreciation book while preventing the same asset from being adjusted in another book. You can also choose to adjust some assets in a certain category in a depreciation book for inflation while preventing other assets in the same category and book from being adjusted.

If inflation adjustment is disabled for an entire depreciation book or an entire category in a book, however, none of the assets in that book or category can be adjusted.

To set up assets in a depreciation book:

1. Navigate to the Asset Workbench.
2. Enter or query an asset.
3. Navigate to the Books window.
4. Enter a depreciation book in the Book field.
5. Navigate to the Depreciation region.
6. Navigate to the globalization flexfield
7. Enter *Yes* in the Adjust for Inflation field to enable inflation adjustment for the asset. Enter *No* to disable inflation adjustment for the asset.

   If inflation adjustment is enabled for this depreciation book and for this category in this book, the Adjust for Inflation field defaults to *Yes*. Otherwise, the Adjust for Inflation field defaults to *No*.
8. Press the OK button.

Related Topics

Asset Setup Processes (Additions), *Oracle Assets User Guide*

Set Up Assets in a Depreciation Book, *Oracle Assets User Guide*

Argentine Exhibit of Fixed Assets Report

Use the Argentine Exhibit of Fixed Assets report to display fixed assets information organized by asset group. The Argentine Exhibit of Fixed Assets report shows total amounts for each asset group that you defined in the Exhibit of Fixed Assets Groups window. The totals consist of the amounts for all the assets in every category assigned to that group, except CIP assets.

Oracle Assets assigns all CIP assets to one group, regardless of their asset category. You can choose which asset group to define as your CIP group in the Exhibit of Fixed Assets Groups window.

Use the Standard Request Submission windows to submit the Argentine Exhibit of Fixed Assets report.

> **Note:** Using Standard Request Submission , *Oracle Applications User Guide*

Report Parameters

Book Type Code

Enter the book that you want to report on.

Ledger Currency

Enter the currency to use for the report. The default value is the default currency of the primary ledger. If the primary and reporting ledger both use the same default currency, choose either primary or reporting ledger from the list of values. You can also choose any other currency defined for the reporting ledger.

From Period

Enter the earliest period that you want to report on.

To Period

Enter the latest period that you want to report on.

Detail Level

Choose *Yes* to run the report for detail level. Choose *No* to run the report for summary level.

Report Headings

This table shows the report headings.

In this heading…	Oracle Assets prints…
<Organization Name>	The name of your organization
Book	The name of the depreciation book
<Report Title>	*Exhibit of Fixed Assets*
From Period	The earliest period on the report
To Period	The latest period on the report
Report Date	The date when you run the report
Page	The page number

Column Headings

This table shows the column headings.

In this column…	Oracle Assets prints…
Asset Group	The name of the asset group
Assets Cost Begin of Period	The cost of the assets in the asset group at the beginning of the reporting period
Additions	The additions during the period
Retirements	The retirements during the period
Transfers	The transfers during the period
Assets Cost End of Period	The cost of the assets at the end of the period
Depr Reserve Begin of Period	The accumulated depreciation of the assets at the beginning of the period
Depr Reserve Retirements	The accumulated depreciation of the assets retired during the period

In this column…	Oracle Assets prints…
Depr Reserve Transfers	The accumulated depreciation of assets transferred during the period
Depreciation During Period	The accumulated depreciation during the period
Depr Reserve End of Period	The accumulated depreciation at the end of the period, calculated by adding the four previous columns

Oracle Order Management

Entering Order Management Information

In Argentina, you must enter additional information, such as the fiscal classification code and transaction condition class, for your sales orders.

After you enter your order information, the Invoicing workflow activity transfers shipped item information to Oracle Receivables. When the Invoicing workflow activity is finished, you can submit AutoInvoice from Oracle Receivables to import invoice and credit data into Oracle Receivables, which processes the invoices and accounts for revenue.

Related Topics

Invoicing Activity, *Oracle Order Management User Guide*

Entering Sales Order Information

Use the globalization flexfield in the Order Organizer window to enter or view additional information about your sales orders and returns.

To enter additional sales order information for a new order:

1. Navigate to the Order Organizer window.

   The Find Orders window appears.

2. In the Find Orders window, press the New Order button.

   The Sales Orders window appears.

3. In the Sales Orders window, enter your new order information.

4. Navigate to the Line Items tabbed region.

5. Navigate to the Shipping tabbed region.

6. In the Warehouse field, enter a warehouse name.

   Note: If you selected *Latin Tax Handling* as your tax method in the System Options window, this field is mandatory and tax is calculated based on the warehouse that you enter for the order line.

7. Navigate to the Others tabbed region and move your cursor to the Project Number field.

8. From the Special menu, choose Folders > Show Field.

9. From the list of values, choose ( ) and press OK.

   The globalization flexfield appears. You can enter or view additional information for your selected item, such as the fiscal classification code or the transaction condition class.

10. Press the OK button.

To enter additional sales order information for a previously entered order:

1. Navigate to the Order Organizer window.

   The Find Orders window appears.

2. In the Find Orders window, enter an order or order lines to query, or leave the fields blank for all.

3. Press the Find button.

   The Order Organizer window appears.

4. Select an order and press the Open Order button.

   The Sales Orders window appears.

5. Navigate to the Line Items tabbed region.

6. Navigate to the Shipping tabbed region.

7. In the Warehouse field, enter a warehouse name.

   Note: If you selected *Latin Tax Handling* as your tax method in the System Options window, this field is mandatory and tax is

calculated based on the warehouse that you enter for the order line.

8. Navigate to the Others tabbed region and move your cursor to the Project Number field.

9. From the Special menu, choose Folders > Show Field.

10. From the list of values, choose ( ) and press OK.

    The globalization flexfield appears. You can enter or view additional information for your selected item, such as the fiscal classification code or the transaction condition class.

11. Press the OK button.

Related Topics

Overview of Order Organizer, *Oracle Order Management User Guide*

Marking Tax Categories

Use the Latin Tax Groups window to mark the tax categories that you want Oracle Order Management to consider for tax calculations.

To mark tax categories for Order Management consideration:

1. Navigate to the Latin Tax Groups window.

2. In the Tax Group field, query a tax group.

3. Navigate to the Tax Group Details region.

4. Select a tax category that you want Oracle Order Management to consider for tax calculations.

5. Check the Calculate in OM check box.

4

Brazil

General Setup

Defining Lookup Codes

Use the Lookup Codes window to define lookup codes. Lookup codes are codes that you create and associate with predefined lookup types. The lookup types determine specific transaction elements that run in Oracle Payables and Oracle Receivables.

You cannot delete lookup codes once you enter them. Instead, you can inactivate a lookup code by giving it an inactive date. You can also delete the inactive date at a later time to reactivate a lookup code.

Create and maintain as many lookup codes as you need for each lookup type. This table shows lookup types and their meanings.

This lookup type…	Has this meaning…
Contributor Type	A customer type of tax contribution
Organization Class	The company type of tax contribution
Fiscal Classification	Item fiscal classes (used by Latin tax windows)
Supplier/Contributor	The supplier type for tax contribution
Invoice Class (Payables only)	The invoice type
Invoice Series (Payables only)	An invoice numbering sequence

This lookup type…	Has this meaning…
Item Fiscal Type	The type of item for fiscal purposes
Item Origin	The kind of transaction
Item Transaction Nature	The transaction nature
Legal Messages Exception Events (Receivables only)	Legal exceptions to the basic tax rules
State	The name of a state in Brazil
Tributary Federal Situation	The tributary federal situation
Tributary State Situation	The tributary state situation

To define lookup codes:

1. Navigate to the Lookup Codes window.
2. Query the lookup type in the Type field.
3. Enter the name of the lookup code in the Code field.
4. Enter the name for the lookup code that is displayed in the list of values in the Meaning field.
5. Enter a description for the lookup code in the Description field.
6. You can optionally enter an inactive date for the lookup code in the Effective Dates - To field.
7. Repeat steps 2 to 6 for each lookup code that you define.
8. Save your work.

Defining a Business Day Calendar

The business day calendar defines business days and non-business days for billing purposes. For example, on non-business days, you do not pay or charge interest on invoices. Non-business days include weekends, Brazilian national holidays, and local municipal holidays.

Oracle Payables and Oracle Receivables use the business day calendar to flag exceptions

to the billing period specified in incoming and outgoing invoices.

The setup procedures for creating a business day calendar are:

- Define profile options
- Create an exception template for national holidays
- Create a standard workday calendar
- Load the national holidays exception template into the standard workday calendar
- Define local holidays for each city that you do business with

Creating a Workday Exception Template

Use the Exception Templates window to create a template for national holidays. The exception template defines exceptions for your workday calendar. For billing purposes, you must define an exception template that includes all Brazilian national holidays.

After you create the exception template, define a standard business day calendar and apply this template to it.

To create a workday exception template:

1. Navigate to the Exception Templates window.
2. Enter a name that identifies this template, such as *National Hols*, in the Template field.
3. Enter the date for each national holiday in the Date fields. Leave the Days On check boxes set to off.
4. Save your work.

Creating the Business Day Calendar

Use the Workday Calendar window to define a standard business day calendar. A workday calendar consists of a start date, an end date, and on and off days that follow one or more defined workday patterns.

When you define the business day calendar, you must specify the standard five-day business week of Monday through Friday, with Saturday and Sunday as the two days off. This calendar, along with the national holiday exception template, determines the annual billing pattern.

To create a business day calendar:

1. Navigate to the Workday Calendar window.
2. Enter a name that clearly identifies this calendar as the business day calendar in the

Name field.

3. Enter a date range for this calendar in the Calendar Date Range From and To fields.

   The default end date is four years from the start date. Make sure that the start date is a Monday so that the calendar follows the standard business day pattern.

4. Press the Workday Pattern button.

   The Workday Patterns window appears.

5. Enter the sequence number *1* in the Seq field to apply this workday pattern to the calendar when it is built.

6. Enter *5* in the Days On field and *2* in the Days Off field.

   This defines Monday through Friday on and Saturday and Sunday off.

7. Save your work.

   You can view calendar dates.

8. Press the Dates button in the Workday Calendar window.

   The Calendar Dates window appears.

9. Press the Exception List button.

10. Press the Load button and select *Template* to apply existing exceptions.

11. Enter the name of the national holidays template, and press the OK button to load the template.

12. Save your work.

13. Choose Build from the Tools menu to build the workday calendar.

Defining Local Holidays

Use the Local Holidays window to define local holidays for the cities that you do business with. The location where the Local Holidays window validates local holidays is defined in the Payment Location profile option. Oracle Payables and Oracle Receivables use the local holiday information, along with the business day calendar, to flag exceptions to the billing period specified in incoming and outgoing invoices for these cities.

If you select Company as the payment location in the System Profile Options window, you must enter your company's city in the Payment Location field in the Brazilian Additional Information tabbed region of the Payables Options window. This Payment Location field is used to validate the business day calendar for local holidays.

Prerequisites

Before you can use the Local Holidays window, you must:

- Define profile options
- Define company information
- Enter customers
- Enter suppliers

To define local holidays:

1. Navigate to the Local Holidays window.
2. Enter the name of the city in the City field.
3. Enter the state to which the city belongs in the State field.
4. Enter a description in the Description field.
5. Leave the Inactive On field blank.
6. Assign a payment location.
7. In the Date fields, enter the date for each local holiday. Leave the Days On check boxes set to off.
8. Repeat steps 2 to 6 for each city that you want to enter local holidays for.

Oracle Payables

Entering and Associating Collection Documents

This section describes how to enter bank collection documents, correct bank information on a collection document, and associate collection documents with trade notes.

Manually Entering Collection Documents

Use the Collection Documents window to enter bank collection documents into Payables and view them. After you enter a new collection document, the collection document is automatically associated with a trade note that is not associated according to the association method defined in the Payables Options window. After the association, the trade note is released to be paid.

Prerequisites

Before you can use the Collection Documents window, you must set up procedures using these windows:

- Payables Options window
- Banks window
- Suppliers window

To enter collection documents:

1. Navigate to the Collection Documents window.
2. Select the applicable operating unit.
3. Enter bank information in the Bank Name and Bank Number fields. The list of values for these fields displays bank accounts with Brazilian Real as the defined currency.

   The Branch Name and Branch Number fields automatically default with values based on the bank information you entered.
4. Enter the payment location from the collection document in the Payment Location field.
5. Enter supplier information in the Supplier, Supplier Number, and Site fields.

   The Inscription Number field automatically defaults with a value based on the Site information. This number is the supplier's taxpayer ID.
6. Enter other information for collection documents in the Due Date, Document Number, Currency Code, Amount, and Status Lookup Code fields.

   The Payment Number field displays the payment number assigned to the trade note.

Manually Associating Collection Documents

Use the Collection Document Association window to associate an unassociated bank collection document with an unassociated trade note (also known as a payment schedule). The trade note must be unpaid. You can also associate a trade note to a collection document as well as disassociate a collection document associated with a trade note. The manual association does not use the method you defined in the Payables Options window for automatic association. You query invoices in the Find Invoices to Match window.

Prerequisites

Before you can use the Collection Document Association window, you must enter

invoices and collection documents in the Invoice Workbench and Collection Documents windows.

To manually associate or disassociate collection documents:

1. Navigate to the Collection Document Association window.

   The Find Invoice to Match window appears.

   > **Note:** The list of values displays invoices with a currency that matches what you defined in the JLBR Bank Transfer Currency profile option.

2. Enter or query invoices that you want to manually associate or disassociate with collection documents.

3. Press the Find button.

   The Collection Document Association window appears.

4. Select the applicable operating unit.

5. Select an invoice in the Invoice region.

6. Select a scheduled payment, or trade note, to associate with a collection document in the Scheduled Payments region.

7. Press the Collection Document button.

   The Collection Document window appears.

8. Select a collection document.

9. Press the Associate button to associate the selected collection document with the trade note. Press the Disassociate button to disassociate them.

10. Press the OK button in the popup window.

Correcting Collection Documents

Use the Imported Collection Documents window to correct collection document information for an operating unit listed in the Brazilian Payables Import Bank Collection Documents report. This report is automatically generated after you run the Brazilian Payables Import Bank Collection Documents program and shows unvalidated collection documents. For more information about this report, see Brazilian Payables Import Bank Collection Documents Report, page 4-22.

When you correct an entry in this window, the entry is validated and inserted into Payables. The validated collection document is automatically associated with a trade

note by the association method that you selected in the Payables Options window.

Prerequisites

Before you can use the Imported Collection Documents window, you must set up procedures in these windows:

- Currencies window
- Payables Options window
- Banks window
- Suppliers window

You must also enter company information in the Company window and run the Brazilian Payables Import Bank Collection Documents program.

To correct entries in a collection document:

1. Navigate to the Imported Collection Documents window.

   The File Control window automatically appears.

2. Select a file that contains collection documents.
3. Press the OK button.
4. Correct any entries in the collection document in the Imported Collection Documents window.
5. Press the Validate button to validate your corrections in Payables.

   The collection document is automatically associated with its matching trade note.

6. Query another collection document to correct.

Electronic Collection Document

The Authorized Direct Debit (DDA), also known as the Electronic Collection Document, is a service that enables companies to query and perform electronic payments through the bank that owns the Checking Account.

The Electronic Payer can perform Electronic Collection Document payments by using the standard bank channels, such as EFT files, direct debit, Internet banking, phone banking, etc.

Payables Electronic Collection Documents

Oracle Payables supports the Brazilian DDA process and allows customers to enter and process electronic collection documents payments. Oracle Payables enables the following attributes at the Collection Document window and the Import Bank

Collection Documents concurrent program:

- Collection Document Barcode
- Electronic Format Checkbox

To use Electronic Collection Documents, navigate the Collection Documents window, select the Electronic Format checkbox, and enter the Collection Document Barcode.

Localizations > Collection Documents > Define

Collection Document Barcode

The Collection Document Barcode is required at the Electronic File Transfer. This is a mandatory record and an important field to speed up the data entry of manual collection documents. This field is also required for the Standard Collection Document.

Electronic Format Checkbox

The Electronic Format checkbox determines whether a respective collection document is electronic or standard. The checkbox must be used in case the EFT format requires a different treatment for standard or electronic collection documents.

These two attributes enable customers to manually enter or load Electronic Collection Documents information in Oracle Payables to process EFT payments using the EFT bank layouts supported by the Regional Field Center.

The EFT bank layouts, or Add-On Localizations, collect new information in order to communicate payment orders. For additional information, please contact the Regional Field Center (Product ID 1671).

Brazilian Payables Import Collection Documents

You must load the attributes of Collection Document Barcode and Electronic Format checkbox into the interface table though the Brazilian Payables Import Bank Collection Documents program.

Use the Maintain Interface window to correct the imported collection documents and add these attributes.

Consolidate Billing

Consolidated Billing lets you enter fiscal information in a shipping invoice and then match it with a consolidated invoice for auditing purposes for a given operating unit.

Basic Business Needs

The Consolidated Billing functionality lets you satisfy the Brazilian Consolidated Billing requirements. You can:

- Enter shipping invoices as standard invoices
- Enter consolidated invoices

- Associate one or more shipping invoices with a consolidated invoice
- Disassociate shipping invoices already associated with consolidated invoices
- Perform the normal invoice approval process
- Enter physical, tax, and financial information at the time the goods are received, based on the shipping invoices
- Cancel a consolidated invoice

> **Note:** The Consolidated Invoice functionality does not allow foreign currency invoices. Only approved invoices that you enter in ledger currency can be matched with a consolidated invoice.

Major Features

Shipping Invoice

You can use the shipping invoice for purchasing items and services. To associate a shipping invoice, you need to match it with a consolidated invoice. You can use the standard invoice to enter the shipping invoice information. When you associate shipping invoices with the consolidated invoice, the payment terms of the shipping invoices are updated with the payment terms of the consolidated invoice.

Shipping Invoice Import

You can import shipping invoices from other accounting systems as standard invoices. You follow the same rules for the manually entered standard invoices.

Consolidated Invoice

You use a consolidated invoice to match a shipping invoice you want to pay within the same payment terms. You cannot import a consolidated invoice. You can optionally enter a pay group used in all shipping invoices and group them for payment. Calculate the payment schedule using the business day calendar.

Tax Treatment

You can enter Brazilian tax information for standard invoices (shipping invoices). You can store some taxes parameters at invoice line level. These parameters are used to calculate the tax amount for the invoice.

Interest Parameters

You can see interest information for standard invoices. You can store interest parameters at different levels (supplier, supplier site, payment schedule).

For the standard invoice, you will have default interest information from the supplier

site. You can override interest information at the payment schedule level.

Collection Documents

You can pay an invoice by associating a trade note with a collection document.

You can choose to automatically associate a collection document with a trade note. You can also associate them manually.

Reports

Payables generates these reports for Brazil:

Brazilian Payables Consolidated Invoice Register - Lists suppliers, amounts, and related shipping invoices for consolidated invoices

Brazilian Payables Cancelled Consolidated Invoices Register - Lists suppliers, amounts, related shipping invoices, and cancellation information for canceled consolidated invoices

Interest

Interest Handling lets you define interest parameters at supplier level, supplier site level, or trade note level. When you pay an overdue invoice, Payables automatically creates an interest invoice for the overdue invoice and creates a corresponding payment.

Basic Business Needs

The Interest functionality lets you satisfy the Brazilian Interest requirements. You can:

- Calculate interest based on the business day calendar and see the interest amount and number of days the payment is late. If the payment due date is on a weekend or holiday, you can keep, change, or delete the due date that is used for the interest calculation.
- Define the period that interest must be calculated for.
- Define a penalty fee for an overdue invoice.
- Allow for grace days in the event of a late payment.
- Allow for simple or compounded interest calculations.
- Allow for interest billing in percent or value.
- Allow for interest invoice generation and accounting.

Major Features

Different Level of Interest Definition

You can define interest parameters at supplier level, supplier site level, or trade note level.

Automatic Interest Calculation

You can pay an overdue invoice with either a payment batch, manual payment, or a QuickCheck. Payables automatically creates an interest invoice for the overdue invoice and creates a corresponding payment when you create your payment batch, manual payment, or QuickCheck payment. If you manually pay an overdue invoice, Payables warns you that the interest is due for the invoice; you should pay the invoice in a payment batch or with a Quick payment.

Payment or Cancel the Calculated Interest Amount

You can pay or cancel the calculated interest amount when you pay the main amount. You can also change the interest invoice amount.

Penalty Fee

You can define a penalty fee and the interest when you pay an overdue invoice.

Interest Calculation Based on Business Day Calendar

Payables calculates interest according to the business day calendar and shows the interest value and number of days a payment is late. If the due date is a weekend or a holiday, Payables lets you anticipate, postpone, or keep the due date for the interest calculation.

Related Topics

Payables Options, *Oracle Payables User Guide*

Entering Invoices Overview, *Oracle Payables User Guide*

Brazilian Payables Consolidated Invoice Register Report

Use the Brazilian Payables Consolidated Invoice Register report to review detailed information about consolidated invoices. This report lists consolidated invoice information such as supplier, amount and the related shipping invoices. Information such as accounting, tax, and amount are provided for each shipping invoice.

Oracle Payables sorts the information in the report by consolidated invoice currency. Within each currency section, the report sorts by the supplier name and consolidated invoice number.

Use the Standard Request Submission windows to submit the Brazilian Payables Consolidated Invoice Register report.

Report Parameters

Entered By

Enter the user's name to list consolidated invoices entered by that user. Leave this field blank to list consolidated invoices entered by all users.

First Entered Date

Enter the beginning date of a range of dates when consolidated invoices were entered. Oracle Payables prints consolidated invoices entered on or after the First Entered Date.

Last Entered Date

Enter the last date of a range of dates when consolidated invoices were entered. Oracle Payables prints consolidated invoices entered on or before the Last Entered Date.

Accounting Period

Enter the name of the accounting period for consolidated invoice information. Oracle Payables lists the consolidated invoices between the First Entered Date and the Last Entered Date in the accounting period you choose.

Report Headings

This table shows the report headings.

In this heading…	Oracle Payables prints…
<Company Name>	The name of the company running the report
Date	The date and time that the company ran the report
<Report Title>	Consolidated Invoice Register
Entered By	The name of the person who entered the consolidated invoices
Start Date	The beginning date of the invoice entry date range
Period	The accounting period's name for the report
End Date	The ending date of the invoice entry date range

In this heading…	Oracle Payables prints…
Currency	The currency for the consolidated invoices

Column Headings

This table shows the column headings.

In this column…	Oracle Payables prints…
Supplier Name	The supplier's name for the consolidated invoice.
Consolidated Invoice Num	The consolidated invoice number.
Consolidated Invoice Date	The consolidated invoice date.
Original Amount	The invoice's original amount. Payments are not subtracted from this amount.
Amount Remaining	The amount remaining for payment on the consolidated invoice. The amount remaining is equal to the original invoice amount unless you have paid or partially paid the shipping invoice.
Description	The consolidated invoice description.
Shipping Invoice	The shipping invoice number matched to the consolidated invoice.
Type	The distribution line type.
Line	The distribution line number.
Expense Accounting Flexfield	The accounting flexfield segment values for an invoice distribution line.
Amount	The invoice distribution line amount.
Description	A partial description of an invoice distribution line.

In this column…	Oracle Payables prints…
Accounting Date	The accounting date of an invoice distribution line. Oracle Payables uses the accounting date when creating journal entries to transfer to the General Ledger.
Posted	*Yes* if a journal entry was created for posting to the General Ledger; *No* if a journal entry was not created.
Total for <Supplier Name>	The total Original Amount and total Amount Remaining from the consolidated invoices for each supplier.
Total for <Currency>	The total Original Amount and total Amount Remaining from the consolidated invoices for each currency.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Brazilian Payables Cancelled Consolidated Invoices Register Report

Use the Brazilian Payables Cancelled Consolidated Invoices Register report to review detailed information about the canceled consolidated invoices. This report lists consolidated invoice information such as supplier, amount and the related shipping invoices, as well as the information about its cancellation.

Oracle Payables sorts the information on the report by consolidated invoice currency. Within each currency section, the report sorts by the supplier name and consolidated invoice number.

Use the Standard Request Submission windows to submit the Brazilian Payables Cancelled Consolidated Invoices Register report.

Report Parameters

Entered By

Enter the user's name to list consolidated invoices entered by that user. Leave this field blank to list consolidated invoices entered by all users.

First Entered Date

Enter the beginning date of a range of dates when consolidated invoices were entered.

Oracle Payables prints consolidated invoices entered on or after the First Entered Date.

Last Entered Date

Enter the last date of a range of dates when consolidated invoices were entered. Oracle Payables prints consolidated invoices entered on or before the Last Entered Date.

Accounting Period

Enter the name of the accounting period for consolidated invoice information. Oracle Payables lists the consolidated invoices between the First Entered Date and the Last Entered Date in the accounting period you choose.

Report Headings

This table shows the report headings.

In this heading…	Oracle Payables prints…
<Company Name>	The name of the company running the report
Date	The date and time that the company ran the report
<Report Title>	Canceled Consolidated Invoice Register
Page	The page number
Entered By	The name of the person who entered the consolidated invoices
Start Date	The beginning date of the invoice entry date range
Period	The name of the accounting period for the report
End Date	The ending date of the invoice entry date range
Currency	The currency for the consolidated invoices

Column Headings

This table shows the column headings.

In this column…	Oracle Payables prints…
Supplier Name	The supplier's name for the consolidated invoice
Consolidated Invoice Number	The consolidated invoice number
Consolidated Invoice Date	The consolidated invoice date
Canceled Amount	The canceled amount of the invoice
Canceled By	The username of the person who canceled the consolidated invoice
Canceled Date	The date of the consolidated invoice cancellation
Description	The consolidated invoice description
Total for <Supplier Name>	The total Canceled Amount of the consolidated invoices for each supplier
Total for <Currency>	The total Canceled Amount of the consolidated invoices for each currency

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Brazilian Payables Associated Trade Notes and Bank Collection Documents Report

Use the Brazilian Payables Associated Trade Notes and Bank Collection Documents report to list trade notes and associated bank collection documents. The documents can be ordered by invoice number or by supplier name and due date of the invoice.

Use the Standard Request Submission windows to submit the Brazilian Payables Associated Trade Notes and Bank Collection Documents report.

Report Parameters

Sort By Invoice/Collection Document

Enter the document that will be used in the sort:

- **Collection Document (default)** - Oracle Payables sorts the report by collection

document.

- **Invoice** - Oracle Payables sorts the report by trade notes.

Sort Documents By

Enter the sorting method for this report:

- **Document Number (default)** - Oracle Payables sorts the report either by invoice number or by collection document number, depending on whether you selected to sort either by Invoice or by Collection Document.

- **Supplier Name and Due Date** - Oracle Payables sorts the report alphabetically by Supplier Name and for each supplier group it sorts by Due Date. It can use the Supplier Name and the Due Date of the invoice or the collection document, depending on which criteria you have selected previously.

Collection Doc Number From

Enter the starting collection document number for a range of bank collection document numbers that are associated with a trade note.

Collection Doc Number To

Enter the ending collection document number for a range of bank collection document numbers that are associated with a trade note.

Collection Doc Begin Due Date

Enter the beginning date for a range of bank collection documents with a due date between the Begin Date and the End Date.

Collection Doc End Due Date

Enter the ending date for a range of bank collection documents with a due date between the Begin Date and the End Date.

Collection Doc Amount From

Enter the starting collection document amount for a range of bank collection documents associated with a trade note.

Collection Doc Amount To

Enter the ending collection document amount for a range of bank collection documents associated with a trade note.

Invoice Number From

Enter the starting invoice number for a range of trade notes associated with a bank collection document.

Invoice Number To

Enter the ending invoice number for a range of trade notes associated with a bank collection document.

Invoice Due Date Range: Begin Date

Enter the starting date for a range of trade notes associated with a bank collection document with a due date between the Begin Date and the End Date.

Invoice Due Date Range: End Date

Enter the ending date for a range of trade notes associated with a bank collection document with a due date between the Begin Date and the End Date.

Invoice Amount Range: From

Enter the starting amount for a range of trade notes associated with a collection document that have amounts between the From: Invoice Amount and the To: Invoice Amount.

Invoice Amount Range: To

Enter the ending amount for a range of trade notes associated with a collection document that have amounts between the From: Invoice Amount and the To: Invoice Amount.

Column Headings

This table shows the column headings.

In this column…	Oracle Payables prints…
Collection Doc Number	The collection document number
Invoice Number	The invoice number of the trade note
Pay Num	The payment number of the trade note
Due Date	The due date for collection documents and trade notes
Amount	The amount of collection documents and trade notes
Curr	The currency of the collection documents and trade notes

In this column…	Oracle Payables prints…
Hold?	*Yes* or *No* to indicate if the trade notes are on hold
Supplier Name	The supplier name of the collection documents and trade notes
Bank Name	The bank name for the collection documents
Branch Name	The branch name for the collection documents

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Brazilian Payables Non-Associated Trade Notes and Bank Collection Documents Report

Use the Brazilian Payables Non-Associated Trade Notes and Bank Collection Documents report to list trade notes that are not associated with collection documents as well as bank collection documents that are not associated with trade notes. The documents can be ordered by document number or by supplier name and due date.

Use the Standard Request Submission windows to submit the Brazilian Payables Non-Associated Trade Notes and Bank Collection Documents report.

Report Parameters

Sort Documents By

Enter the sorting method for this report:

- **Document Number (default)** - Oracle Payables sorts the bank collection documents and trade notes by document number.
- **Supplier Name and Due Date** - Oracle Payables sorts the bank collection documents and trade notes alphabetically by Supplier Name and for each supplier group it sorts by Due Date.

Collection Document Number Range: From

Enter the starting collection document number for a range of bank collection document numbers that are not associated with a trade note.

Collection Document Number Range: To

Enter the ending collection document number for a range of bank collection document numbers that are not associated with a trade note.

Collection Document Due Date Range: Begin Date

Enter the beginning date for a range of bank collection documents with a due date between the Begin Date and the End Date.

Collection Document Due Date Range: End Date

Enter the ending date for a range of bank collection documents with a due date between the Begin Date and the End Date.

Collection Document Amount Range: From

Enter the starting collection document amount for a range of bank collection documents not associated with a trade note.

Collection Document Amount Range: To

Enter the ending collection document amount for a range of bank collection documents not associated with a trade note.

Invoice Due Date Range: Begin Date

Enter the starting date for a range of trade notes not associated with a bank collection document with a due date between the Begin Date and the End Date.

Invoice Due Date Range: End Date

Enter the ending date for a range of trade notes not associated with a bank collection document with a due date between the Begin Date and the End Date.

Invoice Amount Range: From

Enter the starting amount for a range of trade notes not associated with a collection document with amounts between the From: Invoice Amount and the To: Invoice Amount.

Invoice Amount Range: To

Enter the ending amount for a range of trade notes not associated with a collection document with amounts between the From: Invoice Amount and the To: Invoice Amount.

Column Headings

This table shows the column headings.

In this column…	Oracle Payables prints…
Collection Doc Number	The collection document number
Invoice Number	The invoice number of the trade note
Pay Num	The payment number of the trade note
Due Date	The due date of the collection documents and trade notes
Amount	The amount of the collection documents and trade notes
Curr	The currency for the collection documents and trade notes
Hold?	*Yes* or *No* to indicate if the collection documents and the trade notes are on hold
Supplier Name	The supplier name for the collection documents and trade notes
Bank Name	The bank name for the collection documents and trade notes
Branch Name	The branch name for the collection documents and trade notes
Account Number	The account number for the trade note
Total for Collection Documents	The total amount and total number of collection documents
Total for Invoices	The total amount and total number of trade notes

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Brazilian Payables Import Bank Collection Documents Report

Use the Brazilian Payables Import Bank Collection Documents report to list bank

collection documents that are not validated during the import from the collection documents interface table to the system.

The Brazilian Payables Import Bank Collection Documents report is automatically submitted after you run the Brazilian Payables Import Bank Collection Documents program.

> **Note:** The Brazilian Payables Import Bank Collection Documents program populates but cannot validate the values contained in user-defined descriptive flexfield columns.

Use the Standard Request Submission windows to submit the Brazilian Payables Import Bank Collection Documents program.

Report Parameters

File Control

Used to access the Collection Documents Interface Extension table and the Collection Documents Interface Temporary table.

Association Method

Choose the automatic association method for trade notes and collection documents.

Report Headings

This table shows the report headings.

In this heading...	Oracle Payables prints...
<Company>	The company name
<Report Title>	Import Bank Collection Documents Report
Report Date	The date and time that you ran the report
Page	The current and total page numbers
File Control	The file control number of the imported collection documents file
Status	The status of the imported collection documents file

In this heading...	Oracle Payables prints...
Total Collection Documents Imported	The total number of imported collection documents
Total Amount Imported	The total amount of imported collection documents
Total Collection Documents Validated	The total number of validated collection documents
Total Amount Validated	The total amount of validated collection documents

Column Headings

This table shows the column headings.

In this column…	Oracle Payables prints…
Seq	The sequence number
Collection Doc Number	The collection document number
Due Date	The due date of collection documents
Amount	The amount of collection documents
Transferer Name	The supplier name
Exception Reason	The reason why a collection document was not created or imported during the Bank Collection Document Import process

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Oracle Receivables

Tax

Businesses in Brazil must collect and remit taxes to federal, state, and city governments on most of the goods and services that they buy. Tax Handling helps you to manage tax payments for invoices.

> **Note:** Taxes are not calculated in Oracle Sales and Marketing if you use the Latin tax method to calculate tax. The taxes are shown as zero.

Basic Business Needs

The Tax Handling functionality lets you satisfy all of your tax requirements. You can:

- Calculate exclusive taxes as you enter sales orders
- See the exclusive tax rate or the tax amount by line on the sales order
- See the total net amount of the sales order, the total tax amount of the sales order, and the gross amount of the sales order (net amount + tax amount)
- Check the customer credit against the gross amount of the sales order
- Transfer the tax code from the sales order line to the Receivables interface table
- Calculate tax as you enter the invoice
- Apply multiple tax rates to a single line
- Calculate inclusive tax and exclusive tax for item amounts
- Calculate regular, compounded, reduced, and increased tax bases
- Assign tax codes at state ship from/state ship to, customer, item, and fiscal classification levels
- Automatically create tax accounting
- Enter fiscal attributes for invoices, items, and customers
- Define additional tax categories for your tax codes

Major Features

Tax Calculation - Entering an Invoice - IPI

Receivables calculates the IPI tax and creates a corresponding tax line in the invoice. The IPI calculation supports a reduced tax base amount. The account that you defined in the Tax Codes and Rates window is used to create the tax accounting.

Tax Calculation - Entering an Invoice - ICMS

Receivables calculates the ICMS tax and creates a corresponding tax line in the invoice. The ICMS calculation supports the IPI included in the tax base amount and a reduced tax base amount. The account that you defined in the Tax Codes and Rates window is used to create the tax accounting.

Tax Calculation - Entering an Invoice - ICMS ST

Receivables calculates the ICMS Tributary Substitution tax and creates a corresponding tax line in the invoice. The account that you specified in the Tax Codes and Rates window is used to create the tax accounting.

Tax Calculation - Entering an Invoice - ISS

Receivables calculates the ISS tax and creates a corresponding tax line in the invoice. The account that you specified in the Tax Codes and Rates window is used to create the tax accounting.

Tax Calculation - Entering an Invoice - IRJ

Receivables calculates the IRJ tax and creates a corresponding tax line in the invoice. The account that you specified in the Tax Codes and Rates window is used to create the tax accounting.

New Tax Definition

You can define a new tax category. Receivables calculates the tax amount with the attributes you define.

Automatic Selection of Taxes to Apply to the Transaction Line

You can define a group of taxes with the Latin tax groups to apply to a transaction.

Modified Tax Base Amount

You can define the base amount rate to increase or reduce the tax base amount.

Flexible Tax Code Defaulting Rules

You can define where you want your tax codes to be defaulted to a transaction line from. Tax codes are defaulted from:

- Item

- Fiscal classification
- Memo line
- Customer
- Ship to site from customer address
- Bill to site from customer address
- Organization
- Customer address (state or province) and organization address (state or province)
- Customer address (state or province), organization address (state or province), and item
- Customer address (state or province), organization address (state or province), item, and fiscal classification
- System options
- Tax category
- Latin tax group

Automatic Selection of Taxes to Apply to the Transaction Line

You can define taxes with the Latin tax groups to apply to a transaction. You can control the effective dates and other attributes related to the tax.

You can define different Latin tax groups with the same tax category.

Bank Transfer

The payment collection process involves a series of transactions between a supplier, customer, and a bank. A supplier starts the payment collection process after the supplier creates an invoice for the customer. The supplier generates collection documents based on the invoice payment terms and sends information about these documents to a collection bank. After the collection bank collects a payment from the customer, the bank transfers the payment information to the supplier to create receipts and apply the information to the customer's balance.

Basic Business Needs

The Bank Transfer functionality lets you manage payment collection. You can:

- Electronically transfer collection documents to the bank

- Handle bank instructions and bank occurrences, such as discounts, protests, and address updates, for each collection document
- Automatically or manually create a batch of collection documents to transfer to different banks, as well as maintain and cancel these batches
- Select occurrences and create a batch of occurrences to transfer to a bank
- Automatically load or manually enter documents and occurrences that are transferred from the bank into Receivables
- Generate receipts from the documents that are transferred from the bank and apply the receipts to corresponding invoices. Collected interest and penalty fees automatically generate adjustments, debit memos, or both in Receivables.
- Create account entries for each generated occurrence and post them to General Ledger

Major Features

Bank Remittance

You can create a remittance batch to send to your bank for payment collection. You can specify selection criteria to automatically or manually select the payment schedule to include in the remittance batch. A collection document is created in Receivables for each selected payment schedule. After collection documents are created, you can review the collection documents that were selected in the batch and add or delete them in the batch.

You can define limit parameters and default information for document selection, such as maximum quantity of documents per remittance batch, minimum/maximum amount for each document, and minimum/maximum total amount for the remittance batch.

You can assign different remittance formats to your banks when you define the bank accounts. If you have an error the first time you format a remittance batch, you can reformat the batch. You can also cancel a remittance batch, since the bank did not return the documents yet.

Bank Return

You can automatically load a bank return file into Receivables or manually enter the bank return records. In both cases, each record is validated against related collection documents, as well as supplier and customer information. After the automatic validation, you can manually correct the records that have invalid data.

The valid return records generate return occurrences, adjustments for interest and abatements, debit memos for interest not paid, and receipts. Receipts are applied to the original payment schedules selected for bank remittance.

You can define tolerance limits for applying receipts to the invoices, according to

interest and abatements paid by the customer.

Interest and Penalty Fees

You can define the parameters for calculating interest for the customer. You can also define the interest account when you define the receipt method.

Receivables calculates the interest and compares it to the interest that the bank received. If the customer pays less interest than the calculated interest, Receivables creates a debit memo for the interest not received. If the customer pays the correct interest amount, Receivables creates an adjustment for the interest received.

Instructions Handling

You send instructions to the bank for a collection document. The most common instructions are:

- Write-off after due date
- Collect interest charges
- Discharge interest charge collection
- Protest after due date

You can define instruction codes for each of your banks. You can also define the instructions to send to a specific customer profile class.

Occurrences Handling

Although instructions and occurrences give directions to the bank for a collection document, an occurrence is for a collection document that was already sent to the bank. You can automatically or manually add occurrences to a document.

You can define occurrence codes for different banks. Receivables automatically generates an occurrence for each related event.

You can assign different occurrence remittance formats to your banks when you define the remittance banks.

Reports

Receivables generates these reports for Brazil:

- **Brazilian Receivables Occurrences Remittance Batch** - Lists occurrences for collection documents to send to the bank in paper or file format
- **Brazilian Receivables Collection Remittance Batch** - Lists the collection documents to send to the bank in paper or file format
- **Brazilian Receivables Factoring Remittance Batch** - Lists the collection documents that were traded with the bank through factoring in paper or file format

- **Brazilian Receivables Bank Return Import** - Lists collection documents rejected by the Bank Import Program validation
- **Brazilian Receivables Post Bank Return** - Summarizes the receipts, adjustments, interest, monetary corrections, and discounts for receipts
- **Brazilian Receivables Bank Collection GL Interface** - Summarizes the journal entries that the Bank Transfer feature generates

Billing

Companies send a shipping invoice with a product as a customer's bill. Billing lets you enter packaging attributes, freight carrier information, customer information, an operation fiscal code, item information, and legal justification messages in an invoice.

Basic Business Needs

The Billing functionality lets you satisfy the Brazilian Billing requirements. You can:

Produce a shipping invoice with information such as, Brazilian taxes, customer attributes, organization attributes, operation types, legal justification messages, item attributes, freight carrier attributes, packaging attributes, accessory expenses, and the operation fiscal code.

- Reprint a shipping invoice.
- Cancel a shipping invoice.
- Control the document sequence number and issue date for a shipping invoice.
- Define a subseries and assign a document sequence to it.
- Use the issue date to calculate the due date for an invoice and account for the invoice in Receivables.
- Produce a complementary invoice.

Major Features

Customer Attributes

You can define and print these attributes for your customers:

- Inscription number (CNPJ/CPF)
- State inscription number
- Municipal inscription number

State Tributary Substitute Inscription

You can define and print the state Tributary Substitute inscription for your organization.

Shipping Date

You can print the date the product is shipped to the customer. This date is optional.

Operation Type

You can define if the invoice is used for a product entry or exit purpose. Suppliers must use the same invoice form to record sales, returned items, and imported items. Sale transactions have an exit operation type. Return-to-supplier transactions and imported item transactions have an entry operation type.

Legal Justification Messages

You can manually enter and print a legal justification message for the invoice when there is a tax base amount reduction, tax exemption, exportation, or tax immunity.

Item Attributes

You can specify these inventory and non-inventory item attributes:

- Federal Tributary Situation to indicate if the item is exempt, taxed, or non-taxed. The Federal Tributary Situation is added to the invoice line.
- State Tributary Situation to indicate if the item is exempt, taxed, or non-taxed. The State Tributary Situation is added to the invoice line.
- Item Origin to indicate if the item is imported or national. The Item Origin is added to the invoice line.
- Item Fiscal Type. The Item Fiscal Type is added to the invoice line.

Freight Carrier Attributes and Corresponding License Plate

You can enter a freight carrier and a license plate in the invoice. You are not legally required to validate the license plate number.

You can define these freight carrier attributes for the invoice:

- Address
- City
- State
- Inscription number (CNPJ/CPF)

- State inscription number

> **Note:** You must enter these attributes in the shipping invoice if you are not responsible for the freight.

Freight Responsibility

You can define and print the freight responsibility: CIF (customer responsibility) or FOB (remit responsibility).

Packaging Attributes

You can enter and print these packaging attributes in the invoice:

- Volume type
- Volume quantity
- Brand
- Volume number
- Total net weight
- Total gross weight

You can define the default value of the brand for your organization.

Accessory Expenses

You can enter and print the freight expense, insurance expense, and other accessory expense amounts in the invoice.

The accessory expenses are not accounted for and do not change the invoice total amount.

Operation Fiscal Code (CFOP)

You can define the operation fiscal code (CFOP) for a transaction to identify the type of operation. You must enter this code for fiscal books.

This table provides examples of some fiscal codes:

Enter this code…	For this purpose…
5.10	Sale of products by the supplier or a third party in the same state as the supplier

Enter this code…	For this purpose…
5.11	Sale of industrial products by the supplier or a third party in the same state as the supplier
5.12	Sale of products received by a third party in the same state as the supplier
5.13	Sale of industrial services by a third party in the same state as the supplier
6.21	Transfer of industrial products by a third party outside the state of the supplier

Identify and Control Canceled Invoices

You can create a credit memo to cancel an invoice. Receivables automatically changes the status of the invoice to *void*.

Define Subseries

You can define an invoice subseries in Receivables. You can number invoices by subseries. Automatic and manual invoices have the same subseries.

Complementary Invoices

You can create a complementary invoice to correct entries on another previously entered invoice. This new invoice shows the corrected entries without the calculations.

Reports

Receivables generates these reports for Brazil:

- **Brazilian Receivables Print Invoice in AutoInvoice/Brazilian Receivables Invoice Print Invoice in Batch/Brazilian Receivables Print Invoice in Batch Immediately/Brazilian Receivables Re-Print Specific Invoice** - Lists completed shipping invoices and their attributes
- **Brazilian Receivables Invoice Print Complementary Invoice in Batch/ Brazilian Receivables Print Complementary Invoice Immediately** - Lists completed complementary invoices and their attributes
- **Brazilian Receivables Customer Interface Error** - Automatically prints after the Customer Interface program ends

Interest

Interest is calculated for invoice payments. You can choose to calculate interest based on either the total amount of the invoice or a partial payment. Interest Handling lets you pay the interest amount later, cancel the interest, or accept and receive the interest.

Receivables determines the difference between calculated and received interest. If the calculated interest is greater than the received interest, you can either write off the difference or generate a debit memo. If the difference is greater than the received interest and you write off the difference, Receivables uses the write-off tolerances and the Receivables adjustment limits. If the difference exceeds any of these tolerances, the adjustment that you created will have a Waiting for Approval status. If the calculated interest is equal to the received interest, Receivables does not use adjustment limits and write-off tolerances.

> **Note:** For Brazilian Receivables, you must set the Allow Overapplication flag of the transaction type associated with the overdue invoice to Yes in order to calculate interest.

Basic Business Needs

The Interest functionality lets you satisfy Brazilian interest requirements. You can:

- Calculate interest according to when an invoice is received.
- Handle the interest amount due. You can choose to pay the interest amount due and the invoice amount together, cancel the interest amount, or create an Interest Debit memo with the interest amount to pay later.
- Calculate interest based on the total amount of the invoice or based on the paid amount.
- Use simple or compounded interest calculation formulas to calculate the interest amount.
- Use a rate or a value to calculate the interest amount for a specific period.
- Define the period for interest calculation.
- Create grace days for late payments.

Major Features

Different Level of Interest Definition

You can define interest parameters at system option level, customer profile classes, or invoice level.

Automatic Interest Calculation

Receivables calculates interest for an overdue invoice when you enter a receipt and use the Enter Receipt, QuickCash, or Bank Transfer features.

Different Types of Interest Calculation

You can choose to calculate interest either based on the total invoice amount or on a partial payment. Receivables uses a simple or compounded formula to calculate the interest based on the parameters that you set up for the invoice.

Different Treatments for the Calculated Interest Amount

You decide to pay, cancel, or create an Interest Debit memo with the calculated interest amount when you receive the invoice.

Penalty Fee

You can define a penalty fee and interest for overdue invoices.

Interest Calculation Based on Business Day Calendar

Receivables calculates interest according to the business day calendar and shows the interest value and number of days that a payment is late. If the due date is a weekend or a holiday, Receivables lets you anticipate, postpone, or keep the due date for the interest calculation.

Setting up Brazilian Receivables

This section describes the setup procedures for Brazilian Receivables. You must enter the setup information for your company before you create and import invoices and collection documents, enter receipts, or run any of the Receivables reports. Use this checklist to help you complete the appropriate steps in the correct order.

Step	Task
1	Defining System Options, page 4-37
2	Defining Customer Profile Classes, page 4-39
3	Entering Customers, page 4-40
4	Defining Receipt Classes, page 4-40
5	Defining Remittance Banks, page 4-43

Step	Task
6	Defining Remit-To Addresses, page 4-43
7	Defining Transaction Types, page 4-44
8	Defining Invoice Sub-Series, page 4-45
9	Defining Locations for an Organization, page 4-46
10	Entering Information for Locations, page 4-46
11	Defining Memo Lines, page 4-47
12	Defining Freight Carriers, page 4-48
13	Defining Tax Codes and Rates, page 4-49
14	Defining Global Receipt Method Accounts, page 4-49
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16	Defining Bank Occurrences, page 4-52
17	Defining Bank Instructions, page 4-53
18	Defining Latin Tax Categories, page 4-54
19	Defining Latin Legal Messages, page 4-56
20	Defining Latin Tax Groups, page 4-56
21	Defining Latin Tax Locations, page 4-57
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23	Defining Latin Tax Exceptions by Fiscal Classification, page 4-59

Step	Task
24	Defining Latin Tax Exceptions by Item, page 4-60
25	Defining Latin Tax Rules, page 4-61

Defining System Options

Use the globalization flexfield in the System Options window to define control options and system parameters for bank transfer, interest calculation, billing, and tax calculation. Specify your company information, tax method, customer address validation, shipping invoice printing options, and interest parameters.

Prerequisites

Before you can use the System Options window, you must:

- Define company information using the Legal Entity Configurator
- Define a sales tax location flexfield structure
- Define a transaction source in the Transaction Source window
- Define a transaction type in the Transaction Type window
- Define a receipt method in the Receipt Classes window

To enter bank transfer information:

1. Navigate to the Define System Options window.
2. Navigate to the globalization flexfield.
3. In the Company Name field, enter your company's name. Your company name is used in the header record in the bank remittance batch electronic file. The company name is also used to validate the header record of the bank return file.
4. Press the OK button.

1. Navigate to the Define System Options window.
2. Navigate to the globalization flexfield.
3. Enter *Rate* or *Amount* in the Interest Type field to calculate interest for past due invoices.

4. Enter either the rate or amount in the Interest Rate/Amount field.

5. In the Interest Period field, enter the number of days that interest charges are calculated over.

6. In the Interest Formula field, enter *Simple* or *Compound* to indicate the formula used to calculate interest.

7. In the Grace Days field, enter the number of receipt grace days that customers can be overdue on receipts before you charge interest.

8. Enter *Rate* or *Amount* in the Penalty Type field to calculate how to charge your customers a late payment penalty.

9. Enter either the rate or amount in the Penalty Rate/Amount field.

10. In the Interest Batch Source field, enter the transaction source that is used to generate an interest debit memo.

11. In the Interest Transaction Type field, enter the transaction type that is used to generate an interest debit memo.

12. In the Interest Receipt Method field, enter the receipt method that is used to generate an interest debit memo.

13. Press the OK button.

To enter tax information:

1. Navigate to the Define System Options window.

2. Navigate to the Tax tabbed region.

3. In the Tax Method field, select *Latin Tax Handling*.

   Yes

4. Define a sales tax location flexfield structure in the Location Flexfield Structure field.

5. Check the Inclusive Tax Used check box.

6. Choose *Line* in the Calculation Level field.

7. Navigate to the globalization flexfield.

8. In the Tax Location Flexfield Classification field, enter *State*.

9. In the Use Legal Messages field, enter if you want default legal messages to appear

on your invoices. Enter *No* if you do not.

10. In the Transaction Type field, enter the transaction type that you want as the default for your tax rules.

11. Press the OK button.

To enter billing information:

1. Navigate to the Define System Options window.

2. Navigate to the globalization flexfield.

3. In the Print Invoice Immediately field, enter *Yes* if you want to print invoices from the Transactions window or Complementary Invoice window. Enter *No* if you do not.

4. Press the OK button.

Defining Customer Profile Classes

Use the globalization flexfield in the Customer Profile Classes window to define bank transfer and interest parameters for Oracle Receivables profile classes. You can define whether or not Oracle Receivables sends specific bank instructions to customers in this profile class.

The Customer Profile Classes window also displays interest parameters, if you entered them in the System Options window. You can add or modify this information in the Customer Profile Classes window. For instructions about using the System Options window, see Defining System Options, page 4-37.

To enter bank transfer information:

1. Navigate to the Customer Profile Classes window.

2. Enter a profile class.

3. Navigate to the globalization flexfield.

4. In the Remit Protest Instructions field, enter *Yes* if you want Oracle Receivables to remit protest instructions to the bank related to collection documents that belong to customers of this profile class. Enter *No* if you do not.

5. In the Remit Interest Instructions field, enter *Yes* if you want Oracle Receivables to remit interest instructions to the bank for collection documents that belong to customers of this profile class. Enter *No* if you do not.

6. Press the OK button.

To enter interest information:

1. Navigate to the Customer Profile Classes window.
2. Query the profile class that you want.
3. Navigate to the globalization flexfield. If you entered interest parameters in the System Options window, these fields are automatically populated in the globalization flexfield.
4. Enter *Rate* or *Amount* in the Interest Type field to calculate the interest on invoices past due.
5. Enter either the rate or amount in the Interest Rate/Amount field.
6. In the Interest Period field, enter the number of days that interest charges are calculated over.
7. Enter *Simple* or *Compound* in the Interest Formula field to indicate the formula used to calculate interest.
8. In the Grace Days field, enter the number of receipt grace days that customers can be overdue on receipts before interest is charged.
9. Enter *Rate* or *Amount* in the Penalty Type field to calculate how to charge customers a late payment penalty.
10. Enter either the rate or amount in the Penalty Rate/Amount field.
11. Press the OK button.

Entering Customers

Use the globalization flexfield in the Customers window to enter additional information for your customers related to tax calculation, billing, and bank transfers. After you define standard profile classes, you can assign classes to your customers and addresses.

You can also update specific information for the customer or address, including the bank transfer parameters that you defined in the Customer Profile Class window.

Prerequisites

Before you can use the Customers window, you must:

- Define lookup codes (contributor type)
- Define customer profile classes
- Define receipt classes
- Complete the setup at the customer level using the Party Tax Profile page in Oracle

E-Business Tax.

To enter bank transfer information:

1. Navigate to the Customers window.
2. Enter a customer.
3. Navigate to the Document Printing region.
4. Navigate to the globalization flexfield.
5. In the Remittance Protest Instructions field, enter *Yes* if you want Oracle Receivables to remit protest instructions to the bank for collection documents that belong to the customer. Enter *No* if you do not.
6. In the Remittance Interest Instructions field, enter *Yes* if you want Oracle Receivables to remit interest instructions to the bank for collection documents that belong to the customer. Enter *No* if you do not.
7. Press the OK button.

To enter tax information:

1. Navigate to the Customers window.
2. Query or enter a customer.

   Note: The application displays the customer details that you have set up in E-Business Tax.

3. Navigate to the Customer Addresses region.
4. Press the New button for a new address or the Open button for an existing address.

   The Customer Addresses window appears.
5. Navigate to the globalization flexfield.
6. Enter the contributor class that defines the customer's tax contribution in the Contributor Class field.
7. Press the OK button.

To enter billing information:

1. Navigate to the Customers window.
2. Query or enter a customer.

3. Navigate to the Addresses region.

4. Press the New button for a new address or the Open button for an existing address.

5. Navigate to the globalization flexfield.

6. In the Inscription Type field, enter one of these codes:

   - **CNPJ**- company is a legal entity
   - **CPF**- company is a person (physical entity)
   - **Others**- other types of inscription numbers

     If the Inscription Type is CNPJ, enter the company's main inscription number in the Inscription Number field.

7. Enter the inscription number for a company branch in the Inscription Branch field. If the Inscription Type is CPF, *0000* appears in this field.

8. In the Inscription Digit field, enter the control digit used to validate CNPJ and CPF types.

9. In the State Inscription field, enter the company registration number for the state.

10. In the Municipal Inscription field, enter the company registration number for the city.

11. Press the OK button.

Defining Receipt Classes

Use the globalization flexfield in the Receipt Classes window to define the collection method for a receipt class.

To enter bank transfer information:

1. Navigate to the Receipt Classes window.

2. Enter the receipt class.

3. Navigate to the globalization flexfield.

4. Enter the collection method for this receipt class:

   - **Collection Remittance Batch** - if you want to use this receipt class for bank collection
   - **Factoring Remittance Batch** - if you want to use this receipt class for bank

factoring

- **Manual Receipt** - if you want to use this receipt class for manual receipt collection

5. Press the OK button.

Defining Remittance Banks

Use the globalization flexfields in the Banks and Bank Accounts windows to define bank transfer information for remittance banks.

Prerequisites

Before you can use the Banks and Bank Accounts windows, you must define Automatic Receipt Programs to define the bank transfer reports and files.

To enter bank transfer information:

1. Navigate to the Banks window.
2. Enter the bank and branch.
3. Navigate to the globalization flexfield.
4. Enter the maximum number of collection documents for a bank transfer remittance batch for this bank branch.
5. Press the OK button.
6. Navigate to the Bank Accounts window by pressing the Accounts button.
7. Enter the account number.
8. Navigate to the globalization flexfield.
9. Enter the report media (*File* or *Report*) and the report name used for your Collection Remittance, Factoring Remittance, and Occurrence Remittance batches for this account.
10. In the Company Code for Bank field, enter your company code assigned by the bank.
11. Press the OK button.

Defining Remit-To Addresses

Use the globalization flexfield in the Remit-To Addresses window to enter your company name.

Your company name appears in the transaction records in the bank remittance batch electronic file. The company name is also used to validate the transaction records in the bank return file.

Prerequisites

Before you can use the Remit-To Addresses window, you must:

- Define company information
- Define system options

To enter bank transfer information:

1. Navigate to the Remit-To Addresses window.
2. Navigate to the globalization flexfield.
3. Enter your company's name.
4. Press the OK button.

Defining Transaction Types

Use the globalization flexfield in the Transaction Types window to determine bank transfer, tax, and billing default information for your transaction entries.

Prerequisites

Before you can use the Transaction Types window, you must:

- Define lookup codes
- Define tax codes and rates
- Define operation fiscal codes
- Define Latin tax groups

To enter bank transfer information:

1. Navigate to the Transaction Types window.
2. Navigate to the globalization flexfield.
3. Enter the document type in the Document Type field.

   The document type is one of the required fields to format the bank remittance batch file. Each collection document sent to the bank requires a document type.
4. Press the OK button.

To enter tax information:

1. Navigate to the Transaction Types window.
2. Navigate to the globalization flexfield.
3. Enter the Latin tax group or tax code in the Tax Code field to define the tax categories and tax rates to apply to transactions.
4. Press the OK button.

To enter billing information:

1. Navigate to the Transaction Types window.
2. Navigate to the globalization flexfield.
3. Enter the operation type in the Operation Type field that identifies the purpose of the shipping invoice.
4. Enter the operation fiscal code in the Operation Fiscal Code field that identifies the operation type.
5. Press the OK button.

Defining Associated Import Batch Source

Use the globalization flexfield in the Transaction Sources window to define an import batch source for billing purposes. The import batch source lets you apply the same invoice number series to both manual and imported invoices.

Define the import batch sources for invoices with a batch source type. When you assign the import batch source, invoices that are entered manually with the invoice batch source follow the same invoice number sequence as the imported invoice batch source.

Prerequisites

Before you can use the Transaction Sources window, you must define an Invoice Batch Source.

To enter billing information:

Use this procedure for manual invoice batch sources only.

1. Navigate to the Transaction Sources window.
2. Enter the invoice batch source information.
3. Enter *Manual* in the Type field.
4. Navigate to the globalization flexfield.

5. Enter an imported batch source in the Invoice Sub-Series field.

6. Enter the company's name in the Company Name field.

7. Press the OK button.

Defining Locations for an Organization

Use the Organization window to define the location for your organization for tax calculation and billing.

Prerequisites

Before you can use the Organization window, you must define locations in the Location window.

To enter a location for your organization:

1. Navigate to the Organization window.

2. Enter the location in the first region.

3. Save your work.

Entering Information for Locations

Use the globalization flexfield in the Location window to enter information used to calculate tax for the ship from location. You specify the ship from address in the Location window.

Prerequisites

Before you can use the Location window, you must:

- Define the organization classes and states in the Lookup Codes window
- Enter tax codes and rates in the Tax Codes and Rates window
- Define Latin tax groups in the Latin Tax Groups window

To enter fiscal information:

1. Navigate to the Location window.

2. Navigate to the globalization flexfield.

3. In the Organization Tax Class field, enter the company fiscal definition for this organization.

4. Enter the Latin tax group or tax code in the Tax Code field to define the tax

categories and tax rates to apply to transactions with this organization.

5. Save your work.

To enter billing information:

1. Navigate to the Location window.
2. Navigate to the globalization flexfield.
3. Enter the product brand name that will be printed in the shipping invoice.
4. Save your work.

Defining Memo Lines

Use the Standard Memo Lines window to enter billing and tax information for each standard memo line.

Prerequisites

Before you can use the Standard Memo Lines window, you must:

- Define lookup codes (transaction nature)
- Define Latin fiscal classification codes
- Define Latin tax groups
- Define tax codes and rates

To enter tax information:

1. Navigate to the Standard Memo Lines window.
2. Query the memo line that you want.
3. In the Tax Product Category field, enter the fiscal classification code to be applied to transactions using this memo line.
4. Press the OK button.

To enter billing information:

1. Navigate to the Standard Memo Lines window.
2. Query the memo line that you want.
3. Enter the values that are used by the fiscal books in the corresponding fields:

- A federal tributary situation, such as IPI exempt or taxable national product
- A state tributary situation, such as ICMS exempt or ICMS taxation deferred
- Item origin
- Item fiscal type

Defining Freight Carriers

Use the globalization flexfield in the Freight Carrier window to define information for your freight carriers. This information is printed on shipping invoices.

Prerequisites

Before you can use the Freight Carrier window, you must define lookup codes.

To enter billing information:

1. Navigate to the Freight Carrier window.
2. Enter or query the freight carrier you want.
3. Navigate to the globalization flexfield.
4. Enter the freight carrier's address in the Address field.
5. Enter the freight carrier's city in the City field.
6. Enter the freight carrier's state in the State field.
7. In the Inscription Type field, enter one of these codes:
   - **CNPJ** - freight carrier is a legal entity
   - **CPF** - freight carrier is a person (physical entity)
   - **Others** - other types of inscription numbers

     If the Inscription Type is CNPJ, enter the freight carrier's main inscription number in the Inscription Number field.
8. Enter the inscription number for a branch of the freight carrier in the Inscription Branch field. If the Inscription Type is CPF, *0000* appears in this field.
9. In the Inscription Digit field, enter the control digit that validate CNPJ and CPF types.
10. In the Inscription Number field, enter the freight carrier's federal registration

number.

11. In the State Inscription field, enter the freight carrier's state inscription number.

12. Press the OK button.

Defining Tax Codes and Rates

Use the globalization flexfield in the Tax Codes and Rates window to add tax categories to your tax codes and associated rates, and also to define printing options for each tax code.

Prerequisites

Before you can use the Tax Codes and Rates window, you must define Latin tax categories.

To enter tax and rate information:

1. Navigate to the Tax Codes and Rates window.

2. Query the tax code that you want.

3. Navigate to the globalization flexfield.

4. Enter the Latin tax category in the Tax Category field to associate with this tax code.

5. Inclusive Tax information is defaulted from the Latin tax category. You cannot change this information at this level. The Allow Inclusive Override check box is always unchecked and cannot be changed.

6. In the Print Tax Line field, enter *Yes* if you want the designated tax line with this tax code to appear on your invoices. Enter *No* if you do not.

7. In the Legal Message Exception Event field, enter the legal message exception event to use with this tax code.

8. Press the OK button.

Defining Global Receipt Method Accounts

Use the Global Receipt Method Accounts window to define additional accounting parameters. You define these parameters for receipt entries and receipt applications for payment methods and remittance bank accounts that are used in the bank collection process.

Prerequisites

Before you can use the Global Receipt Method Accounts window, you must:

- Define banks, branches, and accounts
- Define Bank Instruction Codes
- Define receipt Classes
- Define payment methods with remittance banks assigned to them
- Define receipt batch sources
- Define Receivables activities to create default accounting information for each adjustment type

To define global receipt method accounts:

1. Navigate to the Global Receipt Method Accounts window.
2. Select the applicable operating unit.
3. Enter a payment method in the Payment Method field. The Receipt Class and Collection Method fields are populated according to the payment method.
4. Enter the name of the bank in the Bank Name field.
5. Enter the account number in the Account Number field.
6. Enter the account number for bank charges in the Bank Charges field.
7. Enter the endorsement account number in the Collection Endorsement field.
8. Enter the Bills under Collection account number in the Bills under Collection field.
9. If the collection method is factoring remittance batch, enter the account numbers of factoring documents in the Factoring Documents field and the factoring interest in the Factoring Interest field.
10. Navigate to the Additional Accounts tabbed region to update additional accounts for this payment method and account.
11. In the Adjustment Activity column, enter the adjustment activity for each of the additional accounts.

    Oracle Receivables displays the default account number in the Account column. You can change the account number if you want.
12. Navigate to the Business Rules tabbed region to define rules for this payment method and account.
13. Enter the portfolio code assigned by the bank in the Portfolio Code field.

14. Enter the appropriate ranges for this payment method and account:

    - Enter the range of collection document amounts in the Document Amounts fields

    - Enter the range of totals for bank transfer remittance batches in the Remittance Amounts fields

      These ranges are used as default values when bank transfer remittance batches are created.

15. In the Instruction Code fields, enter the default bank instruction codes that are sent to the bank with each collection document using this payment method and account.

16. Enter the default bank charge per collection document in the Bank Charges Amount field.

17. If the collection method is factoring remittance batch, enter the discounted rate of sale to the bank. Enter a percentage in the Factoring Rate field and the number of days for which this percentage is defined in the Factoring Period field.

18. Enter the receipt batch source in the Batch Source field.

19. If the collection method is collection remittance batch or manual receipt collection, enter the write-off tolerance. Enter either a percentage in the Write-off % field or an amount in the Write-off Amt field.

    Oracle Receivables uses the Write-off % and Write-off Amt fields to determine the difference between calculated and received interest. If the difference exceeds the limit that you enter, the interest adjustment needs further approval.

20. Enter the deposit date in the GL Date for Bank Return field, if the deposit is not going to be made in your company's account on the receipt date.

    The value in the Bank Floating field represents the number of days after the receipt day when the calculated amount is deposited in your company's account.

21. Navigate to the Others tabbed region and record applicable information.

Defining Master Items

Use the globalization flexfield in the Master Item window to enter tax and billing information.

Prerequisites

Before you can use the Master Item window, you must:

- Define lookup codes (transaction nature) in the Lookup Codes window

- Define Latin fiscal classification codes
- Define Latin tax groups
- Define tax codes and rates

To enter tax information :

1. Navigate to the Master Item window.
2. Query the item that you want.
3. Click in the flexfield and select the applicable item category to apply to transactions using this item.
4. Press the OK button.

To enter billing information:

1. Navigate to the Master Item window.
2. Query the item that you want.
3. Enter values used by the fiscal books in the corresponding fields:
   - A federal tributary situation, such as IPI exempt or taxable national product
   - A state tributary situation, such as ICMS exempt or ICMS taxation deferred
   - Item origin
   - Item fiscal type
4. Press the OK button.

Defining Bank Occurrences

Use the Bank Occurrence Codes window to define occurrence codes for remittance banks and associate these codes with the Oracle Receivables pre-defined occurrence codes.

Prerequisites

Before you can use the Bank Occurrence Codes window, you must define bank branches.

To define a bank occurrence code for a remittance bank:

1. Navigate to the Trade Notes window.

2. Query the bank that you want to define occurrences for in the Find Trade Notes window. Press the Occurrences button.

   The Bank Occurrence Codes window appears.

3. Enter *Remittance* or *Return* in the Type field.

4. Enter the new occurrence code in the Code field.

5. Enter a description of the occurrence code in the Description field.

6. Enter the pre-defined occurrence code to associate with this occurrence code in the Standard Occurrence field.

7. Enter *File* or *Report* in the Media field to indicate the format for sending reports to the bank (electronic file or paper report). Use this field only if the entry in the Type field is *Remittance*.

8. In the Limit Days field, enter a number that defines the limit of the difference between the collection document due date and the occurrence remittance date.

   When an occurrence remittance batch is formatted, Oracle Receivables compares the difference between the due date and the remittance date. If this difference is less than the Limit Days, a paper report is generated.

9. Save your work.

Defining Bank Instructions

Use the Bank Instruction Codes window to define instruction codes for remittance banks and associate these codes with the Oracle Receivables pre-defined bank instruction codes.

Prerequisites

Before you can use the Bank Instruction Codes window, you must define bank branches.

To define a bank instruction code for a remittance bank:

1. Navigate to the Bank Instruction Codes window.

2. Query the bank that you want to define instructions for in the Find Bank window.

3. Enter the new instruction code in the Code field.

4. Enter a description of the instruction code in the Description field.

5. Enter the pre-defined bank instruction code in the Type field to associate with this instruction code.

6. In the Number of Days to Protest/Write-Off field, enter the number of days that are allowed to protest/write-off for this instruction code. Use this field only if the entry in the Type field is *Protest After Due Date* or *Write Off After Due Date*.

7. Save your work.

Defining Latin Tax Categories

Use the Latin Tax Categories window to create Latin tax categories that define specific characteristics of each tax calculated by the Latin Tax Group.

Prerequisites

Before you can use the Latin Tax Categories window, you must define tax codes.

To define a Latin tax category:

1. Navigate to the Latin Tax Categories window.

2. Enter a tax category in the Category field.

3. Enter the effective dates for this tax category. The tax category is effective within the range that you specify.

4. In the Threshold Check Level field, enter one of the following:
   - **Line** – Consider the current invoice line for threshold checking.
   - **Document** – Consider the current invoice for threshold checking.
   - **Operation** – Consider the current invoice and its related debit memos, credit memos, and related invoices for threshold checking.

5. In the Grouping Condition Type field, enter one of the following:
   - **Line** – Use the current invoice line amount as the base amount for threshold checking.
   - **Document** – Use the sum of all amounts of relevant lines as the base amount for threshold checking. For use with the values *Document* or *Operation* in the Threshold Check Level field.
   - **Transaction Condition** – Use the sum of all amounts of relevant lines as the base amount for threshold checking. For use with the values *Document* or *Operation* in the Threshold Check Level field.

6. If you entered *Transaction Condition* in the Grouping Condition Type field, enter the transaction condition to group by in the Grouping Condition field.

7. Select a tax code in the Tax Code field after you define tax codes and rates from a list of values, if you want to use a default tax code for this tax category.

   Note: You only perform this step after you define tax codes and rates. See: Defining Tax Codes and Rates, page 4-49 for more information. You must also define a tax rule that looks for the tax code in the tax category. See: Defining Latin Tax Rules, page 4-61 for more information.

8. In the Min Amount, Min Taxable Basis, and Minimum % fields, enter the appropriate values to use with this tax.

   This table shows how Receivables uses the values in these fields:

Field Name	Tax Does Not Apply If...
Min Amount	Tax calculated is less than this value
Min Taxable Basis	Taxable base is less than this value
Minimum %	Tax rate is less than this value

9. Check the Inclusive Tax check box if you want tax included in the price at invoice line level. Leave the check box unchecked if you do not.

   Note: You cannot change the Inclusive Tax setting after you associate the tax category with a tax code or a tax group.

10. Check the Mandatory in Class check box if you want the tax category to appear in every tax condition class.

11. Check the Tributary Substitution check box if you want to define this tax category for Tributary Substitution. Leave the check box unchecked if you do not. If you check the check box, you must enter a Latin tax category in the Tax Category to Compound Base field.

12. Enter a Latin tax category in the Tax Category to Compound Base field, if you want another tax category to compound the tax base amount.

13. Check the Print check box if you want the tax line printed. Leave the check box unchecked if you do not.

14. Save your work.

Defining Latin Legal Messages

Use the Associate Latin Tax Legal Messages window or Legal Messages window to associate legal messages with Latin tax rules. You associate a legal message, which you created in the Standard Messages window, with a combination of tax rule, tax exception, and rule data.

Legal messages are fiscal messages on invoices that explain the reason why a lower tax rate is applied to an invoice line for various exceptions.

Defining Latin Tax Groups

Use the Latin Tax Groups window to associate tax categories to a tax group. A Latin tax group lets you apply a group of taxes to transactions, when the taxable amounts are known.

A Latin tax group shows the taxes that are included in a specific group, the order of application of each of the taxes, particular attributes related to the specific group, and attributes that help define how many taxes of the group to apply.

You can use a Latin tax group as a tax code in these windows: System Options, Customers, Item, Organizations, and Memo Lines.

Prerequisites

Before you can use the Latin Tax Groups window, you must:

- Define lookup codes for contributor type, organization class, and transaction nature
- Define Tax Codes
- Define Latin Tax Categories

To define a Latin tax group:

1. Navigate to the Latin Tax Groups window.
2. Enter the code for this Latin tax group in the Tax Group field.
3. Enter a description of this tax group in the Description field.
4. Enter a tax category to associate with this tax group in the Tax Category field.

   The tax category you enter populates the record with default information. You can change the information in these fields.
5. Enter a contributor type to associate with this tax group in the Contributor Type field.
6. Enter the transaction nature to apply to this tax group in the Transaction Nature field.

7. Enter the effective dates for this tax group. For a given combination, the default start date is the current date, and the default end date is 31 December 4712.

   To prevent overlapping effective dates, when you enter a new end date, the next start date defaults to the following day. You cannot change the next start date to an earlier date than the previous end date. In addition, you cannot change the start and end dates of existing records, except for the last record for a given combination.

8. Use the Tax Code field to enter an optional tax code, if you want to use a tax code as the default for this tax category.

9. Check the Tributary Substitution check box if you want to define this tax group for Tributary Substitution. Leave the check box unchecked if you do not. If you check the check box, you must enter a value in the Tax Category to Compound Base field.

10. Enter the Latin tax category in the Tax Category to Compound Base field that you want to use to compound the base tax rate.

11. In the Minimum Amount field, enter the minimum tax amount to apply to the tax.

12. In the Minimum Percent field, enter the minimum tax percentage used to calculate tax.

Defining Latin Tax Locations

Use the Latin Locations window to associate tax categories with specific shipment combinations and to assign tax codes to the combination. You can define the tributary substitution state inscription for specific ship from and ship to combinations.

Prerequisites

Before you can use the Latin Locations window, you must:

- Define lookup codes (state)
- Define tax codes
- Define Latin tax categories
- Define a sales tax location flexfield structure in the System Options window

To define a Latin tax location:

1. Navigate to the Latin Locations window.

2. In the Ship From Code field, enter the state where the item or service is sold.

3. In the Ship To Code field, enter the destination state.

4. Enter the tax category to associate with this shipping combination in the Tax Category field.

5. Enter the effective dates for this combination. For a given combination, the default start date is the current date, and the default end date is 31 Dec 4712.

   To prevent overlapping effective dates, when you enter a new end date, the next start date defaults to the following day. You cannot change the next start date to an earlier date than the previous end date. In addition, you cannot change the start and end dates of existing records, except for the last record for a given combination.

6. In the Tax Code field, enter the tax code that you want to use to define the tax rate for this combination.

7. If the tax category you chose was Tributary Substitution State Inscription, enter your Tributary Substitution State Inscription number in the appropriate field. You must have previously defined a specific tax code for this tax category.

8. Save your work.

Defining Latin Fiscal Classifications

Use the Latin Fiscal Classifications window to define fiscal classifications for specific items and associate them with tax categories. Each item that you enter on an invoice requires a fiscal classification.

Prerequisites

Before you can use the Latin Fiscal Classifications window, you must:

- Define tax codes
- Define Latin tax categories

To define a Latin fiscal classification code:

1. Navigate to the Latin Fiscal Classifications window.

2. In the Fiscal Classifications Code field, enter the code for this fiscal classification.

3. In the Displayed Value field, enter the way you want this fiscal classification to be displayed in the list of values.

4. Enter a description of this fiscal classification in the Description field.

5. Enter the tax category to associate with this fiscal classification in the Tax Category field.

6. Enter the effective dates for this fiscal classification. For a given combination, the

default start date is the current date, and the default end date is 31 Dec 4712.

To prevent overlapping effective dates, when you enter a new end date, the next start date defaults to the following day. You cannot change the next start date to an earlier date than the previous end date. In addition, you cannot change the start and end dates of existing records, except for the last record for a given combination.

7. In the Tax Code field, enter the tax code that you want to use to define the tax rate for this fiscal classification and tax category combination.

8. In the Base Rate field, enter the rate amount that is used to modify the base amount. You can enter negative amounts.

9. Save your work.

Defining Latin Tax Exceptions by Fiscal Classification

Use the Latin Tax Exceptions By Fiscal Classification window to define tax exceptions for shipment location combinations by fiscal classification code.

Prerequisites

Before you can use the Latin Tax Exceptions By Fiscal Classification window, you must:

- Define lookup codes (state)
- Define tax codes
- Define Latin tax categories
- Define Latin fiscal classification codes
- Define a sales tax location flexfield structure in the System Options window

To define a Latin tax exception for a fiscal classification code:

1. Navigate to the Latin Tax Exceptions By Fiscal Classification window.

2. In the Shipment Locations From field, enter the state where the item or service is sold.

3. In the Shipment Locations To field, enter the destination state.

4. Enter the fiscal classification code to apply to this exception in the Fiscal Classification Code field.

5. Enter the tax category to associate with this exception in the Tax Category field.

6. In the Base Rate field, enter the rate amount that is used to modify the base amount.

You can enter a negative amount.

7. Enter the effective dates for this exception. For a given combination, the default start date is the current date, and the default end date is 31 Dec 4712.

   To prevent overlapping effective dates, when you enter a new end date, the next start date defaults to the following day. You cannot change the next start date to an earlier date than the previous end date. In addition, you cannot change the start and end dates of existing records, except for the last record for a given combination.

8. In the Tax Code field, enter the tax code that you want to use to define the tax rate for this exception.

9. Save your work.

Defining Latin Tax Exceptions by Item

Use the Latin Tax Exceptions by Items window to define tax exceptions for specific items in a specific shipment location combination.

Prerequisites

Before you can use the Latin Tax Exceptions by Items window, you must:

- Define lookup codes (state)
- Define tax codes
- Define items
- Define Latin tax categories
- Define a sales tax location flexfield structure in the System Options window

To define a Latin tax exception for an item:

1. Navigate to the Latin Tax Exceptions by Items window.
2. In the Ship Location From field, enter the state where the item or service is sold.
3. In the Ship Location To field, enter the destination state.
4. In the Warehouse field, select the warehouse that you want to associate with the item for this exception.
5. In the Item Description field, enter the item that you want to apply an exception to.
6. Enter the Latin tax category to apply to this exception in the Tax Category field.
7. In the Base Rate field, enter the rate amount that is used to modify the base amount.

You can enter a negative amount.

8. Enter the effective dates for this exception. For a given combination, the default start date is the current date, and the default end date is 31 D 4712.

   To prevent overlapping effective dates, when you enter a new end date, the next start date defaults to the following day. You cannot change the next start date to an earlier date than the previous end date. In addition, you cannot change the start and end dates of existing records, except for the last record for a given combination.

9. In the Tax Code field, enter the tax code that you want to use to define the tax rate for this exception.

10. Save your work.

Defining Latin Tax Rules

Use the Tax Rules window to define the hierarchy for applying tax codes to a transaction line. When searching to apply a tax to a transaction line, Oracle Receivables looks at the first rule in the hierarchy for the particular combination of tax category, contributor type, and transaction type. If this rule does not apply, Oracle Receivables looks at the second rule, and so on until it finds the correct rule to apply.

You can define two types of hierarchy:

- For Rule Level = Base, define a hierarchy to search for tax rates to apply to the tax base amount
- For Rule Level = Rate, define a hierarchy to search for tax codes to apply to the transaction taxable amount

You can define as many rules as you want for the tax.

Prerequisites

Before you can use the Tax Rules window, you must:

- Define lookup codes (Contributor type)
- Define tax codes
- Define Latin tax categories
- Define transaction types

To define Latin tax rules:

1. Navigate to the Tax Rules window.
2. Enter a tax category in the Category field.

3. Enter the contributor type to use with this tax category in the Contributor Type field.

4. Enter the transaction type to use with this tax category in the Transaction Type field.

5. In the Rule Level field, enter *Base* or *Rate* to define whether this rule applies to the base or rate amount.

6. In the Priority field, enter the that this rule is applied. The default order is sequential.

7. Enter the name of the rule in the Rule field. Oracle Receivables looks at this rule to apply tax to transactions that have this combination of tax category, transaction type, and contributor type.

8. Save your work.

> **Note:** You can define default hierarchies independent of tax categories if you enter *DEFAULT* in the Contributor Type field and enter the same transaction type that is in the System Options window in the Transaction Type field. If you do not define specific rules for finding the tax rates, Receivables uses the hierarchy for tax rules.

Managing Invoices

This section describes how to enter interest, tax, billing, and bank transfer information for invoices by using globalization flexfields in the Transaction window and Transaction Summary window. This section also explains how to correct and cancel existing invoices.

Entering Invoice Information

Use the globalization flexfield in the Transactions window to enter additional invoice information. You can enter interest, tax, bank transfer, and billing information for the invoices. You can also use the globalization flexfield for invoice installments to enter bank transfer information.

Prerequisites

Before you can use the Transaction window, you must:

- Define ship from states, the organization class (establishment type) for calculating tax, and billing attributes for shipping invoices in the Organization window

- Define tax and billing attributes in the System Options window

- Define tax categories in the Latin Tax Categories window
- Define tax code Create tax groups in the Latin Tax Groups windows and rates in the Tax Codes and Rates window
- Define invoice batch sources and a subseries in the Invoice Batch Sources window
- Define a tax group and an operation fiscal code in the Transaction Types window
- Define a freight carrier in the Freight Carriers window
- Define memo lines in the Standard Memo Lines window
- Define master items in the Master Items window
- Define billing attributes for customers in the Customers window
- Define a Tributary Substitute inscription for your company in each state in the Latin Locations window
- Define Latin legal messages in the Legal Messages window
- Define your master inventory organization in the Order Management Parameters window

Related Topics

Entering Transactions, *Oracle Receivables User Guide*

Entering Interest for Invoices

To enter interest information:

1. Navigate to the Transactions window.
2. Enter a bill to customer in the Bill To region.
3. Navigate to the globalization flexfield.

   Note: The interest default parameters for a customer that you defined in the Customer Profile Classes window appear in the globalization flexfield.

4. In the Interest Type field, enter or modify an interest type (*Rate* or *Amount*) for calculating the interest amount.
5. In the Interest Rate/Amount field, enter or modify a rate or amount.

6. In the Interest Period field, enter or modify the number of days in the period for the interest charge.

7. In the Interest Formula field, enter or modify a *Simple* or *Compound* interest formula.

8. In the Grace Days field, enter or modify the number of days that customers can be overdue before interest is charged.

9. In the Penalty Type field, enter or modify a penalty type (*Rate* or *Amount*) if you want to charge a penalty amount to your customers.

10. In the Penalty Rate/Amount field, enter or modify a penalty rate or amount.

11. Press the OK button.

Entering Tax for Invoices

To enter tax information:

1. Navigate to the Transactions window.

2. Enter or query invoices.

3. Press the Line Items button.

   The Lines window appears.

4. Enter an item, a description, or both in the Item and Description fields.

5. Choose the More tabbed region.

6. If the invoice line is an item line, enter the warehouse name in the Warehouse Name field to define an item validation organization for your ship from location.

   Note: If you selected *Latin Tax Handling* as your tax method in the System Options window, the Warehouse Name field is mandatory only if the invoice line is an item line.

7. Navigate to the globalization flexfield.

   When you open the globalization flexfield, the Latin Tax Engine populates the fields with the default fiscal classification code and transaction condition class. These attributes are defaulted from the master inventory organization's item definition. You define the master inventory organization in the Order Management Parameters window.

   For more information about entering fiscal information for inventory items, see Defining Master Items, page 4-51

You can accept the default fiscal classification code and transaction condition class for the invoice line by pressing the OK button, or you can replace the defaults with other valid values.

You can also accept the default values that appear in the Operation Fiscal Code, Item Origin, Item Fiscal Type, Federal Tributary Situation, and State Tributary Situation fields. Or, after entering the global flexfield, you can replace the defaults with other valid values.

Note: Do not enter information in the remaining fields.

8. Press the OK button.
9. Press the Tax button in the Lines window.

   The Tax window appears.
10. Navigate to the globalization flexfield.
11. Enter legal justification messages for taxes in the Legal Justification Messages fields.
12. Enter a tax base amount in the Tax Base Amount field.
13. Enter a tax base rate in the Tax Base Rate field.
14. Press the OK button.

Note: When entering credit transactions, setting up recurring invoices, or using the Copy and Void Invoices process, the Warehouse Name field on the original invoice lines is mandatory only if the invoice line is an item line and you selected *Latin Tax Handling* as your tax method in the System Options window.

Related Topics

Defining Order Management System Parameters, *Oracle Order Management Implementation Guide*

Entering Billing Information for Invoices

To enter billing information:

1. Navigate to the Transactions window.
2. Enter or query invoices.
3. Press the Freight button.

   The Freight window appears.

4. Enter the freight name in the Carrier field.

5. Enter a freight responsibility (CIF/FOB) in the FOB field.

6. Close the window.

7. In the Transactions window, navigate to the globalization flexfield.

8. In the Freight Accessory Expenses, Insurance Accessory Expenses, and Other Accessory Expenses fields, enter amounts for freight, insurance, and other expenses.

9. In the License Plate field, enter a license plate number for the freight carrier.

10. In the Volume Quantity, Volume Type, and Volume Number fields, enter volume information for the invoice item.

11. In the Total Gross Weight and Total Net Weight fields, enter weight information for the invoice item.

12. Press the OK button.

13. Press the Line Items button in the Transactions window.

    The Lines window appears.

14. Enter an item, description, or a standard memo line.

15. Choose the More tabbed region.

16. Navigate to the globalization flexfield.

    Note: The parameters for a standard memo line that you have defined in the Standard Memo Lines window and the parameters for an item that you have defined in the Master Items window default to the globalization flexfield.

17. In the Item Origin and Item Fiscal Type fields, enter or modify the origin and fiscal type for an item.

18. In the Federal Tributary Situation and State Tributary Situation fields, enter or modify the tributary situations.

19. Enter or modify the operation fiscal code in the Operation Fiscal Code field.

20. Press the OK button.

21. Save your work.

22. Check the Complete check box in the header of the Transactions window after you enter an invoice. After you check the Complete check box, these actions occur:

    - A new number overrides your temporary invoice number that you entered in the Transactions window. This number is the next number in the subseries sequence that is assigned to the invoice's batch source.

    - The invoice automatically prints if the value in the Print Immediately field in the System Options window is *Yes*.

Entering Bank Transfer Information for Invoices

To enter bank transfer information:

1. Navigate to the Transactions Summary window.

2. Query or enter invoices.

3. Press the Installments button.

   The Installments window appears. Installments are created only for completed invoices.

4. Navigate to the globalization flexfield.

   You can optionally change the default value in the Payment Method field. The payment method defaults from the payment method for the transaction. The bearer of the trade note defaults to *Manual Receipt* the first time that you enter an invoice. After you have entered the invoice and saved it, you can change the bearer of the trade note to *Registry* or *Legal Department*. The value, *Manual Receipt*, is automatically changed to *Bank* when you send a collection document to the bank.

   These fields are display only. You cannot change them.

   - Document Status

   - Bank Transfer Batch Number

   - Selection Number of Bank Transfer Batch

5. Press the OK button.

Correcting Invoices

Use the Complementary Invoices window to correct some fields in an existing invoice for billing purposes. You enter the correct information in a new invoice.

To correct invoices:

1. Navigate to the Complementary Invoices window.

2. Enter the number, date, or due date of an existing invoice in the header region to query an invoice.

3. Choose the Complementary Invoice and More tabbed regions to correct any fields that are in the header region of an invoice.

4. Choose the Line tabbed region to correct any fields that are in the lines region of an invoice. You must enter a line number in the Line Number field.

5. Save your work. The invoice automatically prints if the value in the Print Immediately field in the System Options window is *Yes*.

> **Note:** The transaction number for the complementary invoice is defined only when the invoice prints.

Canceling Invoices

Use the Credit Memo window to cancel an existing invoice. You create credit memos in the Credit Memo window to credit invoices, debit memos, and chargebacks.

Prerequisites

Before you can use the Credit Memo window, you must:

- Define a transaction type for your credit memo in the Transaction Types window. Choose *Void* in the Transaction Status field in the Transaction Types window.

- Set the profile option *AR: Use Invoice Accounting for Credit Memos* to reverse the accounting entries when a credit memo is credited for an invoice.

To cancel invoices:

1. Navigate to the Credit Memo window.

2. Enter the number for the invoice you want to cancel in the Number field in the Credited Transaction region.

3. Enter credit information in the Credit Memo region. You must enter the previously defined transaction type for your credit memo in the Type field.

Related Topics

Accounting for Transactions, *Oracle Receivables User Guide*

Entering Bank Collection Information

This section describes how to automatically and manually create and format remittance batches with trade notes and occurrences, how to enter bank occurrences, as well as

how to enter, import, and correct bank return information into Receivables. You can post bank returns in Receivables and transfer journal entries to General Ledger.

Creating Bank Transfer Remittance Batches

Use the Bank Transfer Remittance Batches window to automatically create remittance batches with trade notes for bank collection. You can also manually create remittance batches with trade notes for bank collection or factoring. You can modify both types of batches after you save them.

Prerequisites

Before you can use the Bank Transfer Remittance Batches window, you must:

- Define bank instruction codes in the Bank Instruction Codes window
- Define bank occurrence codes for remittance occurrences in the Bank Occurrence Codes window
- Define transaction types in the Transaction Types window
- Define additional accounts and other default information to generate the remittance batches for payment methods in the Global Receipt Method Accounts window
- Enter transactions

Automatically Creating Bank Transfer Remittance Batches

To automatically create bank transfer remittance batches:

1. Navigate to the Bank Transfer Remittance Batches window.
2. Select the applicable operating unit.
3. Enter a batch name in the Name field.

   A remittance batch number automatically appears in the Number field after you complete all steps and save.
4. Change the date in the Date field if you want to assign a different date to the remittance batch.
5. Choose *Automatic* in the Type field.
6. Enter a payment method from the Global Receipt Method Accounts window in the Payment Method field.
7. Enter the attributes for the trade notes that you want to include in the remittance batch, or leave the fields blank for all. You enter ranges in the Due Date, Transaction Date, Transaction Number, and Customer Number fields. Enter a

transaction type in the Transaction Type field.

8. Check the Break by Due Date check box if you want trade notes with the same due date in a remittance batch.

9. Press the Bank Distributions button.

   The Bank Account Distributions window appears.

10. Enter account information in the Bank Number, Bank Name, Branch Number, Branch Name, and Account Number fields. You can change the General Ledger date (accounting date) and portfolio code that automatically displays.

    Note: You must enter a branch number to enter an account number.

11. Choose the Distribution Rules tabbed region.

12. Enter a percentage of the total dollar amount of the trade notes that you want in the batches for a bank account in the Percent (%) field, or enter a range of trade note amounts, remittance batch amounts, or both, in the Minimum and Maximum fields.

13. Choose the More tabbed region to enter a bank charge amount, bank instructions, and a remittance batch source for a bank account.

14. Save your work.

15. Select a bank account.

16. Press the Remittance Batches button to view all remittance batches and trade notes in each batch. They appear in the Bank Remittance Batches window after the Create Collection Remittance Batch program is done.

17. Choose the Trade Note, Payment Method, and More tabbed regions to view information about the trade notes.

Use the Format Remittance Batches window, page 4-74 to format and send the remittance batches to the bank.

Status Field Table

The Status Field table shows the meaning of statuses in the Bank Transfer Remittance Batches and Bank Remittance Batches windows.

In this window…	This status …	Has this meaning…
Bank Transfer Remittance Batches	Selected	The selection is created
Bank Transfer Remittance Batches	Formatted	One or more remittance batches in the selection are formatted
Bank Transfer Remittance Batches	Canceled	All remittance batches in the selection are canceled
Bank Transfer Remittance Batches	Confirmed	The bank confirmed one or more trade notes in the selection
Bank Remittance Batches (Header)	Selected	Trade notes are selected to create this remittance batch
Bank Remittance Batches (Header)	Formatted	The remittance batch is formatted
Bank Remittance Batches (Header)	Canceled	The remittance batch is canceled
Bank Remittance Batches (Header)	Confirmed	The bank confirmed one or more documents in the remittance batch
Bank Remittance Batches (Header)	Write-off	The bank wrote-off all documents that are not refused in this remittance batch
Bank Remittance Batches (Header)	Refused	The bank refused all documents in the batch
Bank Remittance Batches (Header)	Partially Received	One or more documents in the remittance batch are partially paid
Bank Remittance Batches (Header)	Totally Received	All documents in the remittance batch that are not refused, not canceled, and not written-off are fully paid
Bank Remittance Batches (Trade Notes region)	Selected	The trade note is selected for a remittance batch

In this window…	This status …	Has this meaning…
Bank Remittance Batches (Trade Notes region)	Formatted	The trade note is formatted
Bank Remittance Batches (Trade Notes region)	Canceled	The trade note is canceled
Bank Remittance Batches (Trade Notes region)	Confirmed	The bank confirmed the document
Bank Remittance Batches (Trade Notes region)	Refused	The bank refused the document
Bank Remittance Batches (Trade Notes region)	Written-off	The bank wrote off the document
Bank Remittance Batches (Trade Notes region)	Protested	The document is protested
Bank Remittance Batches (Trade Notes region)	Partially Received	The document is partially paid
Bank Remittance Batches (Trade Notes region)	Totally Received	The document is fully paid

Manually Creating Bank Transfer Remittance Batches

To manually create bank transfer remittance batches:

1. Navigate to the Bank Transfer Remittance Batches window.
2. Enter a batch name in the Name field.

   A remittance batch number automatically appears in the Number field after you complete all the steps and save.
3. Change the date in the Date field if you want to assign a different date to the remittance batch. See the Status Field Table, page 4-70 for possible statuses in the Status field.
4. Choose *Manual* in the Type field.
5. Enter either *Collection* or *Factoring* in the Remittance Batch Type field to create collection or factoring batches.

6. Enter the attributes for the trade notes that you want to include in the remittance batch, or leave them blank for all. You enter ranges in the Due Date, Transaction Date, Transaction Number, Customer Number, and Transaction Amount fields. Enter a transaction type in the Transaction Type fields.

7. Press the Bank Distributions button.

   The Bank Account Distributions window appears.

8. Enter the account information in the Bank Number, Bank Name, Branch Number, Branch Name, and Account Number fields. You can change the General Ledger date (accounting date) that automatically displays.

   Note: You must enter a branch number to enter an account number.

9. Select a bank account.

10. Press the Remittance Batches button.

    The Bank Remittance Batches window appears.

11. Enter a trade note number in the Trade Note Number field.

    The amount, due date, transaction number, and status display.

12. Choose the Payment Method tabbed region.

13. Enter a payment method in the Payment Method field.

    The batch source displays. You can change the portfolio code that displays for a collection remittance batch. You can enter a portfolio code for a factoring remittance batch.

14. Choose the More tabbed region if you are creating a collection remittance batch. You can change any bank instructions that display.

15. You can optionally enter a bank charge amount in the Bank Charge Amount field.

16. Choose the Factoring tabbed region if you are creating a factoring remittance batch. Enter a factoring rate, period of days for the rate, and a factoring date.

17. Save your work.

Use the Format Remittance Batches window, page 4-74 to format and send remittance batches to the banks.

Modifying Bank Transfer Remittance Batches

To modify remittance batches:

1. Navigate to the Bank Transfer Remittance Batches window. You cannot make any changes in this window.

2. Press the Bank Distributions button.

   The Bank Account Distributions window appears.

   You can change only the General Ledger date (the accounting date) if the selection type is *Automatic* and the status in the Bank Transfer Remittance Batches window is *Selected*. You can change the General Ledger date and add bank accounts to create more remittance batches if the selection type is *Manual* and the status in the Bank Transfer Remittance Batches window is *Selected.*

3. Select a bank account.

4. Press the Remittance Batches button to modify remittance batches.

   The Bank Remittance Batches window appears.

5. Uncheck the Selected check box next to a trade note to remove it from the batch.

6. Enter a trade note number and its attributes in the tabbed regions to add a trade note to the batch. The batch must be unformatted (status in header region is *Selected*).

7. You can change this information for any unformatted trade notes in a remittance batch:

   - The portfolio code, bank charge amount, and bank instructions for a trade note in a collection remittance batch

   - The portfolio code, factoring rate, factoring date, and period of days for a trade note in a factoring remittance batch

   - The payment method for a trade note in a manually created remittance batch, if the selection type in the Bank Transfer Remittance Batches window is *Manual*

Formatting Remittance Batches

Use the Format Remittance Batches window to format bank transfer or occurrence remittance batches to send to the bank. Trade notes that were selected for the remittance batch in the Bank Transfer Remittance Batches window are considered collection documents after they are formatted. You query the remittance batches in the Find Remittance Batches window. You can also cancel or unformat bank transfer remittance batches.

Prerequisites

Before you can use the Format Remittance Batches window, you must:

- Create bank transfer remittance batches in the Bank Transfer Remittance Batches window if you are formatting Bank Transfer remittance batches
- Create occurrence remittance batches in the Occurrences Remittance Batches window if you are formatting occurrence remittance batches

To format a remittance batch:

1. Navigate to the Format Remittance Batches window.

   The Find Remittance Batches window appears.

2. Select a batch name and press the OK button.

   The Format Remittance Batches window appears with the remittance batches for the operating unit. The sequence number of the batch displays in the Sequence Number field. The type of documents in the batch, either collection, factoring, or occurrence, displays in the Type field. The status of the batch, either *Selected* or *Formatted*, displays in the status field. See the Status Field Table, page 4-70 for possible statuses in the Status field.

3. Choose the Accounts tabbed region to see the account number, request ID, and remittance media (file or report) for each batch.

4. Choose the Banks tabbed region to see the bank number, bank name, branch number, or branch name.

5. Choose the More tabbed region to see the formatting date, total number of trade notes in each batch, and total amount of the trade notes.

6. Select any batch and press the Format button.

   The batch is formatted in either a file or a report. The batch status is *Formatted* after you format a batch with *Selected* status. You can reformat a batch with *Formatted* status.

   > **Note:** The Format button is disabled if there is no trade note in a remittance batch.

7. Select any bank transfer remittance batch Remittance Batches window, of type collection or factoring, and press the Void button to cancel it.

   The canceled batch is removed from the window. You can add the trade notes that were in the batch to a new batch or to an unformatted batch in the Bank Transfer

Note: All occurrences for a canceled bank transfer batch with *Formatted* status are also canceled.

8. Select any formatted bank transfer remittance batch and press the Reverse button to unformat it. The status changes to *Selected*. The occurrences for the reversed batch are canceled.

Entering Bank Occurrences

Use the Trade Notes window to select trade notes and associated collection documents that you want to create occurrences for. You enter occurrences for collection documents. You query the trade notes in the Find Trade Notes window.

Prerequisites

Before you can use the Trade Notes window, you must format bank collection remittance batches of type *Collection* in the Format Remittance Batches window.

To enter bank occurrences:

1. Navigate to the Trade Notes window.

   The Find Trade Notes window appears.

2. Enter search criteria in any of the fields, or leave them blank for all trade notes.

   Note: You must enter a branch number to enter an account number.

3. Press the Find button.

   The Trade Notes window appears with the operating unit, trade notes, and their attributes, such as the trade note number, transaction number, due date, and whether the trade note is in the collection process.

4. Select a trade note. The collection document's attributes for the selected trade note display in the bottom of the window in the tabbed regions.

5. Press the Occurrences button.

   The Bank Occurrence Codes window appears. All occurrences for the selected collection document are displayed.

6. Enter a predefined occurrence code in the Code field. *Remittance* displays in the Type field. A description of the occurrence displays in the Description field.

   Note: You can only enter an occurrence code for a formatted or

protested collection document. The status for the selected collection document displays in the Collection Documents region in the Trade Notes window.

7. Enter the bank's charge in the Bank Charges field if the occurrence type is a write-off requisition.

8. Enter a General Ledger date in the GL Date field if the occurrence type is a write-off requisition. The General Ledger date is the date when the write-off requisition is accounted.

9. Choose the Main tabbed region to see additional information about the occurrence, such as the type, description, and date the occurrence was created.

10. Choose the More tabbed region to see additional information about the occurrence, such as the due date, remittance date, document amount, abatement amount, interest percent, and occurrence status.

11. Save your work.

Creating Occurrence Remittance Batches

Use the Occurrences Remittance Batches window to create remittance batches for occurrences.

Prerequisites

Before you can use the Occurrences Remittance Batches window, you must enter bank occurrences for collection documents in the Bank Occurrence Codes window.

To create an occurrence remittance batch:

1. Navigate to the Occurrences Remittance Batches window.

2. Select the applicable operating unit.

3. Enter a batch name in the Batch Name field.

   A batch number and request number display in the Batch Number and Request Number fields after you complete all the steps and save.

4. Enter a due date range for the collection documents with occurrences in the Due Dates fields, or leave the fields blank for all collection documents with occurrences.

5. You can optionally enter the number of the bank and branch you are creating the remittance batch for in the Bank Number and Branch Number field.

   The name of the bank and branch automatically appears in this field.

6. Enter an account number in the Account Number field if you want to create a batch for a specific account. If you leave this field blank, a batch is created for each account of the bank branch that you entered.

   Note: You must enter a bank and branch number to enter an account number.

7. Enter a GL Date for the batch occurrences, or bank or bank account occurrences. The default is the system date.

8. Repeat steps 4 to 6 for each bank or bank account that you want.

9. Save your work. The media for the occurrence remittance batch is in report format for these instances:

   - The occurrence codes are defined in the Bank Occurrence Codes window with the *Report* media type

   - The occurrence code*Files* are defined in the Bank Occurrence Codes window with the media type and are related to bank transfer remittance batches that are sent as reports to the bank

   - The occurrence code*Files* are defined in the Bank Occurrence Codes window with the media type, but the remittance date is in the limit that is defined for these occurrence codes

Use the Format Remittance Batches window to send the batch to the bank. See Formatting Remittance Batches, page 4-74 for more information.

Entering Bank Return Occurrences

Use the Bank Returns window to enter bank return occurrences from a bank return report. You can also update bank return occurrences from a bank return file that has entries that were successfully validated by the import bank return validation process.

Prerequisites

Before you can use the Bank Returns window, you must:

- Define bank occurrence codes for return occurrences in the Bank Occurrence Codes window.

- Format remittance batches in the Format Remittance Batches window.

- Run the Import Bank Return concurrent program from the Standard Request Submission windows if you want to update imported bank return occurrences. See Importing Bank Return Occurrences, page 4-81 for more information about this

program.

To enter bank return occurrences:

1. Navigate to the Bank Returns window.
2. Select the applicable operating unit.
3. Enter a file control number for the bank return report in the File Control field. This number can be alphanumeric. This number must be the same for all the return occurrences you enter from a bank return report.
4. Enter the date that the bank generated the bank return report/file in the Generation Date field.
5. Enter a bank number and customer name in the Bank Number and Customer Name fields.
6. Enter a trade note number in the Trade Note Number field.
7. Enter occurrence information in the Occurrence Code and Occurrence Date fields.
8. Enter the date that the bank return report or file was entered or imported into Receivables in the Processing Date field.

   Note: The Credit Amount field is display only if you enter a full settlement occurrence.

9. Save your work. The bank return information is saved in Receivables.

To update bank return occurrences:

1. Navigate to the Bank Returns window.
2. Query the bank returns.
3. Update the occurrence date in the Occurrence Date field.
4. Update the bank's trade note ID in the Our Number field.
5. Update the collector bank number and collector branch number in the Collector Bank Number and Collector Branch Number fields.
6. Update bank information in the Bank Use, Note, and Bank Charges fields.
7. Update the amounts in the Interest Amount Received, Abatement Amount, Discount Amount, and Credit Amount fields.

8. Save your work. The bank return occurrences are saved in Receivables.

Correcting Bank Return Occurrences

Use the Correct Bank Returns window to correct imported bank return occurrences that were rejected during the validation process. You can see all rejected bank return occurrences in the Brazilian Receivables Bank Return Import report, page 4-108. You first select the bank returns in the Find Bank Returns window.

Prerequisites

Before you can use the Correct Bank Returns window, you must:

- Define bank occurrence codes for return occurrences in the Bank Occurrence Codes window.
- Format remittance batches in the Format Remittance Batches window.
- Run the Import Bank Return concurrent program from the Standard Request Submission windows. See Importing Bank Return Occurrences, page 4-81 for more information about this program.

To correct bank return occurrence:

1. Navigate to the Correct Bank Returns window.

   The Find Bank Returns window appears.

2. Enter search criteria in any of the fields, or leave them blank for all bank return occurrences. You must enter a bank number to enter a bank occurrence code.

3. Press the Find button.

   The Correct Bank Returns window appears with the bank return occurrences for the operating unit to correct.

4. Choose the Company tabbed region to correct the company code in the Code field.

5. Choose the Banks tabbed region to correct the bank occurrence code in the Code field.

6. Choose the Trade Notes tabbed region to correct the trade note amount in the Amount field and to enter a document number in the Document Number field.

7. Choose the More tabbed region to correct the customer's name in the Customer Name field.

8. You can optionally select a return occurrence instead of choosing the tabbed regions, and press the Open button. The same bank return occurrence with all its fields appear in one window.

9. Change the remittance code in the Correct Bank Returns window to a 2 if it is not already set to 2. All bank return occurrences must have a remittance code of 2.

10. Check the Cancel check box if you want to cancel a bank return occurrence. After an occurrence is canceled, it does not appear in this window when you query this window again.

11. Save your work. Bank return occurrences are deleted from this window and appear in the Bank Returns window if they do not have validation errors.

Importing Bank Return Occurrences

Run the Import Bank Return request set to import and validate bank return occurrences. The bank return occurrences that are rejected by this process display in the Correct Bank Returns window and are shown in the Brazilian Receivables Bank Return Import report. For more information about this report, see Brazilian Receivables Bank Return Import Report, page 4-108. The bank return occurrences that are not rejected appear in the Bank Returns window. You can change occurrence information in both of these windows.

Use the Standard Request Submission windows to submit the Brazilian Receivables Import of Bank Return program.

Prerequisites

Before you can use this window, you must:

- Populate the Bank Collection Interface table
- Define bank occurrence codes for return occurrences in the Bank Occurrence Codes window
- Format remittance batches in the Format Remittance Batches window

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Posting Bank Returns

Use the Post Bank Returns window to submit the Brazilian Receivables Post Bank Return program, the Brazilian Receivables Post Bank Return report, and the Post QuickCash concurrent program for a bank return file or report:

- The Brazilian Receivables Post Bank Return program creates bank return occurrences and adjustments.
- The Post QuickCash program creates and applies receipts to the invoices.

- The Brazilian Receivables Post Bank Return report summarizes the receipts, adjustments, interest, monetary corrections, and discounts for receipts for a bank return file or report. The Brazilian Receivables Post Bank Return report also shows the number of occurrences for each collector bank and for each bank occurrence code.

Prerequisites

Before you can use the Post Bank Returns window, you must:

- Enter or import bank returns in the Bank Returns window
- Correct bank returns that were rejected by the Import Bank Return request set in the Correct Bank Returns window

To post bank returns:

1. Navigate to the Post Bank Returns window.
2. Enter a file control number in the File Control field.

   The bank return file or report information displays in the Bank Number, Bank Name, Generation Date, Processing Date, and Operating Unit fields. The request ID of the master concurrent program displays in the Post Bank Return Request ID field.
3. Press the OK button.

Related Topics

Post QuickCash, *Oracle Receivables User Guide*

Running the GL Interface Program

Use the Run General Ledger Interface window to run the GL Interface program. This program transfers the journal entries that are generated in the Bank Transfer process to General Ledger. The journal entries are for receipts as well as accountable remittance and return occurrences.

The GL Interface program transfers all Receivables transactions to your General Ledger accounts and creates journal batches.

Prerequisites

Run the Create Accounting program in the Submit Request window for the *Receivables* application to create account data in Subledger Accounting. When running the program, ensure that you enter the following:

- Enter the applicable ledger for creation of subledger accounting.
- Optionally, specify the process category to determine which receivables

transactions will be selected for subledger accounting, such as *Brazilian Check Collection Documents* for standard bank transfer collection documents and *Standard Receipts* for the factoring collection documents.

To run the GL Interface program:

1. Navigate to the Run General Ledger Interface window.
2. Choose a posting detail (Detail or Summary).
3. Enter a General Ledger posted date in the GL Posted Date field.
4. Enter a range of General Ledger dates in the GL Dates fields.
5. Choose *Yes* to import your transactions into General Ledger or *No* to import them into the journal import interface.
6. Save your work. The request ID number for your concurrent process displays in the Request ID field.

Related Topics

Running General Ledger Interface, *Oracle Receivables User Guide*

Managing Receipts

This section explains how to manage receipts for Brazilian Oracle Receivables. In Brazil, interest is calculated on receipts for overdue invoices. If the receipt amount is a partial amount, interest is calculated on either the amount received or the total invoice amount.

Oracle Receivables automatically calculates interest based on the business day calendar. You can apply total or partial receipt amounts and generate interest debit memos on interest due.

Entering Receipts

Use the globalization flexfield in the Receipts window to calculate interest on receipts for overdue invoices. You can receive interest, create an Interest Debit Memo for interest due, or write off the due amount.

You can manually apply interest to one or more transactions, or you can automatically apply interest to several transactions.

Prerequisites

Before you can use the Receipts window, you must:

- Define system options for calculating interest
- Define customer profile classes for calculating interest
- Enter interest parameters in the Transactions window for your invoices

- Define profile options
- Define banks
- Define Global Receipt Method accounts
- Define Receivables adjustment limits

To manually calculate interest for a receipt:

1. Navigate to the Receipts window.
2. Query or enter the receipt to apply.
3. Enter the name or number of the customer who owns this receipt in the Customer Name or Number field if the receipt is unidentified.
4. Press the Applications button.
5. Enter the transaction to apply this receipt to in the Transaction Number field. The Amount Applied field displays the balance due for the transaction.
6. Navigate to the globalization flexfield.
7. The Main Amount Received field displays the amount displayed in the Amount Applied field. Change this amount to a partial amount if you want to calculate interest on a partial amount only.
8. Enter *Total* in the Base Interest Calculation field if you want to calculate interest based on the total invoice amount. Enter *Partial* if you want to calculate interest based on the amount entered in the Main Amount Received field, if this amount is less than the total invoice amount.

   If you enter *Partial*, press the OK button to generate the interest calculation. The flexfield reopens automatically.
9. The Calculated Interest field displays the total interest due for the invoice.

   The Received Interest field displays the amount of interest received for this transaction. You can change the amount of interest received for this transaction.
10. If the received interest amount is less than the calculated interest amount, use the Interest Difference Action field to decide whether to write off the difference or generate an Interest Debit Memo.
11. If you enter *Write-off*, enter an explanation in the Write Off Reason field. If you enter *Generate_IDM*, Oracle Receivables automatically generates an Interest Debit Memo for the interest due.

12. Press the OK button.

13. If you press the Adjustments button, Oracle Receivables shows the adjustment with the calculated and received interest. The adjustment reflects if the customer paid more than the interest that is due.

To automatically calculate interest for several receipts:

1. Navigate to the Receipts window.

2. Query or enter the receipt to apply.

3. Enter the name or number of the customer who owns this receipt in the Customer Name or Number field if the receipt is unidentified.

4. Press the Mass Apply button.

5. Enter the transactions that you want to apply this receipt to and prepare them according to the criteria that you want.

6. Press the Preview or Apply button. Oracle Receivables calculates the total interest that is due and the interest that has been received for each transaction.

   If you press the Preview button, use the flexfield to view and modify the interest calculation for each transaction. Check the Apply check box to select the transaction for the application.

   If you press the Apply button, you can either accept how Receivables has calculated interest for each transaction or use the flexfield to view and modify the interest calculation.

7. Navigate to the globalization flexfield for each transaction.

8. Enter the amount in the Received Interest field if you want to change the interest amount received.

9. If the received interest amount is less than the calculated interest amount, use the Interest Difference Action field to decide whether to write off the difference or generate an Interest Debit Memo.

10. Enter an explanation in the Write Off Reason field if you enter *Write-off*. If you enter *Generate_IDM*, Receivables generates an Interest Debit Memo for the interest due.

11. Press the OK button.

12. Repeat steps 7 to 11 for each transaction.

Entering QuickCash Receipts

Use the globalization flexfield in the Receipt Batches window to view and modify the

received interest amount for QuickCash transactions for overdue invoices. Receivables only applies interest to QuickCash transactions when the application type is *Multiple*.

For QuickCash receipts, if the received interest amount is less than the calculated interest amount, Receivables calculates whether to write off the outstanding interest or generate an Interest Debit Memo. This calculation is based on the parameters that you enter in the Global Receipt Method Accounts window.

Prerequisites

Before you can use the Receipt Batches window, you must:

- Define system options for calculating interest
- Define customer profile classes for calculating interest
- Enter interest parameters in the Transactions window for your invoices
- Define profile options
- Define banks
- Define Global Receipt Method accounts
- Define Receivables adjustment limits

To calculate interest on QuickCash receipts:

1. Navigate to the Receipt Batches window.
2. Query a QuickCash batch, or enter *Manual-Quick* in the Batch Type field and enter a batch name.
3. Press the Receipts button.
4. Query or enter the Quick receipts to apply, and choose an application type of *Multiple*.
5. Press the Multiple button.
6. For each transaction, navigate to the globalization flexfield. If the globalization flexfield is not in the window, choose Folder > Show Field from the Toolbar menu bar. Choose the field ( ) in the Show Field window and press the OK button.
7. The Main Amount Received field displays the amount displayed in the Amount Applied field. Change this amount to a partial amount if you want to calculate interest for a partial amount.
8. Enter *Total* in the Base Interest Calculation field if you want to calculate interest based on the total invoice amount. Enter *Partial* if you want to calculate interest based on the amount entered in the Main Amount Received field if it is less than the

total invoice amount.

If you enter Partial, press the OK button to generate the interest calculation. The flexfield reopens automatically.

9. The Calculated Interest field displays the total interest due for the invoice. The Received Interest field displays the amount of interest received for this transaction. You can change the amount of interest received for this transaction.

   If the received interest amount is less than the calculated interest amount, Receivables automatically generates an Interest Debit Memo or writes off the outstanding interest.

10. Press the OK button.

11. Repeat steps 6 to 10 for each transaction.

12. Save your work.

13. When you are ready to post the batch to Oracle Receivables, press the Post QuickCash button.

Merging Customers

The customer merge process in Oracle Receivables merges standard as well as country-specific information. Receivables automatically associates all transaction activity from the old customer or site with the new customer or site. Receivables also removes the setup information of merged customers or customer sites.

These features support customer merge:

- Bank Transfer (Brazil)
- Brazilian Receivables Customer Auxiliary Ledger
- Brazilian Receivables Customer Auxiliary Daily

Related Topics

Merging Customers, *Oracle Receivables User Guide*

Reports

This section provides overviews and detailed descriptions of these reports:

- Brazilian Receivables Invoice Print
- Brazilian Receivables Complementary Invoices
- Brazilian Receivables Customer Account Detail report

- Brazilian Receivables Collection Remittance Batch report
- Brazilian Receivables Occurrences Remittance Batch report
- Brazilian Receivables Factoring Remittance Batch report
- Brazilian Receivables Bank Return Import report
- Brazilian Receivables Post Bank Return report
- Brazilian Receivables Bank Collection GL Interface report

Brazilian Receivables Invoice Print

Use the Brazilian Receivables Print Invoice in AutoInvoice, the Brazilian Receivables Invoice Print Invoice in Batch, or the Brazilian Receivables Print Invoice in Batch Immediately to print a completed payable invoice for shipment with goods. Use the Brazilian Receivables Re-Print Specific Invoice to reprint a specific invoice. This report is printed on preprinted paper.

You can continue to update the original invoice from the Transactions window for invoices entered manually until the invoice is completed. The invoice contents are frozen once the invoice is completed.

There are four ways to print invoices:

- **Brazilian Receivables Print Invoice in Batch Immediately** - From the Transactions window, for completed invoices.

  Note: The *Print Invoice Immediately* check box must be set to *Yes* in the System Options window.

- **Brazilian Receivables Print Invoice in AutoInvoice** - From the Brazilian AutoInvoice request set of the standard submission set, after you import invoice information from another system
- **Brazilian Receivables Invoice Print Invoice in Batch** - From the Brazilian Print Invoice in Batch request set of the standard submission set
- **Brazilian Receivables Re-Print Specific Invoice** - From the Standard Request Submission windows

Report Parameters

In the Brazilian AutoInvoice request set:
Invoice Print Submission Type

Enter *Print Invoice Generated by AutoInvoice*.

In the Brazilian Print Invoice in Batch request set:
Invoice Print Submission Type

Enter *Print Invoice Batch*.

Issue Date High

Enter the highest invoice date to print.

Transaction Number High

Enter the highest form to print.

Column Headings

ISSUER

This table shows the column headings.

In this column…	Oracle Receivables prints…
Exit/Entry (Operation Type)	The operation type
Transaction Number	The transaction number
Sub-Series	The sub-series of the invoice
Operation Nature	The operation nature of the invoice
Operation Fiscal Code	The operation fiscal code
State Inscription for Tributary Substitution	The state inscription for tributary substitution of the invoice

SHIP TO

This table shows the column headings.

In this column…	Oracle Receivables prints…
Ship to Customer Name	The customer name
Inscription Number	The invoice inscription number
Issue Date	The issue date of the invoice
Address	The shipping address
District	The district of the shipping address

In this column…	Oracle Receivables prints…
Postal Code	The postal code of the shipping address
Shipping Date	The shipping date
City	The city of the shipping address
State	The state of the shipping address
State Inscription Number	The state inscription number

INVOICE

This table shows the column headings.

In this column…	Oracle Receivables prints…
Amount Due Remaining	The amount that is due remaining in each installment
Trade Note Number	The trade note number in each installment
Due Date	The due date of each installment
Bill to Address	The bill to address for each installment

PRODUCT DATA

This table shows the column headings.

In this column…	Oracle Receivables prints…
Item Code	The item code for the invoice line
Item Description	The item description
Item Fiscal Classification	The invoice line number. The corresponding item fiscal classification for the invoice line is printed in the Additional Information region in this report.

In this column…	Oracle Receivables prints…
Federal Tributary Situation	The federal tributary situation of the invoice line
UOM	The unit of measure for the invoice line
Quantity	The quantity for the invoice line
Unit Amount	The unit amount for the invoice line
Total Amount	The total amount for the invoice line
ICMS Tax Rate	The ICMS tax rate for the invoice line
IPI Tax Rate	The IPI tax rate for the invoice line
IPI Tax Amount	The IPI tax amount for the invoice line
Legal Messages	Three concatenated legal messages for the invoice line

SERVICE DATA

This table shows the column headings.

In this column…	Oracle Receivables prints…
Description	The description for the service line
ISS Tax Amount	The ISS tax amount for the service line
Total Amount	The total amount for the service line

TAX CALCULATION

This table shows the column headings.

In this column…	Oracle Receivables prints…
ICMS Tax Base Amount	The ICMS tax base amount

In this column…	Oracle Receivables prints…
ICMS Tax Amount	The ICMS tax amount
ICMS-ST Tax Base Amount	The ICMS-ST tax base amount
ICMS-ST Tax Amount	The ICMS-ST tax amount
Item Total Amount	The item total amount
Freight Carrier Expense Amount	The freight carrier expense amount
Insurance Expense Amount	The insurance expense amount
Other Expense Amount	The amount of any other expenses
IPI Tax Total Amount	The IPI tax total amount
Invoice Total Amount	The total invoice amount

FREIGHT CARRIER / SHIPPED ITEMS

This table shows the column headings.

In this column…	Oracle Receivables prints…
Freight Carrier Name	The freight carrier name
Freight Responsibility	1 - Seller or 2 - Buyer
License Plate	The freight carrier's license plate
Inscription Number	The freight inscription number
Address	The freight carrier's address
City	The city of the freight carrier's address
State	The state of the freight carrier's address
State Inscription Number	The freight state inscription number

In this column…	Oracle Receivables prints…
Volume Quantity	The volume quantity
Volume Type	The volume type
Brand	The brand
Volume Number	The volume number
Total Gross Weight	The total gross weight
Total Net Weight	The total net weight

ADDITIONAL DATA

This table shows the column headings.

In this column…	Oracle Receivables prints…
Complementary Information	Any complementary information. If invoice is canceled, then VOID is printed.
Fiscal Classification Codes	Fiscal classification codes with the corresponding invoice line number

RECEIPT

This table shows the column headings.

In this column…	Oracle Receivables prints…
Transaction Number	The transaction number

Related Topics

Using Standard Request Submission,

Brazilian Receivables Complementary Invoices

You can modify the original invoice from the Complementary Invoice window for invoices that are completed. The complementary invoice contents are frozen once the complementary invoice is printed. This report is printed on preprinted paper.

There are two ways to print complementary invoices:

- **Brazilian Receivables Print Complementary Invoice Immediately** - From the Complementary Invoice window, after you manually enter invoice information. (Note: The *Print Invoice Immediately* check box must be set to *Yes* in the System Options window.)

- **Brazilian Receivables Invoice Print Complementary Invoice in Batch** - From the Brazilian Print Invoice in Batch request set of the standard submission set.

Report Parameters

In the Brazilian Print Invoice in Batch request set:
Invoice Print Submission Type

Enter *Print Invoice Batch*.

Issue Date High

Enter the highest invoice date to print.

Transaction Number High

Enter the highest form to print.

Column Headings

ISSUER

This table shows the column headings.

In this column…	Oracle Receivables prints…
Exit/Entry (Operation Type)	The operation type
Transaction Number	The transaction number
Sub-Series	The sub-series of the invoice
Operation Nature	The operation nature of the invoice
Operation Fiscal Code	The operation fiscal code
State Inscription for Tributary Substitution	The state inscription for tributary substitution of the invoice

SHIP TO

This table shows the column headings.

In this column…	Oracle Receivables prints…
Ship to Customer Name	The customer name
Inscription Number	The invoice inscription number
Issue Date	The issue date of the invoice
Address	The shipping address
District	The district of the shipping address
Postal Code	The postal code of the shipping address
Shipping Date	The shipping date
City	The city of the shipping address
State	The state of the shipping address
State Inscription Number	The state inscription number

INVOICE

This table shows the column headings.

In this column…	Oracle Receivables prints…
Amount Due Remaining	The amount that is due remaining for each installment
Trade Note Number	The trade note number for each installment
Due Date	The due date of each installment
Bill to Address	The bill to address for each installment

PRODUCT DATA

This table shows the column headings.

In this column…	Oracle Receivables prints…
Item Code	The item code for the invoice line
Item Description	The item description
Item Fiscal Classification	The invoice line number. The corresponding item fiscal classification for the invoice line is printed in the Additional Information region in this report.
Federal Tributary Situation	The federal tributary situation of the invoice line
UOM	The unit of measure for the invoice line
Quantity	The quantity for the invoice line
Unit Amount	The unit amount for the invoice line
Total Amount	The total amount for the invoice line
ICMS Tax Rate	The ICMS tax rate for the invoice line
IPI Tax Rate	The IPI tax rate for the invoice line
IPI Tax Amount	The IPI tax amount for the invoice line
Legal Messages	Three concatenated legal messages for the invoice line

SERVICE DATA

This table shows the column headings.

In this column…	Oracle Receivables prints…
Description	The description for the service line
ISS Tax Amount	The ISS tax amount for the service line
Total Amount	The total amount for the service line

TAX CALCULATION

This table shows the column headings.

In this column…	Oracle Receivables prints…
ICMS Tax Base Amount	The ICMS tax base amount
ICMS Tax Amount	The ICMS tax amount
ICMS-ST Tax Base Amount	The ICMS-ST tax base amount
ICMS-ST Tax Amount	The ICMS-ST tax amount
Item Total Amount	The item total amount
Freight Carrier Expense Amount	The freight carrier expense amount
Insurance Expense Amount	The insurance expense amount
Other Expense Amount	The amount of any other expenses
IPI Tax Total Amount	The IPI tax total amount
Invoice Total Amount	The total invoice amount

FREIGHT CARRIER / SHIPPED ITEMS

This table shows the column headings.

In this column…	Oracle Receivables prints…
Freight Carrier Name	The freight carrier name
Freight Responsibility	1 - Seller or 2 - Buyer
License Plate	The freight carrier's license plate
Inscription Number	The freight inscription number
Address	The freight carrier's address
City	The city of the freight carrier's address

In this column…	Oracle Receivables prints…
State	The state of the freight carrier's address
State Inscription Number	The freight state inscription number
Volume Quantity	The volume quantity
Volume Type	The volume type
Brand	The brand
Volume Number	The volume number
Total Gross Weight	The total gross weight
Total Net Weight	The total net weight

ADDITIONAL DATA

This table shows the column headings.

In this column…	Oracle Receivables prints…
Complementary Information	Any complementary information. If the invoice is canceled, then *Void* is printed.
Fiscal Classification Codes	Fiscal classification codes with the corresponding invoice line number

RECEIPT

This table shows the column headings.

In this column…	Oracle Receivables prints…
Transaction Number	The transaction number

Related Topics

Using Standard Request Submission,

Brazilian Receivables Customer Interface Error Report

The Customer Interface Error report contains customer information invalidated by the Customer Interface program. Use this report to update invalid customer information in the Customers window.

Use the Standard Request Submission windows to submit the Customer Interface Error report.

Related Topics

Using Standard Request Submission,

Brazilian Receivables Customer Account Detail Report

Use the Brazilian Receivables Customer Account Detail report to review customer accounts for interest and bank transfer activity. For each customer listed in the report, Oracle Receivables prints all open transactions and total balance due in the ledger currency.

Use the Standard Request Submission windows to submit the Brazilian Receivables Customer Account Detail report.

Report Parameters

Invoice Number From

Enter the first invoice number for the report.

Invoice Number To

Enter the last invoice number for the report.

Customer Number From

Enter the first customer number for the report.

Customer Number To

Enter the last customer number for the report.

Customer Name From

Enter the first customer name for the report.

Customer Name To

Enter the last customer name for the report.

Report Headings

This table shows the report headings.

In this heading…	Oracle Receivables prints…
Customer Name	The customer name

In this heading…	Oracle Receivables prints…
Customer Number	The customer number

Column Headings

This table shows the column headings.

In this column…	Oracle Receivables prints…
Transaction Number	The invoice number for each transaction in the report
Transaction Status	The status of each transaction
Transaction Date	The transaction date for invoice, debit memo, credit memo
Transaction Due Date	The due date for each transaction
Transaction Days Late	Number of days past due, or the number of days until the due date
Original Amount	The original amount of each transaction
Interest Due	The calculated interest amount for each transaction
Balance Due	The amount due for each transaction
Transaction Type	The transaction type
Transaction Class	The transaction class of the transaction
Bank Transfer Batch Number	The number for the bank transfer remittance batch when the transaction was selected
Selection Number	The number when the bank transfer batch was selected
Bearer of Trade Note	The invoice bearer of trade note

In this column…	Oracle Receivables prints…
Document Status	The document status
Total Balance Due	The balance due sum for the selected transactions
Total Interest Due	The interest calculation for each transaction

Related Topics

Using Standard Request Submission,

Brazilian Receivables Collection Remittance Batch Report

Use the Brazilian Receivables Collection Remittance Batch report to submit formatted collection document information to remittance banks. This report is a listing of collection documents administered by the remittance bank.

The output for the Brazilian Receivables Collection Remittance Batch report is either a paper report or an electronic file in standard CNAB format. The Brazilian Receivables Collection Remittance Batch electronic file contains three records: Header Record, Transaction Record, and Trailer Record.

For more information about file content, see Brazilian Receivables Collection Remittance Batch File Content.

Run the Brazilian Receivables Collection Remittance Batch report from the Format Remittance Batches window. For instructions about using this window, see Formatting Remittance Batches, page 4-74.

Report Parameters

The Brazilian Receivables Collection Remittance Batch report is automatically submitted from the Format Remittance Batches window as a concurrent request. There are no parameters to enter.

The Output Media field indicates whether the output is a paper report (*Report*) or an electronic file (*File*).

Report Headings

This table shows the report headings.

In this heading…	Oracle Receivables prints…
Bank Number	The remittance bank number
Bank Name	The bank name
Branch Number	The bank branch number
Branch Name	The branch name
Account Number	The company account number at the bank
Company Code	The bank's company ID
Company Name	The company name
Selection Number	The selection number assigned to the bank transfer remittance batch
Selection Name	The selection name assigned to this remittance batch
Generation Date	The generation date for the bank transfer remittance batch
Remittance Date	The remittance date for the bank transfer remittance batch
Batch Sequence Number	The sequential batch number for the bank transfer remittance batch

Column Headings

This table shows the column headings.

In this column…	Oracle Receivables prints…
Your Number	The trade note number for the collection document
Drawee Name	The customer name

In this column…	Oracle Receivables prints…
Drawee Inscription Number	The inscription number of the customer site
Drawee Address	The customer site address
District	The district of the customer site address
City	The city of the customer site address
State	The state of the customer site address
Postal Code	The postal code for the customer site address
Company Inscription Number	Your company's inscription number
Portfolio Number	The portfolio number
Company Use	The collection document number
Collection Document Type	The collection document type
Due Date	The collection document due date
Amount	The amount of the collection document
Issue Date	The transaction date for the transaction associated with the collection document
Interest Per Day	The interest amount per day
Discount Date	The discount date on the collection document
Discount Amount	The discount amount
Bank Instruction 1	The first bank instruction code and its description
Bank Instruction 2	The second bank instruction code and its description

In this column…	Oracle Receivables prints…
Bank Transfer Batch Total	The total document amount for all collection documents listed in the report
Number of Documents	The number of documents listed in the report
Bank Transfer Batch Total	The total document amount for all collection documents listed in the report

Brazilian Receivables Occurrences Remittance Batch Report

Use the Brazilian Receivables Occurrences Remittance Batch report to submit formatted occurrence information to banks. The report is a listing of occurrences that contain updates to collection documents.

The output for the Brazilian Receivables Occurrences Remittance Batch report is either a paper report or an electronic file in standard CNAB format. The Brazilian Receivables Occurrences Remittance Batch electronic file contains three records: Header Record, Transaction Record, and Trailer Record.

For more information about file content, see Brazilian Receivables Occurrences Remittance Batch File Content.

Run the Brazilian Receivables Occurrences Remittance Batch report from the Format Remittance Batches window. For instructions about using this window, see Formatting Remittance Batches, page 4-74.

Report Parameters

The Brazilian Receivables Occurrences Remittance Batch report is automatically submitted from the Format Remittance Batches window as a concurrent request. There are no parameters to enter.

The Output Media field indicates whether the output is a paper report (*Report*) or an electronic file (*File*).

Report Headings

This table shows the report headings.

In this heading…	Oracle Receivables prints…
Company Code	The bank's company ID

In this heading…	Oracle Receivables prints…
Company Name	The company name
Bank Number	The bank number
Bank Name	The bank name

Column Headings

This table shows the column headings.

In this column…	Oracle Receivables prints…
Your Number	The trade note number for the collection document associated with the occurrence
Bank Occurrence Code	The bank occurrence code
Description	Bank occurrence code description
Company Use	The collection document number
Our Number	The collection document bank ID
Portfolio Number	The collection document portfolio number
Due Date	The occurrence due date
Issue Date	The transaction date of the transaction associated with the occurrence
Trade Note Amount	The face amount or nominal value of the trade note
Drawee Name	The customer name of the collection document associated with the occurrence
Interest Per Day	The interest amount per day
Interest Date	The beginning interest date

In this column…	Oracle Receivables prints…
Discount Date	The discount date of the collection document associated with the occurrence
Discount Amount	The discount amount
Abatement Amount	The abatement amount of the collection document associated with the occurrence
Days to Protest/Write-Off	The number of days to protest or write off

Brazilian Receivables Factoring Remittance Batch Report

Use the Brazilian Receivables Factoring Remittance Batch report to submit formatted factoring remittance information to remittance banks. This report is a listing of collection documents traded to a remittance bank.

The output for the Brazilian Receivables Factoring Remittance Batch report is either a paper report or an electronic file in standard CNAB format. The Brazilian Receivables Factoring Remittance Batch electronic file contains three records: Header Record, Transaction Record, and Trailer Record.

Run the Brazilian Receivables Factoring Remittance Batch report from the Format Remittance Batches window. For instructions about using this window, see Formatting Remittance Batches, page 4-74.

Report Parameters

The Brazilian Receivables Factoring Remittance Batch report is automatically submitted from the Format Remittance Batches window as a concurrent request. There are no parameters to enter.

The Output Media field indicates whether the output is a paper report (*Report*) or an electronic file (*File*).

Report Headings

This table shows the report headings.

In this heading…	Oracle Receivables prints…
Bank Number	The remittance bank number
Bank Name	The bank name

In this heading…	Oracle Receivables prints…
Branch Number	The bank branch number
Branch Name	The branch name
Account Number	The bank account number
Company Code	The bank's company ID
Company Name	The company name
Selection Number	The selection number assigned to this remittance batch
Selection Name	The selection name assigned to this remittance batch
Generation Date	The generation date of the bank transfer remittance batch
Remittance Date	The remittance date of the bank transfer remittance batch
Batch Sequence Number	The sequential batch number of the bank transfer remittance batch

Column Headings

This table shows the column headings.

In this column…	Oracle Receivables prints…
Your Number	The trade note number
Drawee Name	The name of the customer
Drawee Inscription Number	The customer site inscription number
Drawee Address	The customer site address
District	The district of the customer site address

In this column…	Oracle Receivables prints…
City	The city of the customer site address
State	The state of the customer site address
Postal Code	The postal code of the customer site address
Company Inscription Number	Your company's inscription number
Company Use	The collection document
Collection Document Type	The collection document type
Due Date	The collection document due date
Amount	The amount of the collection document
Issue Date	The transaction date of the transaction associated with the collection document
Factoring Rate	The factoring rate
Factoring Period	The factoring period
Factoring Date	The factoring date
Factoring Amount	The factoring amount
In this column…	Oracle Receivables prints…
Credit Amount	The credit amount. The credit amount is the document amount less the factoring amount.
Number of Documents	The count of documents listed in the report
Bank Transfer Batch Totals	The three totals of document amount, factoring amount, and credit amount of all collection documents listed in the report

Brazilian Receivables Bank Return Import Report

The Brazilian Receivables Bank Return Import report is an error report that lists bank

return occurrences that were rejected by the validation process in the Import Bank Return program. The Import Bank Return program validates return occurrences in the electronic file received from the remittance bank.

Use the Standard Request Submission windows to submit the Brazilian Receivables Bank Return Import report.

Report Parameters

File Control

Enter the assigned batch ID number for the batch received from the remittance bank.

Report Headings

This table shows the report headings.

In this heading…	Oracle Receivables prints…
File Control	The assigned batch ID number for the batch received from the remittance bank

Column Headings

This table shows the column headings.

In this column…	Oracle Receivables prints…
Sequential Number	The invalid occurrence sequential number in the bank return's file
Bank Number	The bank number
Your Number	The document number of the collection document associated with the invalid occurrence
Bank Occurrence Code	The bank occurrence code of the invalid occurrence
Occurrence Date	The occurrence date of the invalid occurrence
Generation Date	The generation date of the invalid occurrence

In this column…	Oracle Receivables prints…
Trade Note Amount	The document amount of the collection document associated with the invalid occurrence
Due Date	The due date of the collection document associated with the invalid occurrence
Processing Date	The processing date of the invalid occurrence
Error Description	The error description of the invalid occurrence

Related Topics

Using Standard Request Submission,

Brazilian Receivables Post Bank Return Report

The Brazilian Receivables Post Bank Return report summarizes the receipts, adjustments, interest, monetary corrections, and discounts for receipts for return occurrences in the bank return file. The records are validated by the Import Bank Return program. The report also includes the number of occurrences for each bank and each bank occurrence code within a bank in the bank return batch.

Run the Brazilian Receivables Post Bank Return report and the Brazilian Receivables Post Bank Return program from the Post Bank Returns window. For instructions about the Post Bank Returns window, see Posting Bank Returns, page 4-81.

Report Headings

This table shows the report headings.

In this heading…	Oracle Receivables prints…
Batch Source Name	The ID name for the batch source holding accounting information associated with the payment batch
Batch Name	The payment batch name
Batch Date	The payment batch date

In this heading…	Oracle Receivables prints…
Bank Name	The name of the bank that sent the bank remittance batch
Deposit Date	The deposit date for the payment batch
Currency Code	The currency code
Period	The General Ledger period
GL Date	The accounting date for the payment batch
Comments	Description of the received batch

Column Headings

This table shows the column headings.

In this column…	Oracle Receivables prints…
Number of Receipts	The receipt count of the items in the bank return batch
Total Receipts Amount	The total receipts amount of the bank return batch
Number of Abatements	The number of abatements in the bank return batch
Calculated Abatements Total	The calculated total amount of abatements
Received Abatements Total	The total amount of abatements received
Abatements Adjustments Total	The total amount of adjustments created for abatements
Number of Interest	The number of interest in the bank return batch
Calculated Interest Total	The calculated total amount of interest

In this column…	Oracle Receivables prints…
Received Interest Total	The total interest amount received
Interests Adjustments Total	The total amount of adjustment created for interest
Interest Debit Memos Total	The total amount of interest debit memos created
Number of Discounts	The number of discounts in the bank return batch
Calculated Discounts Total	The calculated total amount of discounts
Received Discounts Total	The total amount of discounts received
Bank Number	The bank numbers of each bank associated with return occurrences
Bank Occurrence Code	The bank occurrence codes for the return occurrences
Description	A description of the bank occurrence codes
Total Occurrences	The count of occurrences for each bank and each bank occurrence code within a bank in the bank return batch

Brazilian Receivables Bank Collection GL Interface Report

The Brazilian Receivables Bank Collection GL Interface report summarizes the journal entries generated by the Bank Transfer function.

Run the Brazilian Receivables Bank Collection GL Interface report from the General Ledger Interface window.

Report Headings

This table shows the report headings.

In this heading…	Oracle Receivables prints…
Posting Control ID	The ID for this posting
Start Date	The report start date
End Date	The report end date
Period Name	The accounting period name

Column Headings

This table shows the column headings.

In this column…	Oracle Receivables prints…
Currency Code	The currency code for each currency in the posting table
Category	The accounting entry type for each currency code
Entered Debits	The entered debits for a currency and accounting entry type
Entered Credits	The entered credits for a currency and accounting entry type
Accounted Debits	The accounted debits for a currency and accounting entry type
Accounted Credits	The accounted credits for a currency and accounting entry type
Currency Totals	The totals for entered debits, entered credits, accounted debits, and accounted credits for each currency
Report Totals	The totals for entered debits, entered credits, accounted debits and accounted credits at report level

Brazilian Resolution 13 - Import Content Attributes

Overview

To comply with the Federal Senate Resolution 13/2012, and subsequent Agreement 38/2013, the following changes have been provided as part of Oracle Receivables for Brazil:

Enable new Item Origin codes

In addition to the three existing Item Origin codes (codes 0, 1 and 2), the following new codes are now seeded by Oracle:

- 3 - National, over 40% of imported content
- 4 - National, compliant with local production rules
- 5 - National, under 40% of imported content
- 6 - Foreign, acquired overboard
- 7 - Foreign, acquired in the domestic market

Introduce required Import Content related attributes by allowing users to:

- Associate default values to Inventory Items;
- Associate default values to Item Templates;
- Enter and Update the Import Content at Transaction Line level (defaulted from inventory item);

The Import Content related attributes provided for Inventory Items are:

- Import Content
- Import Content Form Number
- Foreign Portion Value
- Interstate Outbound Total Value

The Import Content related attributes provided at transaction Line level are:

- Import Content
- Import Content Form Number

Setup

Inventory Items

You can define default values for the following Global Attributes available at Organization Items level:

- Item Origin
- Import Content
- Import Content Form Number
- Foreign Portion Value
- Interstate Outbound Total Value

Item Templates

The same set of Global Attributes is enabled for Item Templates.

Transactions Entry

Item Origin

Item Origin, including the new seeded codes, can continue to be manually entered at the following transactional levels:

- Order Entry line
- Memo line
- Transaction line

It can also be imported or automatically created via the following process flows:

- Autoinvoice
- Copy Invoice
- Create Invoice API

Import Content Related Attributes

The following attributes were introduced in different transactional process flows, as described below:

- Import Content
- Import Content Form Number

Note: Please refer to the Appendix C1 Brazil Import -- Process Flows vs. Defaulting Logic of Attributes, for details on how the attributes get defaulted when entering, importing or copying transactions.

Manual Entry

Transactions Workbench

Navigate to the Transactions Workbench form. Within the Lines region, select the Electronic Invoice Lines Attributes window from the Special Menu.

The window was modified and now has two tabs:

- Industry Specific
- Import Content

Access the Import Content tab to view, enter or update the Import Content related attributes.

Note: The Electronic Invoice Line Attributes window can also be accessed directly from the Localizations menu, through the following navigation path:

Brazilian Localization > Electronic Invoice > Electronic Invoice Line Attributes

Autoinvoice

Accounts Receivables Open Interface

To import the Import Content related attributes at transaction line level, users must populate the newly added fields in JL_BR_INTERFACE_LINES_EXTS.

Please refer to Appendix C1 - Brazil Import - Data Model Changes and Importing Additional Attributes for details.

Copy Transactions

This process utilizes the Open Interface infrastructure which uses the JL_BR_INTERFACE_LINES_EXTS extension table; the two new attributes reside in this table. The new line level attributes and respective values are copied from the source transaction to target transaction.

Create Invoice API

This process utilizes the Open Interface infrastructure which in turn uses the JL_BR_INV_API_TRX_LINES_T temporary extension table; the two new attributes have been added to this table. Once the invoice is successfully created by the Create Invoice API, these two new attributes would reside in the JL_BR_INTERFACE_LINES_EXT

table.

Please refer to Appendix C1 - Brazil Import - Data Model Changes and Importing Additional Attributes for details.

> **Note:** When importing invoice information from Legacy Systems, you must load the Industry Specific and the Import Content related attributes into the extension table JL_BR_INTERFACE_LINES_EXTS and populate the link column JL_BR_INTERFACE_LINK_ID with the ROWID from RA_INTERFACE_LINES_ALL.
>
> Please refer to Appendix C1 - Brazil Import - Data Model Changes and Importing Additional Attributes for more information about the import process and respective data model changes introduced by this project.

Brazilian CFOP - Derivation and Defaulting

Overview

The CFOP (Fiscal Code of Operations and Services) code is a 4-digit code defined by the National Tributary System in Brazil. CFOP contains information on the good's origin as well as the type of operation, such as sales, returns, stock transfers, or services.

In Brazil, all commercial transactions and movement of goods are documented using invoices, known as Nota Fiscal. Today Nota Fiscal is issued and received electronically as part of a major Government project called SPED (Public System of Digital Bookkeeping).

As part of the Fiscal SPED and NF-e (electronic invoice), any transactions related to Purchase, Sales and Transfer of Goods or Services are codified through the CFOP. This code is reported in each line of the NF-e.

SEFAZ, the State Tax Administrator, validates and approves the NF-e and Fiscal Reports.

If the CFOP code is wrong, the NF-e is not approved by SEFAZ. Issuer must correct the code and issue a new Fiscal Document. This coding system is used by the Fiscal Authority to consolidate and group the economic activity of the contributors.

CFOP code indicates:

- The operation nature of the movement of goods;
- Transportation services operations between Municipalities and States;
- Communication services;
- Different tributary situation for a region or for a specific product or service, within a State.

Note: Oracle Brazilian Receivables was modified to enhance the automatic derivation and defaulting of CFOP codes from setup onto Receivables transaction lines.

For more information on Brazil CFOP, see *Defaulting Order of Precedence vs. Combination of Driver Attributes* Appendix C - Brazil.

Setup

The proposed solution can co-exist with the existing solution and introduces practically no impacts to Brazilian Receivables users; Receivables users can actually keep the Operation Fiscal Codes (CFOP) already defined in the Operation Fiscal Codes window as well as the association of those Operation Fiscal codes at Transaction Type level and Transaction Line level (both under the Additional Information Global Descriptive Flexfield window).

If users opt to have a more comprehensive and precise derivation and defaulting logic for CFOP codes, they can make use of the new and enhanced solution by following the setup steps below:

Main Setup Steps

- Define CFOP Codes in the Operation Fiscal Codes window - (Existing or Required Step)
- Assign a default CFOP Code to a Transaction Type - (Existing or Optional Step)
- Define CFOP-Tributary Substitution Applicability Setup – (New or Recommended Step)
- Define CFOP Derivation Setup by associating CFOP Codes to different combination of derivation drivers - (New or Recommended Step)

Existing Setup Steps

Define Operation Fiscal Codes (CFOP Codes)

CFOP codes must continue to be defined in the Operation Fiscal Codes window, irrespective of new or existing implementation.

Navigation Path: Brazilian Payables > Localizations > Setup > Operation Fiscal Codes

Assign CFOP Code to Transaction Type

This is the former defaulting association mechanism. It can still be used without any changes.

Navigation Path: Brazilian Receivables > Setup > Transactions > Transaction Types

Note: The association of CFOP codes to Transaction Types is the last

one in the order of precedence for defaulting purposes. When user defines new CFOP Derivation setup, the defaulting logic attempts to default a specific CFOP code from that setup first. If no entries are found, then it defaults the CFOP Code associated to the respective Transaction Type.

New Setup Steps

CFOP/Tributary Substitution Applicability Setup

For a given combination of states Ship-from and Ship-to, users can indicate the applicability of CFOP codes under the Tributary Substitution regime at Product Fiscal Classification level or even at specific Inventory Item level.

Navigation Path: Brazilian Receivables > Localizations > Brazilian Localization > Setup > CFOP-Tributary Substitution Applicability Setup

Logic Summary:

- Any combination of state codes is allowed, as long as the combination is unique for a given combination of Product Fiscal Classification or Item.
    - Repetitive combinations can occur as long as effective dates do not overlap.
- Most fields are mandatory, except Item and Effective Date To

CFOP Derivation Setup

Setup CFOP Derivation rules by associating specific CFOP codes to different combination of derivation drivers.

For a given combination of Operation Type (for example, Entry, Exit) and Operation Destination (for example, Intrastate, Interstate or Foreign), users can setup a wide variety of derivation attributes (for example, drivers) that can map to the desired transactional situation and lead to the proper defaulting of CFOP code.

Navigation Path: Brazilian Receivables > Localizations > Brazilian Localization > Setup > CFOP Derivation Setup

Logic Summary:

User can associate up to 3 CFOP Codes (CFOP standard code, CFOP Tributary Substitution code and CFOP Free Trade Zone code) to each combination of attributes.

- The derivation attributes (i.e. drivers) are organized as follows:
    - Transaction related (Transaction Type, Transaction Business Category)
    - Product related (Item Origin, Product Fiscal Classification, Item)
    - Service related (Item Origin, Product Category, Memo Line)

    - Customer Location related (Customer Ship to Site)

- User can associate up to 3 CFOP Codes (CFOP standard code, CFOP Tributary Substitution code and CFOP Free Trade Zone code) to each combination of attributes.
- All driver fields, except Transaction Type, are optional;
- Product Fiscal Classification and Product Category (i.e. Service Classification) are optional, but they are mutually exclusive;
- Item and Memo Line are optional, but they are mutually exclusive;
- An Item cannot be entered without entering its Product Fiscal Classification;
- A Memo Line cannot be entered without entering its Product Category (ie. Product Category is the terminology used to represent Service Classification);
- The CFOP code fields are optional, but at least one CFOP code must be entered per row;
- The form will display a warning message in case the 1st digit of the selected CFOP Code is not consistent with the Operation Type and Operation Destination combination defined in the header level of the form. For instance:

Operation Type	Operation Destination	1st Digit of CFOP Code
ENTRY	INTRASTATE	1
ENTRY	INTRASTATE	2
ENTRY	FOREIGN	3
EXIT	INTRASTATE	4
EXIT	INTRASTATE	5
EXIT	FOREIGN	6

Transaction Entry

Transactions such as Sales Invoices (NF), Complementary Invoices and Sales Return Invoices require the CFOP code at line level. Credit Memo and Adjustments are financial instruments and do not require CFOP codes.

The CFOP Derivation and Defaulting routine must be invoked for the following types of Receivables transactions or processes:

- Manual Transactions
- Autoinvoice
- Create Invoice API

The CFOP Derivation and Defaulting routine must be invoked for the following types of Receivables transactions line types:

- Item Lines
- Service lines (for example, from Memo lines)

Manual Entry

Transactions Workbench

The (CFOP) Operation Fiscal Code defaults onto transaction line level according to the setup performed by the user, from the higher number to the lesser number of attributes, being the Transaction Type the last attribute.

> **Important:** The defaulting routine is only invoked upon saving the transaction line. Any value already populated (by the user or defaulting routine) will not be overwritten automatically. To re-default the CFOP code, you must clear the Operation Fiscal Code field, press OK and save the record.

> **Note:** If no Operation Fiscal Code (CFOP) is defaulted, you can still enter it manually by selecting the code from the list of values, which is based on the codes defined in the Operation Fiscal Codes window.

Autoinvoice (Accounts Receivables Open Interface)

To import the Operation Fiscal Code attribute at transaction line level, users need to populate the LINE_GDF_ATTRIBUTE1 column in RA_INTERFACE_LINES table.

Additionally, SQL*Loader program can be used to upload data into the RA_INTERFACE_LINES_ALL interface table.

Copy Transactions

This process makes use of the Open Interface infrastructure. The (CFOP) Operation Fiscal Code line level attribute will be copied from the source transaction to target transaction.

Create Invoice API

Similar to the Auto Invoice process, Receivables provides the Create Invoice API scripts which can be executed by users. In this case, user needs to populate the PL/SQL header and Lines table for capturing data related to Invoice header and lines.

Oracle Order Management

Entering Order Management Information

In Brazil, you must enter additional information for your sales orders, such as the operation fiscal code, accessory expenses, fiscal classification code, and transaction condition class. You must also enter additional volume information for your deliveries.

After you enter your order information, the Invoicing workflow activity transfers shipped item information to Oracle Receivables. When the Invoicing workflow activity is finished, you can submit AutoInvoice from Oracle Receivables to import invoice and credit data into Oracle Receivables, which processes the invoices and accounts for revenue.

Related Topics

Invoicing Activity, *Oracle Order Management User Guide*

Entering Sales Order Information

Use the globalization flexfield in the Order Organizer window to enter or view additional information about your sales orders and returns.

To enter additional sales order information for a new order:

1. Navigate to the Order Organizer window.

   The Find Orders window appears.

2. In the Find Orders window, press the New Order button.

   The Sales Orders window appears.

3. In the Sales Orders window, enter your new order information.

4. Navigate to the Line Items alternate name region.

5. Navigate to the Shipping alternate name region

6. In the Warehouse field, enter a warehouse name.

Note: If you selected *Latin Tax Handling* as your tax method in the System Options window, this field is mandatory and tax is calculated based on the warehouse that you enter for the order line.

7. Navigate to the Others alternate name region and move your cursor to the Project Number field.

8. From the Special menu, choose Folders > Show Field.

9. From the list of values, choose ( ) and press OK.

   The Additional Information for Brazil flexfield appears. You can enter or view additional information for your selected item, such as the operation fiscal code, expenses for freight and insurance, and the fiscal classification code and transaction condition class.

10. Press the OK button.

To enter additional sales order information for a previously entered order:

1. Navigate to the Order Organizer window.

   The Find Orders window appears.

2. In the Find Orders window, enter an order or order lines to query, or leave the fields blank for all.

3. Press the Find button.

   The Order Organizer window appears.

4. Select an order and press the Open Order button.

   The Sales Orders window appears.

5. Navigate to the Line Items alternate name region.

6. Navigate to the Shipping alternate name region

7. In the Warehouse field, enter a warehouse name.

   Note: If you selected *Latin Tax Handling* as your tax method in the System Options window, this field is mandatory and tax is calculated based on the warehouse that you enter for the order line.

8. Navigate to the Others alternate name region and move your cursor to the Project Number field.

9. From the Special menu, choose Folders > Show Field.

10. From the list of values, choose ( ) and press OK.

    The Additional Information for Brazil flexfield appears. You can enter or view additional information for your selected item, such as the operation fiscal code, expenses for freight and insurance, and the fiscal classification code and transaction condition class.

11. Press the OK button.

Related Topics

Overview of Order Organizer, *Oracle Order Management User Guide*

Entering Delivery Information

Use the globalization flexfield in the Delivery window to enter information about the volume of delivered items.

You can choose to create your delivery first and then add delivery lines to your delivery or you can automatically create deliveries for delivery lines that are not yet assigned to a delivery. You can also choose to automatically create a delivery at pick release by checking the Autocreate Deliveries check box in the Shipping Parameters window.

To enter the volume of delivered items:

1. Navigate to the Shipping Transactions window.

2. In the Navigator Tree window, select Data Entry > Delivery Data Entry.

   The Delivery window appears.

3. Enter information for a new delivery, or query an existing delivery.

4. Navigate to the globalization flexfield.

   The Additional Information for Brazil flexfield appears.

5. Enter volume information for the delivery in the Volume Type, Volume Number, and Volume Quantity fields. This information is printed on the invoice after the Invoicing workflow activity transfers shipping information to Receivables.

6. Press the OK button.

7. Save your work.

Related Topics

Creating a Delivery, *Oracle Shipping Execution User Guide*

Marking Tax Categories

Use the Latin Tax Groups window to mark tax categories that you want Oracle Order Management to consider for tax calculations.

To mark tax categories for Order Management consideration:

1. Navigate to the Latin Tax Groups window.
2. In the Tax Group field, query a tax group.
3. Navigate to the Tax Group Details region.
4. Select a tax category that you want Oracle Order Management to consider for tax calculations.
5. Check the Calculate in OM check box.
6. Save your work.

5

Chile

Oracle General Ledger

Inflation Adjustment Overview

In Chile, companies must adjust non-monetary accounts for inflation and report the inflation-adjusted balances to the government. Oracle General Ledger for Chile provides three methods for you to adjust your accounts for inflation: adjusting balances based on a price index, revaluing balances based on a direct foreign exchange rate, and revaluing balances based on a foreign exchange rate using a stable currency. Each of these three methods satisfies a different set of business requirements.

When you adjust your non-monetary accounts at the end of the month, choose the method that meets your requirements according to your ledger currency, the currency that the transactions are entered in, your industry, and the type of account that you want to adjust.

For more information, see Adjusting Balances Based on a Price Index, page 5-2 and Revaluing Balances Based on a Foreign Exchange Rate, page 5-7.

Choosing an Inflation Adjustment Method

Follow these steps to choose an inflation adjustment method and the path you might take to choose an inflation adjustment method for each account.

1. Determine if this account is non-monetary. If the account is non-monetary, you do need not perform inflation adjustment.

2. Determine if the ledger currency is Chilean pesos. If the ledger currency is not Chilean pesos, you must revalue the balance at the end of the month based on the direct foreign exchange rate.

3. Find out if the transactions are entered in Chilean pesos. If transactions are not entered in Chilean pesos, adjust the account at the end of the month using the price

index inflation adjustment method.

4. Determine if the company is in the banking or insurance industry. Otherwise, the account balance must be revalued at the end of the month based on the foreign direct exchange rate.

5. Determine if the account is classified as a revenue or expense account and revalue the account balance at the end of the month based on the foreign exchange rate using a stable currency. Otherwise, revalue the account balance at the end of the month based on the foreign direct exchange.

Adjusting Balances Based on a Price Index

Oracle General Ledger for Chile provides a method for you to adjust your non-monetary accounts for inflation based on a price index. The price index values are used to calculate the correction factor that represents the inflation rate. Oracle General Ledger multiplies the historical balances by the correction factor to find the adjusted balances. You can use this method when your ledger currency and the currency that you enter your transactions in are both your local currency.

Prerequisites

The Chilean government only requires companies to report inflation-adjusted balances; you do not need to report historical balances. You can satisfy Chilean reporting requirements by keeping your transactions in a single ledger that you adjust for inflation. Follow the prerequisite steps for the adjusted-only option described in the *Common Country Features* topics in this guide.

Defining Inflation Ratio Precision

In Chile, companies are legally required to calculate inflation rates with a precision of three decimal positions. To meet this requirement, you must define the JL: Inflation Ratio Precision profile option in the System Profile Values window of the System Administrator responsibility before you use the price index inflation adjustment method for Chile. Assign this profile option a value of *3*.

Using Inflation Adjustment Based on a Price Index

Example for adjusting balances based on a price index

This example shows how inflation rates and adjustment amounts are calculated to adjust account balances based on a price index. Assume that the ledger currency for this company's ledger is Chilean pesos and that the account balances are composed of amounts entered in Chilean pesos. Assume also that the year end for the company is December 31, 2000.

This table shows price index values for this example:

Period	Price Index Value
Nov	100
Dec	101.1
Jan	102.5
Feb	103.4
Mar	106

The correction factors for the inflation rates are calculated with a precision of three decimal positions. The calculations are based on this formula:

Correction Factor = (Index Value for Month Before Last Month of Period Range / Index Value for Month Before First Month of Period Range) - 1

This table shows correction factors for this example:

Period Range	Correction Factor (Inflation Rate)
Dec-Apr	0.060
Jan-Apr	0.048
Feb-Apr	0.034
Mar-Apr	0.025

Assume that the Period To Date (PTD) and To Date (TD) balances of the Goodwill account are as shown in this table for the periods December 2000 through March 2001:

Balances	Dec	Jan	Feb	Mar
PTD	-	20,000	30,000	40,000
TD	10,000	30,000	60,000	100,000

Note: The balances do not include the balance at the beginning of the

period; they only include activity within the period. You can calculate the PTD balance for a period by subtracting the balance at the beginning of the period from the balance at the end of the period.

The inflation adjustment amount for the periods January through April is calculated as follows:

April Adjustment = (Previous Year Ending Balance * Dec-Apr Correction Factor) + (Jan PTD Balance * Jan-Apr Correction Factor) + (Feb PTD Balance * Feb-Apr Correction Factor) + (Mar PTD Balance * Mar-Apr Correction Factor)

April Adjustment = (10,000 * 0.060) + (20,000 * 0.048) + (30,000 * 0.034) + (40,000 * 0.025)

April Adjustment = 3,580

This table shows the journal entry to adjust the Goodwill account for inflation:

Account	Debit	Credit
Goodwill	3,580	
R.E.I. Account		3,580

Using the Inflation Adjustment Date

The Inflation Adjustment Date (Fecha Valor) feature lets you adjust a journal entry for a period that is before the effective date. For example, you can enter a journal entry for June and adjust the journal entry for a period that starts in January.

Note: If you enter an inflation adjustment date that is after the journal entry effective date, Oracle General Ledger does not use that inflation adjustment date. Instead, the inflation adjustment is calculated based on the journal entry effective date.

To use the Inflation Adjustment Date feature, you must define the ledger where you will run the inflation adjustment process as an MRC primary ledger, even if you do not use the MRC feature in Oracle General Ledger. You can classify a ledger as primary in the Multiple Reporting Currencies tabbed region in the Ledger window.

Use the Change Currency window to enter the inflation adjustment date. You can navigate to the Change Currency window by pressing the Change Currency button in the Journals window. Enter the inflation adjustment date in the To Date field.

Oracle General Ledger only adjusts the lines with accounting flexfield combinations that fall within the account ranges you specified when you submitted the inflation adjustment process.

Using the inflation adjustment date with preliminary reporting

In Chile, you can use the Inflation Adjustment Date feature to help you calculate the correct inflation adjustments for different fiscal reporting periods. For example, although you do not record the final amounts for inflation adjustment until the end of the year, you might want to calculate preliminary inflation adjustments at the end of the quarter for reporting purposes.

In this case, you run the inflation adjustment process at the end of the quarter, creating journal entries that are effective on the last day of that quarter. With these preliminary adjustments, you can report on the inflation-adjusted balances of your accounts at the end of the quarter.

The preliminary adjustments must not remain on your books, however, because you calculate final inflation adjustments for the entire fiscal year at the end of the year. For this reason, you reverse the preliminary adjustment journal entries.

The effective date of the reversing journal entries is the first day of the next quarter, however. Since the preliminary journal entries and the reversing journal entries are effective in different periods, these journal entries will be adjusted for inflation for different periods, leaving a net difference on your books.

In order to completely eliminate the effects of the preliminary adjustments, you must set the inflation adjustment date for the reversing journal entries as the last day of the previous quarter, matching the effective date of the preliminary adjustments. In this way, you ensure that the preliminary journal entries and the reversing journal entries are adjusted for inflation for exactly the same periods, leaving no net effect on your books.

Example for using the inflation adjustment date

This example shows how journal entry lines are adjusted for inflation according to the inflation adjustment date. Assume that the ledger currency for this company's ledger is Chilean pesos (CLP) and that the journal entry is also entered in Chilean pesos.

This table shows price index values for this example.

Period	Price Index Value
Jan	120
Feb	150
Mar	170
Apr	190
May	205

Journal Entry #1 is effective on March 14. Assume that the current month is April. Only the Franchise Initial Fee account and the Capital account are within the specified account ranges. This table shows the journal entry:

Account	Debit	Credit
Franchise Initial Fee	100	
Cash	250	
Accounts Payable		50
Capital		300

Case 1 - Adjust Journal Entry #1 for inflation with the same effective and inflation adjustment dates. The inflation adjustment is calculated from the effective date.

Correction Factor = (Index Value for Month Before Last Month of Period Range / Index Value for Month Before First Month of Period Range) - 1

Correction Factor March - April = (170 / 150) - 1 = 0.133

This table shows the resulting journal entry:

Account	Debit	Credit
Franchise Initial Fee	13	
R.E.I. Account	27	
Capital		40

Case 2 - Adjust Journal Entry #1 for inflation with the inflation adjustment date set to February 10. The inflation adjustment is calculated from the inflation adjustment date.

Correction Factor February - April = (170 / 120) - 1 = 0.417

This table shows the resulting journal entry:

Accounts	Debit	Credit
Franchise Initial Fee	42	

Accounts	Debit	Credit
R.E.I. Account	84	
Capital		126

Related Topics

Entering Foreign Currency Journals, *Oracle General Ledger User Guide*

Revaluing Balances Based on a Foreign Exchange Rate

You can use the standard Oracle General Ledger revaluation feature to adjust specific accounts for unrealized foreign exchange gains and losses through inflation at the end of the month. Choose this method when either your ledger currency or the currency that you enter your transactions in is not Chilean pesos. For example, use this method when your transactions are entered in a foreign currency or in the Chilean Index currency (UF).

Oracle General Ledger revalues the account balances based on the exchange rate as of the end of the month. You can calculate the exchange rate directly from the foreign currency to your ledger currency, or you can calculate the exchange rate from the foreign currency to a stable currency and then from the stable currency to your ledger currency.

Related Topics

Revaluing Balances, *Oracle General Ledger User Guide*

Revaluing Balances Based on a Direct Foreign Exchange Rate

You can revalue your accounts to adjust them for inflation with a direct exchange rate if you are not legally required to calculate the exchange rate using a stable currency. The direct exchange rate is the default rate for Oracle General Ledger revaluation.

If you select the Single Currency option in the Revalue Balances window, Oracle General Ledger automatically displays the revaluation rate that you defined for the accounting period and currency that you choose. Accept this default rate to revalue your accounts based on the direct exchange rate.

If you select the All Currencies option, Oracle General Ledger uses the direct exchange rate as of the end of the period to revalue your accounts.

Example for revaluing balances based on a direct foreign exchange rate

This example shows how adjustment amounts are calculated to revalue balances based on a direct foreign exchange rate. Assume that the ledger currency for this company's

ledger is Chilean pesos and that the year end for the company is December 31, 2000.

This table provides, for this example, the exchange rate from USD to CLP at the end of each month from November 2000 through March 2001:

Period	Exchange Rate
Nov	450
Dec	500
Jan	510
Feb	515
Mar	520

Assume that the transactions for the fiscal year 2000 are as shown in this table:

Date	Amount in USD	Exchange Rate	Amount in CLP
06/15/00	50	400	20,000
10/20/00	30	450	13,500
12/24/00	20	480	9,600

The ending balance for FY 2000 is 100 USD or 43,100 CLP.

The adjusted ending balance in CLP for FY 2000 is calculated based on this formula:

*Ending Balance in USD * Year-End Exchange Rate*

For example, 100 * 500, or 50,000

The adjustment amount in CLP at the end of FY 2000 is calculated based on this formula:

Adjusted Ending Balance in CLP - Unadjusted Ending Balance in CLP

For example, 50,000 - 43,100, or 6,900

Assume that the transactions for the fiscal year 2001 are as shown in this table:

Date	Amount in USD	Exchange Rate	Amount in CLP
FY 2000 Ending Balance (Adjusted)	100		50,000
01/15/01	10	510	5,100
02/20/01	5	512	2,560
03/12/01	3	515	1,545

The ending balance for March 2001 is 118 USD or 59,205 CLP.

The adjusted ending balance in CLP for March 2000 is calculated according to this formula:

*Ending Balance in USD * Month-End Exchange Rate*

For example, 118 * 520, or 61,360

The adjustment amount in CLP for the period January - March 2001 is calculated according to this formula:

Adjusted Ending Balance in CLP - Unadjusted Ending Balance in CLP

For example, 61,360 - 59,205, or 2,155

Revaluing Balances Based on a Foreign Exchange Rate Using a Stable Currency

In Chile, the banking and insurance industries are legally required to revalue revenue and expense accounts based on an exchange rate calculated using a stable currency. You can use the Oracle General Ledger revaluation feature to meet this requirement by entering the exchange rate using a stable currency in the Revalue Balances window.

Select the Single Currency option in the Revalue Balances window. Oracle General Ledger automatically displays the revaluation rate that you defined for the accounting period and currency that you choose. This rate is the rate calculated directly from the foreign currency to your ledger currency. You must override the default exchange rate by entering the correct exchange rate using a stable currency.

To find the correct rate, you must first express the foreign currency in terms of the stable currency and then translate the stable currency into your ledger currency. For example, if you want to revalue balances in Canadian dollars (CAD) using US dollars (USD) as the stable currency and your ledger currency is Chilean pesos (CLP), use this formula to calculate the correct revaluation rate:

*Exchange Rate from CAD to CLP using USD as Stable Currency = (Exchange Rate from CAD to USD) * (Exchange Rate from USD to CLP)*

Example for revaluing balances based on a foreign exchange rate using a stable currency

This example shows how adjustment amount is calculated to revalue balances based on a foreign exchange rate using a stable currency. Assume that the ledger currency for this company's ledger is Chilean pesos and that the year end for the company is December 31.

Assume that the exchange rates on the given dates are as shown in this table:

Date	Exchange Rate from CAD to USD	Exchange Rate from USD to CLP	Exchange Rate from CAD to CLP
01/01	0.005263	380	2
01/31	0.0051282	400	2.052
02/01	0.005	400	2.06
02/28	0.006	420	2.55

Note: Due to rounding differences, the exchange rates from CAD to CLP may not be the same as the exchange rates from CAD to USD to CLP.

Assume that the transactions for the fiscal year are as shown in this table:

Date	Amount in CAD	Direct CAD-CLP Exchange Rate	Amount in CLP
01/01	600,000	2	1,200,000
02/01	10,000	2.06	20,600

The ending balance for February is 610,000 CAD or 1,220,600 CLP.

The adjusted ending balance in CLP for February is calculated according to this formula:

*Ending Balance in CAD * (CAD-USD Exchange Rate * USD-CLP Exchange Rate)*

For example, 610,000 * (0.006 * 420), or 1,537,200

The adjustment amount in CLP at the end of February is:

Adjusted Ending Balance in CLP - Unadjusted Ending Balance in CLP

For example, 1,537,200 - 1,220,600, or 316,600

Setup (Legal Journal Categories)

This section describes how to set up Oracle General Ledger for Chile for legal journal categories. Use this checklist to help you complete the appropriate steps in the correct order.

Step	Task
1	Enable Sequential Numbering, page 5-11
2	Define Document Sequences, page 5-11
3	Assign Document Sequences to Internal Journal Categories, page 5-13

Enable Sequential Numbering

Enable sequential numbering for your document sequences by entering *Always Used* or *Partially Used* for the Sequential Numbering profile option. Use the System Profile Values window in the System Administrator responsibility to assign a value to the Sequential Numbering profile option.

Related Topics

Overview of Setting User Profiles, *Oracle Applications System Administrator's Guide*

Define Document Sequences

Define a document sequence for each legal or standard journal category that you use. The document sequences determine how your journal entries are classified and numbered on the General Ledger Journal Entry report.

Use the Document Sequences window in the System Administrator responsibility to define document sequences. Oracle General Ledger prints the names of the document sequences on the legal reports exactly as you enter the names in the Document Sequences window. For this reason, you should enter the names exactly as you want them to appear on the report.

After you define document sequences, you can associate internal journal categories with the sequences to classify your journal entries into the legal or standard journal categories represented by the sequences.

Renewing sequence numbering

You can use the effective dates for a document sequence to choose how often to renew

your journal entry sequence numbering. Some common numbering schemes in Chile include:

- **Monthly numbering** - The sequences are renewed each month
- **Yearly numbering** - The sequences are renewed each year
- **Perpetual numbering** - The sequences continue indefinitely

To renew the numbering periodically for your legal or standard journal categories, define a separate document sequence for each category in each numbering period. Enter the first day of the numbering period as the effective from date for the sequence. Enter the last day of the numbering period as the effective to date for the sequence. You can then begin using a new sequence for the next period.

> **Note:** You might want to include the numbering period in the name of the document sequence to help you identify the sequence.

To use perpetual numbering, define one document sequence for each legal or standard journal category that you use. Enter the day when you start using the document sequence as the effective from date for the sequence. Leave the Effective To field blank to continue using the sequence indefinitely.

> **Note:** When you associate an internal journal category with a document sequence, the start date and end date that you enter for the sequence assignment should match the effective dates that you define for the document sequence.

Example for renewing sequence numbering

This table shows one example of how to set up document sequences for the legal journal category *Egreso* with monthly numbering.

Name	Effective From	Effective To
Egreso - JAN 99	01-JAN-99	31-JAN-99
Egreso - FEB 99	01- FEB -99	28-FEB-99
Egreso - MAR 99	01-MAR-99	31-MAR-99
Egreso - APR 99	01-APR-99	30-APR-99
Egreso - MAY 99	01-MAY-99	31-MAY-99

Name	Effective From	Effective To
Egreso - JUN 99	01-JUN-99	30-JUN-99
Egreso - JUL 99	01-JUL-99	31-JUL-99
Egreso - AUG 99	01-AUG-99	31-AUG-99
Egreso - SEP 99	01-SEP-99	30-SEP-99
Egreso - OCT 99	01-OCT-99	31-OCT-99
Egreso - NOV 99	01-NOV-99	30-NOV-99
Egreso - DEC 99	01-DEC-99	31-DEC-99

This table shows one example of how to set up document sequences for the legal journal category *Egreso* with yearly numbering.

Name	Effective From	Effective To
Egreso 1999	01-JAN-99	31-DEC-99
Egreso 2000	01-JAN-00	31-DEC-00
Egreso 2001	01-JAN-01	31-DEC-01

This table shows one example of how to set up a document sequence for the legal journal category *Egreso* with perpetual numbering.

Name	Effective From	Effective To
Egreso	01-JAN-00	Blank

Related Topics

Defining a Document Sequence, *Oracle Applications System Administrator's Guide*

Assign Document Sequences to Internal Journal Categories

You must assign one of the document sequences representing the legal or standard

journal categories to each of your internal journal categories. You can assign the same document sequence to several internal categories.

Use the Sequence Assignments window in the System Administrator responsibility to assign document sequences to internal journal categories. The start date and end date that you enter for the sequence assignment should match the effective dates that you defined for the document sequence.

The journal entries in each document sequence then appear in the corresponding legal or standard journal category on the Chilean General Ledger Daily Book report and Chilean General Ledger Journal Entries report.

> **Note:** Only journal entries for actual journals are numbered by the document sequences. Journal entries for encumbrance journals and budget journals are not included in the document sequences.

Related Topics

Assigning Document Sequences, *Oracle General Ledger User Guide*

Entering Journals

You can enter journals in the Enter Journals window in General Ledger, or you can import journals from a subledger with the Journal Import process. In either case, you can assign the journal one of these types:

- Actual
- Budget
- Encumbrance

If you select *Actual*, the transactions in the journal are included on the Chilean legal reports. If you select *Budget* or *Encumbrance*, the transactions are not included on the Chilean legal reports.

You can also select an internal journal category when you enter a journal. The internal journal category determines which legal or standard journal category the journal belongs to.

The legal and standard journal categories do not appear in the Enter Journals window or the Journal Entry Inquiry window. Only the internal journal categories appear in these windows. The Enter Journals window and the Journal Entry Inquiry window do, however, show the document sequence number for each journal entry, according to the document sequences you defined for your legal and standard journal categories.

The internal journal category, the legal or standard journal category as defined in the document sequence, and the document sequence number for each journal entry all appear on the Chilean General Ledger Daily Book report and Chilean General Ledger Journal Entries report. In this way, the reports provide a clear audit trail for your

journals.

Related Topics

Entering Journals, *Oracle General Ledger User Guide*

Defining a Cash Accounting Model

You can use the Chilean General Ledger Cash Ledger report to report monthly inflows and outflows for your cash accounts. To specify which accounts you use as cash accounts, you must define an accounting model for your cash accounts.

An accounting model lets you select individual General Ledger accounts as well as account ranges, group those accounts into a set, and give a name to that set. Use the Accounting Models window to define an accounting model.

After you define a set of accounts as a cash accounting model, you can use the accounting model to specify the accounts that should be included on the Chilean General Ledger Cash Ledger report.

Once an accounting model is defined for a particular group of accounts, you can reuse that accounting model whenever you want to report on that group of accounts.

For example, if you have 20 accounts numbered 1-20 and you want to report on accounts 5-7, 9, and 12-14, you could group those accounts together as an accounting model. You can now specify these accounts with the new name that you gave this group in the accounting model.

To define a cash accounting model:

1. Navigate to the Accounting Models window.
2. Enter the accounting model name in the Name field.
3. Enter the accounting model description in the Description field.
4. In the Account Ranges - From field, enter the low segment values for the range of accounts that you want to assign to this accounting model.
5. In the Account Ranges - To field, enter the high segment values for the range of accounts that you want to assign to this accounting model.

   Note: When you enter low and high segment values, you define the range you want for each segment separately from the other segments. The accounting model includes only those accounting flexfields whose segment values each fall within the range for that segment.

   For example, suppose you enter the low segment values 91-000-4000 and the high

segment values 92-000-5000. In this case, the accounting model includes only the accounting flexfields from 91-000-4000 through 91-000-5000 and from 92-000-4000 through 92-000-5000.

6. Repeat steps 4 and 5 for each range of accounts that you want to assign to this accounting model.

7. Save your work.

Chilean General Ledger Cash Ledger Report

Use the Chilean General Ledger Cash Ledger report (Libro de Caja y Banco) to show the activity for your cash accounts in a particular period. For each account, the Chilean General Ledger Cash Ledger report lists the cash inflows and outflows from the journal entries posted to the account during the period. The Chilean General Ledger Cash Ledger report also shows the beginning balance, total inflows and outflows, and ending balance for the account in the period.

Only actual journal entries appear on the Chilean General Ledger Cash Ledger report. The report sorts journal entries by currency, period, account number, and journal entry effective date. Oracle General Ledger prints a separate section for each entered currency in each account.

Use the Standard Request Submission windows to submit the Chilean General Ledger Cash Ledger report.

Prerequisites

Before you run the Chilean General Ledger Cash Ledger report, you must:

- Define an accounting model for your cash accounts. For more information, see Defining a Cash Accounting Model, page 5-15.

- Define your additional company information.

Report Parameters

Period From

Enter the earliest accounting period that you want to include on the report.

Period To

Enter the latest accounting period that you want to include on the report.

Account Model

Enter the name of the accounting model that you defined for your cash accounts.

Print Company Information

Enter *Yes* if you want to print company information in the headings of the report. Enter *No* if you do not want to print company information. The default for this parameter is *No*.

Report Headings

In this heading...	General Ledger prints...
Company Name	Your company name
Address	Your company address
Taxpayer ID	Your company taxpayer ID
Service Type	The service type
<Report Title>	Chilean Cash Ledger Report
Period From	The earliest period included on the report
Period To	The latest period included on the report
Model Name	The name of the accounting model that you defined for your accounts
Report Date	The date and time that you ran the report
Page	The current and total page numbers

Column Headings

In this column...	General Ledger prints...
Date	The journal entry effective date
Batch Name	The journal entry batch name
Journal Entry Name	The journal entry name

In this column...	General Ledger prints...
Line Description	A description of the journal entry line
Document Type	The document type of the source document for the journal entry
Document Number	The document number of the source document for the journal entry
Inflows	The cash inflow amount
Outflows	The cash outflow amount

Row Headings

In this row...	General Ledger prints...
Currency	The entered currency of the journal entries
Period	The period name
Account	The accounting flexfield and account description
Total for Account for Period	The total cash inflow and outflow amounts for the account
Beginning Balance	The beginning balance of the account
Period Total Inflows	The total cash inflow amount for the period
Period Total Outflows	The total cash outflow amount for the period
Ending Balance	The ending balance of the account

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Oracle Receivables

Chilean Receivables Sales Ledger Overview

In Chile, companies must report sales information on the Chilean Receivables Sales Ledger report (Libro de Ventas). The Chilean Receivables Sales Ledger report displays all the transactions associated with sales operations in a particular period, including invoices, debit notes, and credit notes.

You can use the Chilean Receivables Sales Ledger report in Oracle Receivables to meet these legal requirements:

- The report must include only transaction documents that belong to legal document classifications.
- The legal document classifications must appear in a specific order on the report.
- Within each classification, the documents must appear in a gapless sequence, even if some transactions are voided.
- The report must show the tax components for each transaction and identify the tax amounts as *VAT* or *Non VAT.*

Chilean legal document classifications include the following:

- **Boleta** - Boleta, a Chilean document similar to an invoice that shows the price and the total amount with tax included
- **Factura Nacional** - Domestic invoice
- **Factura Extranjera** - Foreign invoice
- **Nota de Debito** - Debit note
- **Nota de Credito** - Credit note

You can use Oracle Receivables to set up your document classifications for the Chilean Receivables Sales Ledger report. Oracle Receivables for Chile lets you classify your transaction documents according to the legal document classifications, determine the order in which the classifications appear on the Chilean Receivables Sales Ledger report, and ensure that the document sequences are gapless.

After you set up your document classifications and tax code identifiers, you can run the Chilean Receivables Sales Ledger report. For more information, see Chilean Receivables Sales Ledger Report, page 5-27.

Document Classification Overview

Oracle Receivables lets you set up document classifications to meet legal requirements for reporting your sales transactions on the Chilean Receivables Sales Ledger Report, page 5-27. You can associate transaction types with legal document classifications and use document sequencing to ensure gapless numbering within each classification.

To use document sequencing, you must create a document category for each of your transaction types. You then create a document sequence for each of the legal document classifications and assign each document category to one of the document sequences. In this way, you can associate your transactions with the appropriate document classifications for legal reporting purposes.

Oracle Receivables also lets you determine the order in which the document classifications appear on the Chilean Receivables Sales Ledger report. You can specify the order of the document classifications when you define your transaction types. For more information, see Define Transaction Types, page 5-22.

Example for document classification

This table shows an example of one way to set up the document classifications for sales transactions. Assume that a company needs to include the following legal document classifications on the Chilean Receivables Sales Ledger report, in this order:

1. Boleta
2. Factura Nacional
3. Factura Extranjera
4. Nota de Debito
5. Nota de Credito

The transactions within each legal document classification must be presented in a gapless sequence on the Chilean Receivables Sales Ledger report. This table shows the document category and document sequence each transaction type is associated with, and the order in which the document sequences appear on the Chilean Receivables Sales Ledger report. The table also lists the sequence numbers that Oracle Receivables assigns to transactions in each document sequence.

Transaction Number	Transaction Type	Document Sequence Order Value	Document Category	Document Sequence (Legal Document Classification)	Document Sequence Number
101	Boleta 1	1	Boleta 1	Boleta	1
102	Boleta 2	1	Boleta 2	Boleta	2
103	Factura Nacional - Services	2	Factura Nacional - Services	Factura Nacional	1
104	Factura Nacional - Goods - A	2	Factura Nacional - Goods - A	Factura Nacional	2
105	Factura Nacional - Goods - B	2	Factura Nacional - Goods - B	Factura Nacional	3
106	Factura Extranjera	3	Factura Extranjera	Factura Extranjera	1
107	Factura Extranjera	3	Factura Extranjera	Factura Extranjera	2
108	Nota de Debito	4	Nota de Debito	Nota de Debito	1
109	Nota de Credito	5	Nota de Credito	Nota de Credito	1

Note: This example shows how transaction types are grouped together in a legal document classification.

Each transaction type is in a one-to-one relationship with a document category. However, several document categories can be associated with a single document sequence, as shown by transactions 103, 104, and 105.

All the transaction types associated with the same document sequence appear in the same document classification grouping on the Chilean Receivables Sales Ledger report.

Related Topics

Implementing Document Sequences, *Oracle Receivables User Guide*

Setup

To ensure that your Chilean Receivables Sales Ledger report meets legal requirements, you must perform these document classification setup steps. Use this checklist to help you complete the appropriate steps in the correct order.

Step	Task
1	Define Transaction Types, page 5-22
2	Define Transaction Batch Sources, page 5-24
3	Enable Sequential Numbering, page 5-25
4	Define Document Sequences, page 5-25
5	Define Document Categories, page 5-25
6	Define Sequence Assignments, page 5-26

Define Transaction Types

Define the transaction types that you need for your sales transactions in the Transaction Types window. You can associate the transaction types with document categories for document sequencing. You must give each transaction type the same name as the corresponding document category to create the association between the two.

Use the globalization flexfield in the Transaction Types window to set up your transaction types for the Chilean Receivables Sales Ledger Report, page 5-27. You can perform these steps:

- Indicate whether a transaction type should be included in or excluded from the Chilean Receivables Sales Ledger report.

- Specify the order that the document sequences appear in on the Chilean Receivables Sales Ledger report.

  Each transaction type is associated with its own document category, and each document category is assigned to a document sequence. You enter the document sequence order value at transaction type level. For example, enter *1* for a transaction type that is associated with the document sequence that you want to appear first on the Chilean Receivables Sales Ledger report.

  If you associate more than one transaction type with the same document sequence, you must enter the same document sequence order value for each of those transaction types. For example, enter *1* for all the transaction types that are

associated with the document sequence that you want to appear first on the Chilean Sales Ledger report.

In the example for document classification, the transaction types *Boleta 1* and *Boleta 2* both have a document sequence order value of *1*, because both transaction types belong to the document sequence *Boleta*, which must appear first on the Chilean Receivables Sales Ledger report.

- Indicate whether a transaction type should be used for voided transactions. For more information about defining a void transaction type, see *Copy and Void Invoices Overview* in your common country user guide.

  Note: When you void a transaction, the transaction type associated with the transaction changes. For reporting purposes, however, the transaction still belongs to the document sequence associated with the original transaction type. On the Chilean Receivables Sales Ledger report, the transaction still appears in the section for the original legal document classification, although the transaction is marked as void.

To define a transaction type for the Chilean Receivables Sales Ledger report:

1. Navigate to the Transaction Types window.
2. Enter information to define a transaction type.
3. Navigate to the globalization flexfield.
4. Enter *Yes* in the Include in Sales Ledger field if you want transactions of this type to appear on the Chilean Receivables Sales Ledger report. Enter *No* if you do not want transactions of this type to appear on the Chilean Receivables Sales Ledger report. If you do not enter a value, the Include in Sales Ledger field defaults to *Yes*.
5. If you enter *Yes* in the Include in Sales Ledger field, you must enter a value in the Document Seq Order field to specify the order in which document sequences appear on the Chilean Receivables Sales Ledger report.

   Each transaction type is associated with its own document category, and each document category is assigned to a document sequence. You enter the document sequence order value at transaction type level.

   Note: If you enter *No* in the Include in Sales Ledger field, leave the Document Seq Order field blank. You need not enter a document sequence order value for transaction types that do not appear on the Chilean Receivables Sales Ledger report.

6. Enter *Yes* in the Void Original Transaction field if you want to designate this

transaction type for the Copy and Void Invoices feature. Enter *No* if you do not want to use this transaction type for the Copy and Void Invoices feature.

Related Topics

Define the Void Transaction Type, page 2-20

Copy and Void Invoices Overview, page 2-18

Transaction Types, *Oracle Receivables User Guide*

Define Transaction Batch Sources

In Chile, some legal documents are printed on pre-numbered forms. For example, you print your invoices, both domestic and foreign, on one set of forms, and your boletas on another set of forms.

You can enter the form numbers as the transaction numbers in Oracle Receivables by setting up transaction batch sources with automatic transaction numbering. Define a transaction batch source with automatic transaction numbering enabled for each set of pre-numbered forms. Assign the transaction types for the transactions printed on those forms to the appropriate transaction batch source. You can assign several transaction types to one transaction batch source. Oracle Receivables automatically numbers all the transactions with the same source in the same transaction number sequence.

Example for transaction batch sources

The following table shows an example of setting up a transaction batch source for invoices. The example shows the transaction types associated with the transaction batch source, and the transaction numbers assigned to transactions of these types. The example also lists the document sequence numbers that Oracle Receivables assigns to the transactions, according to the document sequence associated with each transaction type.

Transaction Batch Source	Transaction Type	Transaction Number	Document Sequence Number
Chile Factura	Factura Nacional	100000	1
Chile Factura	Factura Extranjera	100001	1
Chile Factura	Factura Extranjera	100002	2
Chile Factura	Factura Extranjera	100003	3
Chile Factura	Factura Nacional	100004	2

Note: Oracle Receivables assigns document sequence numbers to transactions independently of the transaction numbers.

The transaction numbers are assigned based on the transaction batch source that a transaction type is associated with. In this example, the transaction types *Factura Nacional* and *Factura Extranjera* are associated with the same transaction batch source, so all the transactions are numbered in the same transaction number sequence.

The document sequence numbers are assigned based on the document sequence that a transaction type is associated with. In this example, the *Factura Nacional* and *Factura Extranjera* transaction types belong to different document sequences for different legal document classifications, so the *Factura Nacional* transactions are numbered in a different document sequence from the *Factura Extranjera* transactions.

Related Topics

Transaction Batch Sources, *Oracle Receivables User Guide*

Enable Sequential Numbering

Enable sequential numbering for your document sequences by entering *Always Used* or *Partially Used* for the Sequential Numbering profile option. Use the System Profile Values window to assign a value to the Sequential Numbering profile option.

Related Topics

Profile Options, *Oracle Receivables User Guide*

Define Document Sequences

Define document sequences that correspond to the legal document classifications required by the Chilean government. The document sequences that you define determine how your documents are grouped on the Chilean Receivables Sales Ledger Report, page 5-27.

You should define a document sequence for each legal document classification. Oracle Receivables prints the names of the document sequences on the Chilean Receivables Sales Ledger report as you enter the names in the Document Sequences window. You should enter the names as you want them to appear on the report.

To meet the legal requirement for gapless sequences within your document classifications, select the *Gapless* type for your document sequences in the Document Sequences window.

Define Document Categories

Define a document category for each of your transaction types. You must give each document category the same name as the corresponding transaction type to associate the document category and the transaction type. Enter the document category name in

the Document Categories window as you entered the transaction type name in the Transaction Types window.

Define Sequence Assignments

Assign each of your document categories to a document sequence. You can assign several document categories to a single document sequence.

Since each document category corresponds to a transaction type, the transaction type is automatically associated with the document sequence that you assign the document category to. You can group the transaction types in a document sequence. The transactions in each document sequence then appear in the corresponding legal document classification in the Chilean Receivables Sales Ledger Report, page 5-27.

Tax Reporting Codes Overview

The Chilean Receivables Sales Ledger Report, page 5-27 lists all the posted sales transactions for a particular period, as well as the tax components for each transaction that is subject to tax. The Chilean government requires companies to separate the tax components of each transaction into either:

- **VAT** - Value added taxes

  or

- **Non VAT** - All other taxes, such as luxury tax, gasoline tax, and various alcoholic and non-alcoholic drink taxes

To meet this requirement, Oracle E-Business Tax lets you assign a tax reporting codes to each tax rate, classifying the tax code as either *VAT* or *Non VAT*. For more information, see Assigning Tax Reporting Codes, page 5-26. Oracle E-Business Tax uses the tax reporting code for the tax rate associated with each transaction line to determine to which category the tax amount belongs.

> **Note:** If a transaction line is associated with a tax group that applies to multiple tax rates, Oracle E-Business Tax stores each tax rate as a separate tax line on the invoice. The tax reporting code for each rate determines the classification to which each separate tax amount belongs.

Assigning Tax Reporting Codes

Use Oracle E-Business Tax to assign tax reporting codes to tax rates by navigating to the Tax Reporting Codes region in the Rate flow. The Tax Code Classification reporting type code (CL_TAX_CODE_CLASSIF) classifies a tax rate as VAT or Non-VAT.

To assign tax reporting codes:

1. Navigate to the Rate flow as follows:
   - Open the Create Tax Rate page.
   - Select the Regime to Rate Flow icon in the Tax Regimes page.
2. Search for the desired tax rate.

   Note: You must update the tax rates belonging to Chilean taxes.

3. Click Rate Details and navigate to the Tax Reporting Codes region.
4. Add a row and select CL_TAX_CODE_CLASSIF in the Tax Reporting Type Code field.
5. Enter VAT or Non-VAT in the Tax Reporting Code field.
6. Click Apply.

Related Topics

Using the Regime to Rate Flow, *Oracle E-Business Tax User Guide*

Setting Up Tax Rates, *Oracle E-Business Tax User Guide*

Setting Up Tax Reporting Types, *Oracle E-Business Tax User Guide*

Chilean Receivables Sales Ledger Report

The Chilean Receivables Sales Ledger report (Libro de Ventas) displays all transactions associated with sales operations in a particular period, including invoices, debit notes, and credit notes. You can use the Chilean Receivables Sales Ledger report to meet these legal requirements:

- The report must include only transaction documents that belong to legal document classifications.
- The legal document classifications must appear in a specific order on the report.
- Within each classification, the documents must appear in a gapless sequence, even if some transactions are voided.
- The report must show the tax components for each transaction and identify the tax amounts as *VAT* or *Non VAT.*

The Chilean Receivables Sales Ledger report groups transactions according to the document sequences that you defined to correspond to the legal document classifications. Oracle Receivables prints the classifications in the order that you defined

in the globalization flexfield in the Transaction Types window. Within each classification, Oracle Receivables orders transactions in ascending order by document sequence number.

The Chilean Receivables Sales Ledger report includes only transactions posted to General Ledger and voided transactions. To print transactions in a gapless sequence on the Chilean Receivables Sales Ledger report, ensure that you either post or void each transaction for a period before you run the Chilean Receivables Sales Ledger report.

For each transaction, the Chilean Receivables Sales Ledger report shows the exempt amount, the amount subject to tax, the VAT amount, and the amount of other taxes.

> **Note:** Some legal documents, such as boletas, displays amounts inclusive of tax. For these documents, Oracle Receivables separates the amount subject to tax from the tax amount to meet the legal requirements for reporting tax amounts on the Chilean Sales Ledger report.

Determining Exempt Amounts and Amounts Subject to Tax

Oracle Receivables uses the tax handling method and the tax rate associated with each transaction line to determine whether the amount is exempt or subject to tax:

If the tax handling method is *Exempt*, then the amount is classified as exempt on the Chilean Receivables Sales Ledger report, regardless of the tax rate.

- If the tax handling method is *Standard* or *Required*, and the tax rate is zero, then the amount is classified as exempt on the Chilean Receivables Sales Ledger report.

- If the tax handling method is *Standard* or *Required*, and the tax rate is not equal to zero, the amount is classified as subject to tax on the Chilean Receivables Sales Ledger report.

- If a transaction is subject to tax, then the Chilean government requires the corresponding tax amounts to be identified as either VAT or other taxes. Oracle Receivables uses the tax code identifier that you assigned to the tax code in the globalization flexfield in the Tax Codes and Rates window to determine how to classify a tax amount. For more information, see Tax Code Identifier Overview, page 5-26.

Oracle Receivables prints summary information at the end of the Chilean Receivables Sales Ledger report. The Detail of Other Taxes section provides a summary for each tax identified as *Non VAT*. The report also shows a summary of total amounts for each document classification, with the total number of valid and voided transactions in each classification.

Use the Standard Request Submission windows to submit the Chilean Receivables Sales Ledger report.

Prerequisites

Before you can run the Chilean Receivables Sales Ledger report, you must:

- Set up a ledger with a ledger currency of Chilean pesos. Companies are legally required to present the Chilean Receivables Sales Ledger report in Chilean pesos. If the ledger currency of your main ledger is not Chilean pesos, then you must set up a reporting currency with a ledger currency of Chilean pesos, and run the Chilean Receivables Sales Ledger report in this ledger. The Chilean Receivables Sales Ledger report displays all information in the ledger currency.
- Set up document classification. For more information, see Document Classification Overview, page 5-20.
- Assign tax identifiers to your tax codes. For more information, see Tax Code Identifier Overview, page 5-26.
- Define your additional company information.

Report Parameters

Ledger Currency

The ledger currency to use for this report.

Period

Enter the accounting period that you want to report transactions for.

Print Company Information

Enter *Yes* if you want to print company information in the headings of the report. Enter *No* if you do not want to print company information. The default for this parameter is *Yes*.

Report Headings

In this heading...	Oracle Receivables prints...
Company Name	Your company name
Address	Your company address
Taxpayer ID	Your company taxpayer ID
Legal Representative	The name of your legal representative

In this heading...	Oracle Receivables prints...
Representative Tax ID	Your taxpayer ID
Service Type	The service type
Report Date	The date and time that the report was printed
Page	The current and total page numbers
<Report Title>	Chilean Sales Ledger Report
Period	The period you selected
Currency	The functional currency of the set of books that you run the report from

Column Headings

In this column...	Oracle Receivables prints...
Document Type	The document sequence name.
Date	The date of the transaction.
Transaction Number	The transaction number.
Void Transaction	An asterisk if this transaction is void. Oracle Receivables leaves this column blank for transactions that are not void.
Document Number	The document sequence number.
Taxpayer ID	The customer's taxpayer ID.
Customer Name	The customer name.
Transaction Currency	The currency that the transaction was entered in.

In this column...	Oracle Receivables prints...
Tax Exempt Amount	The exempt amount.
Taxable Amount	The amount subject to tax. This includes amounts subject to any kind of taxes, not just VAT.
VAT Amount	The VAT amount.
Other Taxes	The tax amount for other taxes.
Transaction Amount	The total transaction amount.
Total	The totals for this document type.

Summary Column Headings

These column headings appear in the Detail of Other Taxes section of the Chilean Receivables Sales Ledger report.

In this column...	Oracle Receivables prints...
Name	The tax code name
Tax Type	The tax type
Rate (%)	The tax rate as a percentage
Total	The total amount for this tax code

These column headings appear at the end of the Chilean Receivables Sales Ledger report.

In this column...	Oracle Receivables prints...
Document Type	The document sequence name
Count	The number of transactions for this document type, not including voided transactions

In this column...	Oracle Receivables prints...
Void	The number of void transactions for this document type
Tax Exempt Amount	The total exempt amount for this document type
Taxable Amount	The total amount subject to tax for this document type
VAT Amount	The total VAT amount for this document type
Other Taxes	The total for other taxes for this document type
Transaction Amount	The total transaction amount for this document type
Total	The totals for all document types

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Oracle Payables

Document Type Overview

In Chile, companies must report invoice information to the government on the Chilean Payables Purchase Ledger report and the Chilean Payables Withholding of Fees Ledger report, and to suppliers on withholding tax certificates. The Chilean government has defined legal document types that determine the report on which an invoice must appear. The legal document types include:

- **Factura Nacional** - Domestic invoice
- **Factura Extranjera** - Foreign invoice
- **Nota de Debito** - Debit memo
- **Nota de Credito** - Credit memo

- **Boleta de Honorario** - Invoice for professional service fees paid to an independent contractor

- **Boleta de Honorario y Participacion** - Invoice for professional services fees and for participation amounts consisting of salaries and the monetary equivalent of company stock paid to members of your company's board of directors

> **Note:** A boleta is a Chilean document similar to an invoice on which amounts are withheld. A boleta shows the price and the total amount with tax included. Boletas must be invoiced, withheld, and paid in Chilean pesos.

Purchase documents, such as domestic invoices, foreign invoices, debit memos, and credit memos, must appear on the Chilean Payables Purchase Ledger report. Documents that include withholding tax amounts, such as professional service fee boletas and professional services and participation fee boletas, must appear on the Chilean Payables Withholding of Fees Ledger report as well as on withholding tax certificates to suppliers.

Use the globalization flexfield in the Invoices window to assign document types to your invoices. You must assign a document type to all invoices with an invoice type of either *Standard* or *Credit Memo*. For all other invoice types, you must leave the Document Type field blank.

For invoices with an invoice type of *Credit Memo*, you must choose the document type *Credit Memo*. For invoices with an invoice type of *Standard*, you can assign one of these legal document types:

- Debit Memo
- Domestic Invoice
- Foreign Invoice
- Professional Service Fee
- Professional Services and Participation

> **Note:** In Chile, debit memos sometimes include positive amounts. To enter Chilean debit memos in Oracle Payables for Chile, assign the debit memos an invoice type of *Standard* and a document type of *Debit Memo*.

You can also assign the document type *Internal* to an invoice with an invoice type of *Standard*. Invoices with a document type of *Internal* do not appear on any legal reports.

The document type of an invoice determines which legal reports include the invoice, as

shown in this table:

Invoice Type	Document Type	Legal Reports
Standard	Debit Memo	Chilean Payables Purchase Ledger report
Standard	Domestic Invoice	Chilean Payables Purchase Ledger report
Standard	Foreign Invoice	Chilean Payables Purchase Ledger report
Standard	Internal	None
Standard	Professional Service Fee	Chilean Payables Withholding of Fees Ledger report, Chilean Payables Professional Fees Certificate, and Chilean Payables Professional Fees and Participation Certificate
Standard	Professional Services and Participation Fee	Chilean Payables Withholding of Fees Ledger report and Chilean Payables Professional Fees and Participation Certificate
Credit Memo	Credit Memo	Chilean Payables Purchase Ledger report
All other invoice types	None	None

In Chile, two documents that come from the same supplier can have the same document number if the documents belong to different legal document types. In Oracle Payables, however, all documents that come from the same supplier and belong to the same invoice type must have unique document numbers.

If you enter an invoice in Oracle Payables that has the same number as another invoice from the same supplier, and the two invoices belong to different document types, you can add an identifier to the beginning of the document number to make the number unique. For example, if you are entering a debit memo whose number is 25534, and you have already entered a domestic invoice with the number 25534 from the same supplier, you can enter *DM25534* as the unique document number for the debit memo.

Assigning Document Types

Use the globalization flexfield to assign a document type to invoices that you enter in the Invoices window.

To assign document types in the Invoices window:

1. Navigate to the Invoices window.
2. Enter an invoice.
3. Navigate to the globalization flexfield.
4. Enter the document type in the Document Type field.
    - For invoices with an invoice type of *Standard*, you must choose one of these values:
    - Debit Memo
    - Domestic Invoice
    - Foreign Invoice
    - Internal
    - Professional Service Fee
    - Professional Services and Participation
    - For invoices with an invoice type of *Credit Memo*, you must enter *Credit Memo* in the Document Type field.
    - For invoices with invoice types other than *Standard* or *Credit Memo*, leave the Document Type field blank.
5. Choose the OK button.

Related Topics

Entering Invoices Overview, *Oracle Payables User Guide*

Chilean Payables Purchase Ledger Report

The Chilean Payables Purchase Ledger report (Libro de Compras) displays all the transactions associated with purchase operations in a particular period, including invoices, debit memos, and credit memos. In Chile, companies are legally required to submit the Chilean Payables Purchase Ledger report to the tax authorities at the end of

each month.

The Chilean Payables Purchase Ledger report includes only invoices with these document types:

- Domestic Invoice
- Foreign Invoice
- Debit Memo
- Credit Memo

You can assign document types to your invoices in the globalization flexfield in the Invoices window. For more information, see Assigning Document Types, page 5-35.

For each invoice, the Chilean Payables Purchase Ledger report shows the exempt amount, the amount subject to tax, the VAT amount, and the amount of other taxes.

Determining Exempt Amounts and Amounts Subject to Tax

Oracle Payables uses the tax code and tax rate associated with each invoice distribution line to determine whether the amount is exempt or subject to tax:

- If the tax code has a tax rate of zero, then the amount is classified as exempt on the Chilean Payables Purchase Ledger report.
- If the tax code has a tax rate that is not equal to zero, or if no tax code is associated with the distribution line, then the amount is classified as subject to tax on the Chilean Payables Purchase Ledger report.

If a transaction is subject to tax, the Chilean government requires the corresponding tax amounts to be identified as either VAT or other taxes. Oracle Payables uses the tax category that you assigned to the tax code in the globalization flexfield in the Tax Codes window to determine how to classify a tax amount.

Oracle Payables prints summary information at the end of the Chilean Payables Purchase Ledger report. The Detail of Other Taxes section provides a summary for each tax identified as *Non VAT*. The report also shows a summary of total amounts for each document type, with the total number of transactions in each type.

Use the Standard Request Submission windows to submit the Chilean Payables Purchase Ledger report.

Prerequisites

Before you run the Chilean Payables Purchase Ledger report, you must:

- Set up a ledger with a ledger currency of Chilean pesos. Companies are legally required to present the Chilean Payables Purchase Ledger report in Chilean pesos. If the ledger currency of your main ledger is not Chilean pesos, you must set up a

reporting ledger with a ledger currency of Chilean pesos, and run the Chilean Payables Purchase Ledger report in this ledger. The Chilean Payables Purchase Ledger report displays all information in the ledger currency.

- Assign document types to your invoices. For more information, see Assigning Document Types, page 5-35.
- Assign tax categories to your tax codes.
- Define your additional company information.

Report Parameters

Ledger Currency

The ledger currency to use for this report.

Period

Enter the accounting period that you want to report transactions for. The Chilean Payables Purchase Ledger report prints invoices entered during the period that you specify.

Print Company Information

Enter *Yes* if you want to print company information in the headings of the report. Enter *No* if you do not want to print company information. The default for this parameter is *Yes*.

Report Headings

In this heading...	Oracle Payables prints...
Company Name	Your company name
Address	Your company address
Taxpayer ID	Your company taxpayer ID
Service Type	The service type
Report Date	The date and time that you ran the report
Page	The current and total page numbers

In this heading...	Oracle Payables prints...
<Report Title>	Chilean Purchase Ledger Report
Period	The period you selected

Column Headings

In this column...	Oracle Payables prints...
Document Date	The invoice date.
Document Number	The invoice number.
Taxpayer ID	The supplier taxpayer ID.
Supplier Number	The supplier number.
Supplier Name	The supplier name.
Exempt	The exempt amount.
Effective	The amount subject to tax. This includes amounts subject to any kind of taxes, not just VAT.
VAT	The VAT amount.
Other Taxes	The tax amount for other taxes.
Total	The total amount for the document, including the exempt amount, the amount subject to tax, the VAT amount, and the amount of other taxes.

Row Headings

In this row...	Oracle Payables prints...
Document Type	The document type
<Document Type> Total	The totals for the document type
Report Total	The totals for the report

Summary Column Headings

These column headings appear in the Detail of Other Taxes section of the Chilean Payables Purchase Ledger report.

In this column...	Oracle Payables prints...
Name	The tax code
Tax Type	The tax type
Rate	The tax rate
Total	The total amount for this tax code
Total	The total amount for all other taxes

These column headings appear at the end of the Chilean Payables Purchase Ledger report.

In this column...	Oracle Payables prints...
Document Type	The document type
Count	The number of transactions for this document type
Exempt	The total exempt amount for this document type
Subject to Tax	The total amount subject to tax for this document type

In this column...	Oracle Payables prints...
VAT Amount	The total VAT amount for this document type
Other Taxes	The total amount for other taxes for this document type
Total	The total amount of all documents for this document type

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Chilean Payables Withholding of Fees Ledger Report

The Chilean Payables Withholding of Fees Ledger report (Libro de Retencion de Honorarios) details all the invoices paid during a particular period on which amounts were withheld. Use the Chilean Payables Withholding of Fees Ledger report to show tax authorities that you withheld taxes for invoices subject to withholding tax.

The Chilean Payables Withholding of Fees Ledger report includes only invoices subject to withholding tax, identified by a document type of *Professional Service Fee* or *Professional Services and Participation*. You can assign document types to your invoices in the globalization flexfield in the Invoices window. For more information, see Assigning Document Types, page 5-35.

The Chilean Payables Withholding of Fees Ledger report shows only invoices in your ledger currency that have already been paid and accounted for in Oracle Payables. Also, the report includes only invoices with an invoice currency of Chilean pesos.

For each invoice, the Chilean Payables Withholding of Fees Ledger report shows information about the supplier as well as the gross amount before tax withholding, the amount of tax withheld, and the total net invoice amount. The gross amount and amount of tax withheld are not affected by discounts or other taxes.

> **Note:** Payables only prints supplier information for suppliers that have a bill-to and ship-to address defined at the supplier site level.

The transactions on the Chilean Payables Withholding of Fees Ledger report are grouped by document type. Within each document type, the transactions are sorted by invoice date.

Use the Standard Request Submission windows to submit the Chilean Payables Withholding of Fees Ledger report. You can select the period that you want to report invoices for. You can also choose whether to print company information such as

taxpayer ID and legal representative.

Prerequisites

Before you run the Chilean Payables Withholding of Fees Ledger report, you must:

- Set up a ledger with a ledger currency of Chilean pesos. Companies are legally required to present the Chilean Payables Withholding of Fees Ledger report in Chilean pesos. If the ledger currency of your main ledger is not Chilean pesos, you must use the Multiple Reporting Currencies (MRC) feature in Oracle Applications to set up a reporting ledger with a ledger currency of Chilean pesos, and run the Chilean Payables Withholding of Fees Ledger report in this ledger. The Chilean Payables Withholding of Fees Ledger report displays all information in the ledger currency.
- Set up Oracle Payables for withholding tax.
- Set up your suppliers for withholding tax.
- Assign document types to your invoices. For more information, see Assigning Document Types, page 5-35.
- Define your additional company information.

Report Parameters

Legal Entity

Enter the legal entity that you want to report on.

Period

Enter the accounting period that you want to report transactions for. The Chilean Payables Withholding of Fees Ledger report prints invoices paid during the period that you specify.

Print Company Information

Enter *Yes* if you want to print company information in the headings of the report. Enter *No* if you do not want to print company information. The default for this parameter is *Yes*.

Report Headings

This table shows the report headings.

In this heading...	Oracle Payables prints...
Company Name	Your company name
Address	Your company address
Taxpayer ID	Your company taxpayer ID
Service Type	The service type
Report Date	The date and time that you ran the report
Page	The current and total page numbers
<Report Title>	*Withholding of Fees Ledger Report*
Period	The period you selected

Column Headings

This table shows the column headings.

In this column...	Oracle Payables prints...
Document Date	The invoice date
Document Number	The invoice number
Supplier Name	The supplier name
Taxpayer ID	The supplier taxpayer ID
Supplier Address	The supplier site address
Supplier City	The supplier site city
Gross Amount	The gross amount of the invoice
Withheld Tax	The amount of tax withheld from the invoice

In this column...	Oracle Payables prints...
Net Amount	The net amount of the invoice, calculated by subtracting the withheld tax from the gross amount

Row Headings

This table shows the row headings.

In this row...	Oracle Payables prints...
Document Type	The document type
Total	The totals for the document type
Report Total	The totals for the report

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Defining Sequences for Withholding Tax Certificate Numbering

In Chile, you must send your suppliers withholding tax certificates to certify that you withheld taxes from the professional service fees and participation amounts you paid the suppliers. You can use the Chilean Payables Withholding Certificate in Oracle Payables for Chile to print withholding tax certificates.

Before you run the Chilean Payables Withholding Certificate, however, you must define document sequences with sequential numbering for Oracle Payables to use in numbering the certificates. You can assign document sequences to the seeded Chilean Payables Withholding Certificate document category to determine which sequences are used for certificate numbering.

Enabling Sequential Numbering

Enable sequential numbering for your document sequences by entering *Always Used* or *Partially Used* for the Sequential Numbering profile option. Use the System Profile Values window to assign a value to the Sequential Numbering profile option.

Related Topics

Voucher Numbers and Document Sequences, *Oracle Payables User Guide*

Defining Document Sequences

Define a document sequence for withholding tax certificate numbering. You should define at least one document sequence for each tax year to ensure that a unique certificate is generated for each tax year. Use the Document Sequences window in the System Administrator responsibility to define a document sequence. You can use the Initial Value field to define the first number in the sequence.

You can define more than one sequence for the same year if you want to use different number ranges for your certificates. You can only assign one document sequence to the Chilean Withholding Tax Certificate document category at a time, however.

Related Topics

Voucher Numbers and Document Sequences, *Oracle Payables User Guide*

Defining Sequence Assignments

Assign the document sequence that you want to use for withholding tax certificate numbering to the seeded Chilean Withholding Tax Certificate document category. Use the Sequence Assignments window in the System Administrator responsibility to define the sequence assignment. You can only assign one document sequence to the Chilean Withholding Tax Certificate document category at a time.

Related Topics

Voucher Numbers and Document Sequences, *Oracle Payables User Guide*

Chilean Payables Withholding Certificate Overview

In Chile, you must send your suppliers withholding tax certificates to certify that you withheld taxes from the professional service fees and participation amounts you paid the suppliers. The withholding tax certificates show both the gross invoice amounts and the tax withheld for each month in the tax year.

If a supplier had only professional service fees in a particular tax year, you must send the supplier a Fees Certificate. If a supplier had both professional service fees and participation, you must send the supplier a Fees and Participation Certificate.

You can use the Chilean Payables Withholding Certificate to print both kinds of withholding tax certificates. When you run the Chilean Payables Withholding Certificate, Oracle Payables uses the document types you assigned to the invoices from each supplier to determine which withholding certificate to print for the supplier.

- The Fees Certificate is generated for suppliers who have invoices with a document type of *Professional Service Fee* but do not have invoices with a document type of *Professional Services and Participation*.

- The Fees and Participation Certificate is generated for suppliers who have both

invoices with a document type of *Professional Service Fee* and invoices with a document type of *Professional Services and Participation*.

The Chilean Payables Withholding Certificate selects only invoices subject to withholding tax, identified by a document type of *Professional Service Fee* or *Professional Services and Participation*. Other document types are not included on the withholding tax certificates. If a supplier had neither Professional Service Fee invoices nor Professional Services and Participation invoices, Oracle Payables does not generate a withholding tax certificate for that supplier.

You can assign document types to your invoices in the globalization flexfield in the Invoices window. For more information, see Assigning Document Types, page 5-35.

Adjusting Invoice Amounts for Inflation

To meet Chilean legal requirements, the withholding tax certificates must show both historical amounts and inflation-adjusted amounts for the gross invoice amounts and the tax withheld amounts in a tax year.

The Chilean government publishes price index values monthly to measure inflation. You can use the Price Indexes window in the General Ledger responsibility to define price indexes. You must enter the price index value for each month of the calendar year for which you print certificates. The effective dates of the price index values must match the beginning and ending dates of the calendar months.

When you submit the Chilean Payables Withholding Certificate, Oracle Payables uses the price index that you select to adjust the invoice amounts for inflation. Oracle Payables uses the price index values to calculate the inflation factors representing the inflation rates.

The invoice amounts must be adjusted for inflation for the period range from the invoice date through the end of the calendar year. Chilean law mandates that an inflation factor be used to adjust amounts for inflation. The historical invoice amounts are multiplied by the inflation factor to calculate the adjusted amounts. The inflation factors are calculated based on this formula:

Inflation Factor = (Index Value for Month Before Last Month of Period Range / Index Value for Month Before First Month of Period Range)

For example, if the invoice date is in February, the inflation factor is equal to the index value for January divided by the index value for November. If the invoice date is July, the inflation factor is equal to the index value for June divided by the index value for November.

> **Note:** Since the formula for the inflation factor uses an index value from the month before the first month of the period range, you must define the index value for the last period of the previous year, in addition to defining the index values for the current year, before you can calculate inflation for the current year. For example, before you calculate

inflation for 2001, you must define the index value for December 2000 so that this index value can be used to calculate the inflation factor for January 2001.

For more information about the certificates created by the Chilean Payables Withholding Certificate, see Chilean Payables Professional Fees Certificate, page 5-49, Chilean Payables Professional Fees and Participation Certificate, page 5-51, and Chilean Payables Withholding Certificate Summary Report, page 5-53.

Note: You can only run the Chilean Payables Withholding Certificate for a fiscal year that has a status of *Closed* or *Permanently Closed* for all periods.

Use the Standard Request Submission windows to submit the Chilean Payables Withholding Certificate.

Report Modes

You can run the Chilean Payables Withholding Certificate in different modes to meet different reporting needs. Enter the mode that you want in the Report Mode parameter when you submit the Chilean Payables Withholding Certificate. Oracle Payables for Chile provides these report modes:

- Preview
- Final Generation
- Review
- Reprint

Preview

Use the Preview mode to generate preliminary certificates as well as a Chilean Payables Withholding Certificate Summary report listing all the certificates. You can use the preliminary certificates to check your withholding information for accuracy and completeness.

Oracle Payables does not assign certificate numbers to certificates generated in Preview mode.

After you run the Chilean Payables Withholding Certificate in Preview mode, you can only rerun the report in Preliminary mode or Final Generation mode

Note: You can only run the Chilean Payables Withholding Certificate for a fiscal year that has a status of *Closed* or *Permanently Closed* for all periods. If you run the Chilean Payables Withholding Certificate in

Preview mode for a year that has periods with a status of *Closed*, and you find that you need to change the withholding invoice information for the year, you can reopen the closed periods and make the changes. Then you can run the Chilean Payables Withholding Certificate in Preview mode again to verify the changed information.

If you assign the periods a status of *Permanently Closed* before running the Chilean Payables Withholding Certificate in Preview mode, you cannot make any more changes to the invoice information for those periods.

Final Generation

After you determine that the results of the certificates printed in Preview mode are correct, use the Final Generation mode to print the official certificates for the year. You can optionally run the Chilean Payables Withholding Certificate Summary report to show summarized information for these certificates.

Oracle Payables assigns certificate numbers to certificates generated in Final Generation mode. The certificate numbers are based on the document sequence you assigned to the Chilean Withholding Tax Certificate document category.

Each supplier can have only one final certificate per year. Oracle Payables assigns certificate numbers only for suppliers that have the Allow Withholding Tax option enabled. The certificate numbering follows the alphabetical order of the supplier names.

When you generate final certificates, Oracle Payables stores information about the certificates, including the certificate number, calendar year, supplier taxpayer ID, supplier number, and price index. The Chilean Payables Withholding Certificate uses this information to reprint certificates when you run the report in Reprint mode.

After you run the Chilean Payables Withholding Certificate in Final Generation mode, you can only rerun the report in Review mode or Reprint mode.

Note: Once you run the Chilean Payables Withholding Certificate in Final Generation mode for a particular year, you must not make any more changes, such as voiding invoices, to the invoice information for that year. If you assign the periods for that year a status of *Permanently Closed*, Oracle Payables prevents you from changing any invoice information for those periods.

Even if the periods only have a status of *Closed*, however, you must not reopen the periods and make any more changes to the withholding invoice information for the year. If you do make changes after generating the final certificates, the information on the certificates will be inconsistent with the supplier information stored in your General Ledger. For this reason, you should ensure that you enter all the information for invoices subject to withholding tax for a year before you run the Chilean Payables Withholding Certificate in Final Generation mode for that year.

Review

Use the Review mode to reprint the Chilean Payables Withholding Certificate Summary report that Oracle Payables created when you ran the Chilean Payables Withholding Certificate in Final Generation mode. You can use the summary report to review summarized information for all the certificates created in a particular year.

> **Note:** The information on the reprinted summary report is the same as the information on the original summary report unless you purged data from Oracle Payables after creating the original summary report. If you purged invoices with withholding tax, the reprinted summary report shows zeros for the tax withheld amounts.

After you run the Chilean Payables Withholding Certificate in Review mode, you can only rerun the report in Review mode or Reprint mode.

Reprint

Use the Reprint mode to reprint the final withholding certificate for a particular supplier in a particular year. You can choose the supplier that you want by entering the supplier taxpayer ID in the Taxpayer ID (Reprint) parameter. In this case, the Price Index and Print Company Information parameters are not used. Instead, Oracle Payables reprints the certificate with the information stored when the certificate was originally created.

> **Note:** The information on the reprinted certificate is the same as the information on the original certificate, except for the report date. The report date for a reprinted certificate is the reprint date.

After you run the Chilean Payables Withholding Certificate in Reprint mode, you can only rerun the report in Review mode or Reprint mode.

Prerequisites

Report Parameters

Legal Entity

Enter the legal entity that you want to report on.

Ledger Currency

Enter the currency to use for the report. The default value is the default currency of the primary ledger. If the primary and reporting ledger both use the same default currency, choose either primary or reporting ledger from the list of values. You can also choose any other currency defined for the reporting ledger.

Certificate Year

Enter the four-digit calendar year for which you want to print certificates. You should only enter years that have a status of *Closed* or *Permanently Closed* for all periods.

Report Mode

Select the mode in which you want to run the report. Choose one of these modes:

- Preview
- Final Generation
- Review
- Reprint

Taxpayer ID (Reprint)

If you are running the report in Reprint mode, select the taxpayer ID of the supplier for whom you want to reprint a withholding certificate. In this case, the remaining parameters are not used. Instead, Oracle Payables reprints the certificate with the information stored when the certificate was originally created.

If you are not running the report in Reprint mode, leave this parameter blank.

Price Index

Select the price index that you want to use to adjust the gross amounts and withheld tax amounts for inflation.

Print Company Information

Enter *Yes* if you want to print company information in the headings of the report. Enter *No* if you do not want to print company information. The default for this parameter is *Yes*.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Setting Up Withholding Tax, *Oracle Payables User Guide*

Entering Suppliers, *Oracle Payables User Guide*

Opening and Closing Accounting Periods, *Oracle General Ledger User Guide*

Chilean Payables Professional Fees Certificate

Use the Chilean Payables Professional Fees Certificate (Certificado Sobre Honorarios) to certify that you withheld taxes from the fees that you paid to an independent contractor during a particular tax year for professional service rendered. Before you send the

certificate to the supplier, your company's legal representative must sign the certificate in order to make the certificate legally valid.

For each month of the year, the Fees Certificate shows both the historical and the inflation-adjusted values for the gross amount of the professional service fees subject to tax and the amount of tax withheld.

Oracle Payables generates Fees Certificates along with Fees and Participation Certificates when you run the Chilean Payables Withholding Certificate. The Fees Certificate is generated for suppliers who have invoices with a document type of *Professional Service Fee* but do not have invoices with a document type of *Professional Services and Participation*. For more information about submitting the Chilean Payables Withholding Certificate, see Chilean Payables Withholding Certificate Report Overview, page 5-44.

Report Headings

In this heading...	Oracle Payables prints...
Company Name	Your company name
Address	Your company address
Taxpayer ID	Your company taxpayer ID
Service Type	The service type
<Title>	Professional Fees Certificate
Certificate Number	The certificate number
<City>	The city of your company address
<Date>	The date you ran the report
<Text>	The text of the certificate, including your company name, the supplier name, the supplier's taxpayer ID, and the fiscal year of the certificate

Column Headings

In this column...	Oracle Payables prints...
Periods	The calendar month of the invoice date
Gross Income Taxable Service Fee	The gross amount of the professional service fees for the month, as recorded on invoices with the document type Professional Service Fee
Amount Withheld	The amount of tax withheld for the month
Price Index	The inflation adjustment inflation factor
Adjusted Amount - Taxable Service Fee	The gross professional fees amount multiplied by the inflation factor
Adjusted Amount - Amount Withheld	The amount of tax withheld multiplied by the inflation factor
Total	The totals for the certificate
<Text>	The text of the certificate

Chilean Payables Professional Fees and Participation Certificate

Use the Chilean Payables Professional Fees and Participation Certificate (Certificado Sobre Honorarios y Participacion) to certify that you withheld taxes from the fees that you paid to a supplier during a particular tax year for professional service rendered and from participation amounts paid to the supplier. Participation consists of salaries and the monetary equivalent of company stock paid to members of your company's board of directors. Before you send the certificate to the supplier, your company's legal representative must sign the certificate in order to make the certificate legally valid.

For each month of the year, the Fees and Participation Certificate shows both the historical and the inflation-adjusted values for the gross amount of the professional service fees subject to tax, the gross amount of the participation fees subject to tax, and the amount of tax withheld.

Oracle Payables generates Fees and Participation Certificates along with Fees Certificates when you run the Chilean Payables Withholding Certificate. The Fees and Participation Certificate is generated for suppliers who have both invoices with a document type of *Professional Service Fee* and invoices with a document type of *Professional Services and Participation*. For more information about submitting the Chilean Payables Withholding Certificate, see Chilean Payables Withholding Certificate Report Overview, page 5-44.

Report Headings

In this heading...	Oracle Payables prints...
Company Name	Your company name
Address	Your company address
Taxpayer ID	Your company taxpayer ID
Service Type	The service type
<Title>	Professional Fees and Participation Certificate / Allowance to Directors Paid by Public Corporations
Certificate Number	The certificate number
<City>	The city of your company address
<Date>	The date you ran the report
<Text>	The text of the certificate, including your company name, the supplier name, the supplier's taxpayer ID, and the fiscal year of the certificate

Column Headings

In this column...	Oracle Payables prints...
Periods	The calendar month of the invoice date
Gross Income - Taxable Service Fee	The gross amount of the professional service fees for the month, as recorded on invoices with the document type Professional Service Fee

In this column...	Oracle Payables prints...
Gross Income - Taxable Participation Fee	The gross amount for participation or assignment for the month, as recorded on invoices with the document type Professional Services and Participation
Amount Withheld	The amount of tax withheld for the month
Price Index	The inflation adjustment inflation factor
Adjusted Amount - Taxable Service Fee	The gross professional fees amount multiplied by the inflation factor
Adjusted Amount - Taxable Participation Fee	The gross participation or assignment amount multiplied by the inflation factor
Adjusted Amount - Amount Withheld	The amount of tax withheld multiplied by the inflation factor
Total	The totals for the certificate
<Text>	The text of the certificate

Chilean Payables Withholding Certificate Summary Report

Use the Chilean Payables Withholding Certificate Summary report to review summarized information about each supplier for whom you generated an official certificate within a legal entity. For each certificate, the Chilean Payables Withholding Certificate Summary report shows the certificate number, the supplier, the last date the certificate was printed, the taxable amounts for service fees and participation, if applicable, and the amount of tax withheld.

Oracle Payables generates the Chilean Payables Withholding Certificate Summary report in addition to the withholding tax certificates when you submit the Chilean Payables Withholding Certificate in Preview or Final Generation mode. After you create final certificates for a year, you can also reprint the Chilean Payables Withholding Certificate Summary report for that year by submitting the Chilean Payables Withholding Certificate in Review mode. For more information about submitting the Chilean Payables Withholding Certificate, see Chilean Payables Withholding Certificate Report Overview, page 5-44.

Report Headings

In this heading...	Oracle Payables prints...
<Ledger>	The ledger name
Calendar Year	The calendar year of the certificates
<Report Title>	Withholding Tax Certificate Summary Report
<Date and Time>	The date and time that you ran the report
Page	The current and total page numbers

Column Headings

In this column...	Oracle Payables prints...
Certificate Number	The certificate number
Supplier Name	The supplier name
Taxpayer ID	The supplier taxpayer ID
Last Print Date	The most recent date the certificate was printed or reprinted
Taxable Service Fee	The gross service fee amount that is subject to tax
Taxable Participation Fee	The gross participation amount that is subject to tax
Amount Withheld	The amount of tax withheld for the year
Total	The totals for the report

Chilean Payables Supplier Statement Report

Use the Chilean Payables Supplier Statement report to provide supplier information in

response to supplier inquiries. You can run the Chilean Payables Supplier Statement report for a single supplier, a range of suppliers, or all your suppliers.

For each supplier listed, the Chilean Payables Supplier Statement report shows all accounted transactions within a specified range of dates. Always run the Payables Accounting Process before you submit this report.

> **Note:** Payables only prints supplier information for suppliers that have a bill-to and ship-to address defined at the supplier header level.

The Chilean Payables Supplier Statement report contains two sections. The first section lists all the transactions, including invoices, payments, withholdings, and applied prepayments. The second section lists unapplied or partially applied prepayments.

The report groups transactions by currency. If you run the report by ledger currency, the report prints only one currency section for each supplier. If you run the report by transaction currency, the report prints as many sections as there are transactions in that currency for each supplier.

Use the Standard Request Submission windows to submit the Chilean Payables Supplier Statement report.

Report Parameters

Ledger Currency

Enter the currency to use for the report. The default value is the default currency of the primary ledger. If the primary and reporting ledger both use the same default currency, choose either primary or reporting ledger from the list of values. You can also choose any other currency defined for the reporting ledger.

Report Currency

Choose the currency type that you want to show on the report. Valid values are:

- **Functional** - Show transaction information translated into your ledger currency
- **Original** - Show transaction information in the original transaction currency

Supplier Name From

Enter the name of the supplier that you want to report from.

Supplier Name To

Enter the name of the supplier that you want report to.

Supplier Taxpayer ID

Enter the taxpayer ID of the supplier that you want to include in the report. This parameter is exclusive to the Supplier Name From and Supplier Name To parameters.

Note: To report on all suppliers, leave the Supplier Name From, Supplier Name To, and Supplier Taxpayer ID parameters blank.

Start Date

Enter the earliest accounting date for transactions that you want to include in the report. The supplier beginning balance is computed for all transactions made before this date.

End Date

Enter the latest accounting date for transactions that you want to include in the report.

Note: The Chilean Payables Supplier Statement report shows only transactions that were accounted within your specified Start Date and End Date. Accounting dates for transactions may differ from the document dates.

Report Headings

This table shows the report headings.

In this heading…	Oracle Payables prints…
<Company Name>	Your company name
<Report Title>	*Supplier Statement*
Report Date	The date and time that you ran the report
Page	The current and total pages of the report
Supplier Name	The supplier name
Supplier Tax ID	The supplier taxpayer ID
Supplier Address	The supplier address
From Date	The accounting date that you entered in the Start Date parameter to report transactions from
To	The accounting date that you entered in the End Date parameter to report transactions to

Column Headings

Columns contain different information depending on whether the transaction is an invoice, payment, prepayment, or withholding.

This table shows the column headings.

In this column…	Oracle Payables prints…
Date	In the first section of the report: • **Invoice** - The invoice date • **Payment** - The check date • **Prepayment** - The invoice prepayment date • **Withholding** - The accounting date in the distributions table In the second section of the report, the invoice prepayment date.
Document Type	In the first section of the report, the transaction type description. In the second section, *Prepayments.*
Transaction - Number	The transaction number: • **Invoice** - The invoice number • **Payment** - The payment document number • **Prepayment (applied)** - The invoice prepayment number
Transaction - Currency	The currency code of the original transaction.

In this column…	Oracle Payables prints…
Transaction - Amount	The transaction amount in the transaction currency. In the first section of the report: • **Invoice** - The total amount of item and tax line distributions • **Payment** - The payment amount • **Prepayment** - The total amount of applied item lines • **Withholding** - The total amount of withholdings applied on invoices, including prepayment invoices In the second section of the report, the total amount of item lines and withholding tax lines is printed for unapplied or partially applied prepayments.
Transaction/Ledger currency - Amount	The transaction amount in original or ledger currency.
Transaction/Ledger Currency - Remaining Amount	The remaining balance of the transaction. For invoices, the invoice amount due is printed. For prepayments, the unapplied item line distribution amount is printed in the second section of the report.
Transaction/Ledger Currency - Balance	The supplier running total in original currency or ledger currency.
Reference Information - Date	The document reference date. For payments, applied prepayments, and unapplied prepayments, the invoice date may be referenced. If withholdings are calculated at the time of approval, the invoice date is listed.

In this column…	Oracle Payables prints…
Reference Information - Document Type	The type of document that is referenced: • **Payment** - *Invoices* • **Prepayment** - *Invoices* for unapplied prepayments that are partially applied and applied prepayments • **Withholding** - *Invoices* or *Payments* depending on the calculation method
Reference Information - Transaction Number	The transaction number of the transaction that is referenced: • **Payment** - The invoice number • **Prepayment** - The invoice number for unapplied prepayments that are partially applied and applied prepayments • **Withholding** - The invoice or payment document number depending on the calculation method

Row Headings

This table shows the row headings.

In this row…	Oracle Payables prints…
Beginning Balance	The beginning balance and the currency code for the transactions with this currency code. If submitted in transaction currency, the report displays a beginning balance for each currency code. If submitted in the ledger currency, the report prints only the beginning balance of the ledger currency code. The beginning balance is calculated with the information that exists in Payables subledger accounting entries.

In this row…	Oracle Payables prints…
<Report Section 2 Title>	*Unapplied Prepayments* or *Partially Applied Prepayments*.
Ending Balance	The ending balance and the currency code for the transactions with this currency code. In the first section of the report, the ending balance with all the transactions that were already applied for the supplier is printed. In the second section, the report prints what would be the ending balance if the unapplied transactions are applied.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Oracle Assets

Inflation Adjustment Overview

In Chile, companies must adjust the cost, accumulated depreciation, and year-to-date depreciation expense amounts of their assets for inflation. The Chilean government only requires companies to report inflation-adjusted amounts for their assets; you do not need to report historical amounts.

If you do not use MRC, you can choose the adjusted-only option in Oracle Assets. With the adjusted-only option, you perform inflation adjustment in your corporate depreciation book. You should only choose this option if you do not expect to implement MRC at any time, because once your corporate book contains inflation adjustment transactions, you cannot use it as the MRC primary book.

If you want to use the Multiple Reporting Currencies (MRC) feature, however, you should choose the historical/adjusted option in Oracle Assets, even though you are not legally required to report historical amounts. The historical/adjusted option lets you maintain and report both historical amounts and inflation-adjusted amounts by using two separate depreciation books. Keep the historical amounts in a corporate book and the inflation-adjusted amounts in a tax book.

You need to use a historical depreciation book as your primary MRC book to avoid including inflation adjustment amounts when MRC converts your transactions to another currency. You must not use an adjusted depreciation book as your MRC primary book.

Inflation Adjustment Setup

This section describes how to set up Oracle Assets for Chile for the inflation adjustment process. Use this checklist to help you complete the appropriate steps.

Step	Task
1	Enable Automatic Revaluation Rate Calculation
2	Define Price Indexes
3	Set Up Depreciation Books, page 5-61
4	Set Up Asset Categories, page 5-63
5	Define Inflation Start Dates
6	Set Up Assets in a Depreciation Book, page 5-64

Set Up Depreciation Books

Use the Book Controls window and the globalization flexfield to set up your depreciation books for inflation adjustment. You can enable or disable inflation adjustment at depreciation book level. If you enable inflation adjustment for a depreciation book, you can choose to enable or disable inflation adjustment for individual asset categories and assets when you define them. If you disable inflation adjustment for a depreciation book, none of the assets in that book can be adjusted.

To set up depreciation books:

1. Navigate to the Book Controls window.
2. Enter a depreciation book.
3. Navigate to the globalization flexfield.
4. Enter *Yes* in the Adjust for Inflation field to enable inflation adjustment for assets in this depreciation book. Enter *No* to disable inflation adjustment for all assets in this book.
5. In the Journal Category for Depreciation Expense of Retired Assets field, enter the journal category that you want to use for the journal entries created by the Inflation Adjustment of Retired Assets process.

After you perform inflation adjustment for this book, you can view information about the most recent inflation adjustment in the next two fields. Oracle Assets displays the period name for the most recent inflation adjustment in the Last Inflation Adjustment Period field, and the revaluation ID for the most recent inflation adjustment in the Last Inflation Adjustment field.

6. Press the OK button.

7. In the Book Controls window, navigate to the Calendar tabbed region.

8. In the GL Ledger field, select the General Ledger ledger that you want to transfer this depreciation book's journal entries to. Select the General Ledger ledger for your adjusted depreciation book.

9. Complete the Allow GL Posting check box according to your depreciation book's requirements, as shown in this table:

For this book…	Follow this step…
Adjusted tax book (historical/adjusted option in Oracle Assets) or adjusted corporate book (adjusted-only option in Oracle Assets)	Check the Allow GL Posting check box
Historical corporate book (historical/adjusted option in Oracle Assets)	Do not check the Allow GL Posting check box

10. Navigate to the Accounting Rules tabbed region.

11. If you want to allow revaluation in this book, check the Allow Revaluation check box.

12. If you want to revalue accumulated depreciation, check the Revalue Accumulated Depreciation check box.

13. If you want to revalue year-to-date depreciation, check the Revalue YTD Depreciation check box.

14. If you want to retire revaluation reserve, check the Retire Revaluation Reserve check box. In Chile, you usually do not retire revaluation reserve.

15. If you want to amortize revaluation reserve, check the Amortize Revaluation Reserve check box. In Chile, you usually do not amortize revaluation reserve.

16. If you want to revalue fully reserved assets, check the Revalue Fully Reserved

Assets check box. In Chile, you usually do not revalue fully reserved assets.

If you do choose to revalue fully reserved assets, enter a life extension factor in the Life Extension Factor field. To maintain the current asset life without extending it, enter *1*. You can also enter the maximum number of times an asset can be revalued as fully reserved in the Maximum Revaluations field and enter a life extension ceiling in the Life Extension Ceiling field.

17. Navigate to the Tax Rules region.

18. If you are defining a tax book and you want to include CIP assets in the tax book, check the Allow CIP Assets check box. You must include CIP assets in your adjusted tax book, if you are using the historical/adjusted option, so that you can adjust the CIP assets for inflation in the adjusted tax book.

19. Save your work.

Related Topics

Defining Depreciation Books, *Oracle Assets User Guide*

Asset Management in a Highly Inflationary Economy (Revaluation), *Oracle Assets User Guide*

Construction-in-Process (CIP) Assets, *Oracle Assets User Guide*

Set Up Asset Categories

Use the Asset Categories window with the globalization flexfield and the Default Depreciation Rules window to set up your asset categories for inflation adjustment. In the Asset Categories window, you can specify the revaluation reserve account that you want to use to offset the inflation adjustments for assets in a category in a particular depreciation book.

In the globalization flexfield, you can enable or disable inflation adjustment for the asset category in a particular depreciation book. If you enable inflation adjustment for an asset category in a book, you can choose to enable or disable inflation adjustment for individual assets when you define them. If you disable inflation adjustment for an asset category in a book, none of the assets in that category can be adjusted in that book.

In this way, you can choose to adjust an asset category in one depreciation book while preventing the same asset category from being adjusted in another book. You can also choose to adjust some asset categories in a depreciation book for inflation while preventing other categories in the same book from being adjusted.

If inflation adjustment is disabled for an entire depreciation book, however, none of the asset categories in that book can be adjusted.

In the Default Depreciation Rules window, you can assign a price index to the asset category. The price index is used to calculate the inflation rate for all the assets in this asset category.

To set up asset categories:

1. Navigate to the Asset Categories window.
2. Enter an asset category.
3. Navigate to the General Ledger Accounts region.
4. Enter a depreciation book in the Book field.
5. In the Revaluation Reserve field, enter the revaluation reserve account used to offset inflation adjustments for assets in this category.
6. Navigate to the globalization flexfield.
7. Enter *Yes* in the Adjust for Inflation field to enable inflation adjustment for assets in this asset category. Enter *No* to disable inflation adjustment for all assets in this category.

   If inflation adjustment is enabled for this depreciation book, the Adjust for Inflation field defaults to *Yes*. Otherwise, the Adjust for Inflation field defaults to *No*.
8. Press the OK button.
9. In the Asset Categories window, press the Default Rules button.

   The Default Depreciation Rules window appears.
10. In the Price Index field, enter the price index that you want to use to calculate the inflation rate for this asset category.
11. Enter appropriate information in the remaining fields.
12. Save your work.

Related Topics

Setting Up Asset Categories, *Oracle Assets User Guide*

Asset Management in a Highly Inflationary Economy (Revaluation), *Oracle Assets User Guide*

Set Up Assets in a Depreciation Book

Use the globalization flexfield in the Books window to enable or disable inflation adjustment for individual assets. You enable or disable inflation adjustment for an asset in a particular depreciation book.

In this way, you can choose to adjust an asset in one depreciation book while preventing the same asset from being adjusted in another book. You can also choose to adjust some assets in a certain category in a depreciation book for inflation while

preventing other assets in the same category and book from being adjusted.

If inflation adjustment is disabled for an entire depreciation book or an entire category in a book, however, none of the assets in that book or category can be adjusted.

To set up assets in a depreciation book:

1. Navigate to the Asset Workbench.
2. Enter or query an asset.
3. Navigate to the Books window.
4. Enter a depreciation book in the Book field.
5. Navigate to the Depreciation region.
6. Navigate to the globalization flexfield.
7. Enter *Yes* in the Adjust for Inflation field to enable inflation adjustment for the asset. Enter *No* to disable inflation adjustment for the asset.

   If inflation adjustment is enabled for this depreciation book and for this category in this book, the Adjust for Inflation field defaults to *Yes*. Otherwise, the Adjust for Inflation field defaults to *No*.
8. Press the OK button.

Related Topics

Asset Setup Processes (Additions), *Oracle Assets User Guide*

Revaluing Assets

Example for adjusting an asset for inflation

This example shows how inflation rates and adjustment amounts are calculated to adjust a capitalized asset for inflation in Chile. Assume that the price index values for the given periods are as shown in this table:

Period	Price Index Value
January	281.17
February	283.52
March	284.41

The inflation rate in this example is calculated with a precision of ten decimal positions. The inflation rate is calculated according to this formula:

(Index Value for Previous Period / Index Value for Period Prior to Previous Period) - 1

For example, the March Inflation Rate is (283.52 / 281.17) - 1, or 0.0083579329

Assume that a company has an asset with the values in this table at the beginning of March:

Cost	Accumulated Depreciation	YTD Depreciation Expense
9,176	1,147	152

Assume also that there are no cost adjustments other than the inflation adjustment in March.

The inflation adjustment amount for cost in the current period is calculated on the current cost of the asset, including any cost adjustments made in the period before inflation adjustment is performed.

> **Note:** If you want to adjust current period cost adjustment amounts for inflation, make the cost adjustments before you perform inflation adjustment for the current period. Otherwise, make the cost adjustments after you perform inflation adjustment for the current period.

The current cost for an asset is calculated according to this formula:

Beginning Cost + Current Period Cost Adjustments

For example, the March Current Cost is 9,176 + 0, or 9,176

The current period cost inflation adjustment is calculated according to this formula:

*Current Cost * Inflation Rate*

For example, the March Inflation Adjustment is 9,176 * 0.0083579329, or 77

The adjusted cost at the end of the period is calculated according to this formula:

Current Cost + Inflation Adjustment

For example, the March Adjusted Cost is 9,176 + 77, or 9,253

The inflation adjustment amounts for accumulated depreciation and YTD depreciation expense in the current period are calculated on the current accumulated depreciation and current YTD depreciation expense of the asset, before the asset is depreciated for the period.

The current period accumulated depreciation inflation adjustment is calculated according to this formula:

*Current Accumulated Depreciation * Inflation Rate*

For example, the March Inflation Adjustment is 1,147 * 0.0083579329, or 10

The adjusted accumulated depreciation at the end of the period, but before depreciation is run for the period, is calculated according to this formula:

Current Accumulated Depreciation + Inflation Adjustment

For example, the March Adjusted Accumulated Depreciation is 1,147 + 10, or 1,157

The current period YTD depreciation expense inflation adjustment is calculated according to this formula:

*Current Depreciation Expense * Inflation Rate*

For example, the March Inflation Adjustment is 152 * 0.0083579329, or 1

The adjusted YTD depreciation expense at the end of the period, but before depreciation is run for the period, is calculated according to this formula:

Current Depreciation Expense + Inflation Adjustment

For example, the March Adjusted Depreciation Expense is 152 + 1, or 153

This table shows the journal entry to record the inflation adjustments in March:

Account	Debit	Credit
Cost	77	
Depreciation Expense	1	
Accumulated Depreciation		10
Revaluation Reserve		68

Example for adjusting a CIP asset for inflation

This example shows how inflation rates and adjustment amounts are calculated to adjust a CIP asset for inflation in Chile.

When you build a CIP asset, you add the cost amounts resulting from invoice lines. The invoice line amounts added in the current period are never adjusted for inflation in the current period. The adjustment amount for the current period is calculated only on the asset's adjusted cost as of the beginning of the period.

Assume that the price index values for the given periods are as shown in this table:

Period	Price Index Value
November	278.75
December	279.76
January	281.17
February	283.52

The inflation rates in this example are calculated with a precision of ten decimal positions. The inflation rates are calculated according to this formula:

(Index Value for Previous Period / Index Value for Period Prior to Previous Period) - 1

For example, the January Inflation Rate is (279.76 / 278.75) - 1, or 0.0036233183

February Inflation Rate is (281.17 / 279.76) - 1, or 0.0050400343

Assume that construction began on a CIP asset in December and that the invoice line amounts added each period are as shown in this table:

Period	Invoice Line Amount
December	20,000
January	18,000
February	0

The current period cost inflation adjustment is calculated according to this formula:

*Beginning Cost * Inflation Rate*

The adjusted cost at the end of the period is calculated according to this formula:

Beginning Cost + Inflation Adjustment + Invoice Line Amounts

For example, the December Adjusted Cost is 0 + 0 + 20,000, or 20,000

January Inflation Adjustment is 20,000 * 0.0036233183, or 72

January Adjusted Cost is 20,000 + 72 + 18,000, or 38,072

This table shows the journal entry to record the inflation adjustment in January:

Account	Debit	Credit
Cost	72	
Revaluation Reserve		72

February Inflation Adjustment is 38,072 * 0.0050400343, or 192

February Adjusted Cost is 38,072 + 192 + 0, or 38,264

This table shows the journal entry to record the inflation adjustment in February:

Account	Debit	Credit
Cost	192	
Revaluation Reserve		192

6

Colombia

Third Party Management

Third Party Information

In Colombia, the tax authority (DIAN) uses an individual's or a company's taxpayer identification number to identify tax obligations on invoices. The taxpayer ID is called the *third party ID* and the management of transactions is called *third party management*.

For the natural accounts that require third party information, you must associate the customer, supplier, or bank third party information with transactions in General Ledger, Payables, Receivables, and Purchasing. Companies must submit reports to the DIAN that show natural account activity by third party ID.

Some large companies must also submit magnetic media (electronic files) at the end of each year. Magnetic media reports on third party natural account movements according to threshold levels assigned by the DIAN. For more information, see Magnetic Media ReportingMagnetic Media Reporting, page 6-22.

Oracle Financials provides functionality to help you meet the Colombian third party management requirement:

- Maintain natural accounts that require third party information
- Enter the third party ID on all relevant transactions
- Maintain third party information
- Provide reports that show third party natural account activity
- Provide magnetic media reporting for companies that are required to submit electronic reports

Use of the Third Party ID

Use the third party ID for transactions in these applications:

- **Payables** – Use the supplier third party ID as the supplier number

  Note: The third party management solution does not support the functionality in Purchasing-Payables integration regarding non-recoverable taxes.

- **Receivables** – Use the customer third party ID as the customer number

- **General Ledger** – Assign a third party ID to journal entries that require third party information

For miscellaneous transactions, assign the third party ID of your company's bank to all miscellaneous transactions that require third party information.

Legal Entities

The third party ID for domestic companies and organizations, or legal entities, has a single validation digit between 0-9. Only one validation digit value is correct for any given third party ID. For example, the correct validation digit for the third party ID 123456789 is 6, or 123456789-6. Oracle Financials verifies that the validation digit is correct.

Foreign Entities

Foreign companies and individuals, or *foreign entities*, do not have a third party ID assigned by the DIAN. Companies must create an internal numbering scheme to assign to foreign entity transactions, according to these guidelines:

- Third party ID is between 9 and 14 numbers long, with no validation digit

- Foreign entities should have a unique number for your company's internal reporting purposes

  Note: When you generate the magnetic media report, General Ledger assigns all foreign entities the third party ID 444444444.

Setting Up Oracle Financials for Third Party Management

This section explains the setup tasks in General Ledger, Oracle Payables, Oracle Receivables, and Oracle Purchasing to manage third party information.

Complete these setup steps to set up third party information for Oracle Financials:

General Ledger

- **Define journal sources** – Define journal sources to import postings into General Ledger
- **Define third party control accounts** – Define General Ledger natural accounts that require third party information

Payables

- **Define Payables System Setup** – Set Oracle Payables System Setup for third party information
- **Define Journal Line Types** – Set Journal Line Types for third party information
- **Define Configuration Owner Tax Options** – Set the tax options for third party management

Receivables

- **Define Receivables options** – Set Oracle Receivables System options for third party information
- **Define banks** - Define third party information for banks

Purchasing

- **Define Purchasing options** – Set Oracle Purchasing options for third party information

Setting Up General Ledger

Complete these steps to set up General Ledger for third party information:

- Define journal sources
- Define natural accounts that require third party information

Defining Journal Sources

Use the Import Journal References option in the Journal Sources window to import postings into General Ledger from Oracle Payables, Oracle Receivables, Oracle Purchasing, and non-Oracle applications. The Import Journal References option lets General Ledger create third party balances.

Note: When you import data from non-Oracle applications, do not use a standard journal source. Use the Define Journal Sources window to define new journal sources for external data.

To define journal sources for third party management:

1. Navigate to the Journal Sources window.
2. Enter or query the journal sources that you want.
3. Check the Import Journal References check box next to each journal source.
4. Save your work.

Defining Third Party Control Accounts

Use the Third Party Control Accounts window to identify natural accounts that require third party information.

You must identify each natural account that requires third party information. General Ledger only refers to the natural accounts that you mark as third party reportable in the Third Party Control Accounts window when collecting third party transaction information for third party reports and magnetic media reporting.

To define third party control accounts:

1. Set up your chart of accounts.
2. Navigate to the Third Party Control Accounts window.
3. Click on the Copy From GL Account Value Set button to display the natural accounts in your chart of accounts.

   Only postable accounts are shown or copied in the Third Party Control Accounts window.
4. Check the Required Third Party ID check box next to each natural account that requires third party information.
5. Save your work.

Setting Up Oracle Payables

Complete these steps to set up Oracle Payables for third party information:

- Define Payables System Setup
- Define Journal Line Types

- Define Configuration Owner Tax Options

Defining Payables System Setup

Before you define Oracle Payables for third party management, you must set the JL: Copy Tax Identifier Number profile option to *Yes* at the Responsibility level.

Use the Supplier Number tabbed region in the Payables System Setup window to set up Oracle Payables for third party management and ensure that automatic sequential supplier numbers are not generated. Oracle Payables uses the supplier third party ID as the supplier number.

To define Payables System Setup for third party management:

1. Navigate to the Payables System Setup window.
2. Navigate to the Supplier Number region in the Supplier tabbed region.
3. Select *Manual* in the Entry field.
4. Save your work.

Defining Journal Line Types

Use the Accounting and Invoice Tax tabbed regions in the Payables Options window to set Payables options for third party management.

Setting options in the Accounting tabbed region lets Oracle Payables transfer postings to General Ledger in detail.

To define Journal Line Types for third party management:

1. Navigate to the Journal Line Types window.
2. Navigate to the Transfer to GL tabbed region.
3. Select *Detail (J)*.
4. Save your work.

Define Configuration Owner Tax Options

Setting options in Oracle E-Business Tax lets Oracle Payables create a tax line for an invoice item line and assign the third party ID to the tax line.

To define Configuration Owner Tax Options for third party management:

1. Navigate to the Create Configuration Owner Tax Options page.
2. Select the Configuration Owner. This is the operating unit or legal entity name depending on the implementation.

3. Select Payables and Standard Invoices in the Application Name and Event Class fields.

4. Navigate to the Others region and deselect the Allow Override for Calculated Tax Lines option.

   Setting this option ensures that Oracle Payables assigns the third party ID to the tax line.

Related Topics

Setting Up Oracle Payables, *Oracle Payables Implementation Guide*

Overview of Setting User Profiles, *Oracle Applications System Administrator's Guide*

Payables System Setup, *Oracle Payables Implementation Guide*

Setting Up Configuration Owner Tax Options, *Oracle E-Business Tax User Guide*

Setting Up Oracle Receivables

Complete these steps to set up Oracle Receivables for third party information:

- Define Receivables System options
- Define Banks

Defining Receivables System Options

Use the Transactions and Customers tabbed region in the Receivables System Options window to set Receivables System options for third party management.

Setting Receivables System options lets Oracle Receivables use the customer third party ID as the customer number.

Prerequisites

Before you can define Receivables System Options for third party management, you must set the JL: Copy Tax Identifier Number profile option to *Yes* at the Responsibility level.

To define Receivables System Options for third party management:

1. Navigate to the Receivables System Options window.

2. Navigate to the Transactions and Customers tabbed region.

3. Uncheck the Allow Payment of Unrelated Transactions check box.

   Unchecking this check box prevents Oracle Receivables from applying the receipts of one customer to the invoices of another customer.

4. Navigate to the Customers region.

5. Uncheck the Automatic Customer Numbering check box.

   Unchecking this check box prevents Oracle Receivables from using automatic customer numbering. Oracle Receivables uses the customer third party ID as the customer number.

6. Save your work.

Defining Banks

Use the globalization flexfield in the Banks window to enter third party information for your company's primary bank branch. For third party purposes, Oracle Receivables and Oracle Payables associate miscellaneous transactions with third party information for your company's bank.

You enter your bank's third party information in the main branch, or primary branch, location in the globalization flexfield in the Banks window. For all other branches, refer to the primary branch for third party information.

> **Note:** Define third party information for your bank's primary branch before you define information for the other bank branches.

To enter third party information for banks:

1. Navigate to the Banks window.

2. Enter or query a bank.

3. Navigate to the globalization flexfield.

4. In the Primary ID Branch field, enter *Yes* if the branch is the main bank branch. Enter *No* if it is not the main branch.

5. If you entered *No* in the Primary ID Branch field, enter the name of the bank's main branch in the Primary ID Bank Name field and leave the other fields blank.

   Oracle Receivables refers all miscellaneous transactions entered at a bank branch to the bank's primary branch for third party information.

6. If you entered *Yes* in the Primary ID Branch field, leave the Primary ID Bank Name field blank and navigate to the Primary ID Type field.

7. In the Primary ID Type field, enter *Legal Entity* or *Foreign Entity*.

8. In the Primary ID Number field, enter the third party ID.

9. If the primary ID type is *Legal Entity*, enter the third party ID validation digit in the

Primary ID Validation Digit field.

10. Press the OK button.

11. Repeat steps 2 to 10 for each bank branch.

12. Save your work.

Setting Up Oracle Purchasing

Use the Purchasing Options window to set Purchasing options for third party management. You must maintain a list of Payables accruals and expenses for each supplier third party ID.

Set the appropriate option in the Accruals tabbed region in the Purchasing Options window to let Oracle Purchasing transfer postings to General Ledger only when a receipt does not have an invoice (non-inventory items only). For inventory items, Oracle Purchasing transfers postings to General Ledger when the receipt is created.

Run the Receipt Accruals - Period End program at the end of the period. When you run the Receipt Accruals - Period End program, Oracle Purchasing transfers postings as an accrual to General Ledger. At the beginning of the next period, reverse the accrual in General Ledger.

> **Note:** When you transfer the posting to General Ledger, run Journal Import in Detail mode.

To keep track of accruals that are not posted to General Ledger, run the Accrual Reconciliation report.

To define Purchasing Options for third party management:

1. Navigate to the Purchasing Options window.

2. Navigate to the Accruals tabbed region.

3. Enter *Period End* in the Accrue Expense Items field.

4. Save your work.

Related Topics

Receipt Accruals - Period-End Process, *Oracle Purchasing User Guide*

Accrual Reconciliation Report, *Oracle Purchasing User Guide*

Entering Third Party Information

Enter third party information for the following:

- Suppliers
- Distribution lines (for invoices with multiple third party IDs)
- Customers
- Journal lines

You can review and update third party information in the Define Third Parties window, as well as enter new third party information.

Oracle Financials validates the third party ID according to these criteria:

- Third party ID is unique
- Third party ID is a maximum of 14 digits
- If the identification type is *Legal Entity*, then:
  - Third party ID requires a single validation digit
  - Validation digit is correct

Entering Journal Line Third Party Information

Use the globalization flexfield in the Journals window to enter third party information at the journal line level. The globalization flexfield is available for journal lines with accounts that are third party reportable.

General Ledger provides a list of values with master third party information. If the list of values does not have the third party that you want, enter the new third party using the Define Third Parties window. For more information, see Maintaining Third Party Information, page 6-13.

If you generate journal entries using Mass Allocation or Recurring Journals, General Ledger does not assign a third party ID to journal lines. You need to manually enter the third party ID in the globalization flexfield for journal lines with accounts that are third party reportable.

To enter journal line third party information:

1. Navigate to the Journals window.
2. Query or enter a journal.
3. Enter a journal line.
4. If the account requires third party information, navigate to the globalization flexfield by navigating to the descriptive flexfield and pressing the Tab key.

5. In the Third Party ID field, enter the third party from the list of values.

6. Press the OK button.

7. Save your work.

Related Topics

Entering Journals, *Oracle General Ledger User Guide*

Entering Supplier Third Party Information

Use the globalization flexfield in the Suppliers window to enter third party information at the supplier level. Oracle Payables assigns the third party ID as the supplier number after you enter third party information in the globalization flexfield.

For invoices with multiple third parties, you must manually enter the third party ID on each item line and tax line. See Entering Multiple Third Party Information for Invoices, page 6-11 for more information.

To enter supplier third party information:

1. Navigate to the Suppliers window.

2. Enter supplier information in the header region of the Supplier window.

3. In the Taxpayer ID field, enter the supplier's third party ID. Leave the Number field blank.

4. Navigate to the globalization flexfield.

5. In the Taxpayer ID Type field, enter the third party's identification type, such as *Foreign Entity*, *Individual*, or *Legal Entity*. The default is *Legal Entity*.

6. If the identification type is *Legal Entity*, enter the validation digit in the Taxpayer ID Validation Digit field. Otherwise leave the field blank.

7. Press the OK button.

   Oracle Payables displays the third party ID with validation digit in the Number field.

8. Navigate to the Invoice Tax tabbed region.

9. Specify the Calculation Level as *Line*.

10. Uncheck the Allow Calculation Level Override check box.

    These settings in the Invoice Tax tabbed region let Oracle Payables separately calculate each tax line. You can associate multiple third parties with each tax line.

11. Navigate to the Receiving tabbed region.

12. Specify Invoice Matching of at least *3-Way* for calculation of an accurate balance of receipt accruals.

13. Save your work.

Related Topics

Entering Suppliers, *Oracle Payables User Guide*

Entering Multiple Third Party Information for Invoices

Use the globalization flexfield in the Distributions window to enter third party information for distribution lines. For invoices with multiple third parties, you must associate each item line and its corresponding tax line with the correct third party ID.

When you enter invoice distribution lines, by default Oracle Payables assigns the supplier third party ID in the invoice header to each distribution line.

To assign the correct third party ID to each item line and corresponding tax line:

1. Enter the first item line.

2. Enter the appropriate third party ID in the globalization flexfield.

3. Repeat steps 1 and 2 for each item line.

4. Calculate the tax for the invoice.

5. Change the default third party assignment in the globalization flexfield on the tax line to the correct third party ID.

6. Repeat steps 4 to 5 for each item line.

> **Note:** For invoices that use purchase order matching, Oracle Payables creates one tax line for all items with the same tax code. If there are multiple third party IDs associated with the items, you need to manually create additional tax lines and assign the correct amount and third party ID to each tax line.

Prerequisites

Before you can enter multiple third party information for invoices, you must:

- Define Financials options
- Define Payables options

- Define Suppliers

To enter multiple third party information for invoices:

1. Navigate to the Invoices window.
2. Query or enter the invoice that you want.
3. Navigate to the Distributions window by clicking the Distributions button.
4. Enter the first item line.
5. Navigate to the globalization flexfield.
6. In the Taxpayer ID field, enter the correct third party for the item line.
7. Repeat steps 4 to 6 for each item.
8. Press the OK button.

   Oracle Payables will calculate the tax at the approval moment.
9. Navigate to the tax line.
10. Navigate to the globalization flexfield.
11. In the Taxpayer ID field, enter the third party from the list of values that corresponds to the item line.
12. Press the OK button.
13. Repeat steps 4 to 12 for each item and tax line.
14. Save your work.

Related Topics

Entering Invoices Overview, *Oracle Payables User Guide*

Entering Customer Third Party Information

Use the globalization flexfield in the Customers - Standard or Customers - Quick window to enter third party information at the customer level. Oracle Receivables assigns the third party ID as the customer number after you enter third party information in the globalization flexfield.

To enter customer third party information:

1. Navigate to the Customers - Standard window or the Customers - Quick window.

2. Enter customer information in the header region of the Customers window.

3. In the Taxpayer ID field, enter the customer's third party ID. Leave the Number field blank.

4. Navigate to the globalization flexfield.

5. In the Primary ID Type field, enter the third party's identification type, such as *Foreign Entity*, *Individual*, or *Legal Entity*. The default is *Legal Entity*.

6. If the identification type is *Legal Entity*, enter the verifying digit in the Primary ID Validation Digit field. Otherwise leave the field blank.

7. Press the OK button.

   Oracle Receivables displays the third party ID with validation digit in the Number field.

8. Save your work.

Related Topics

Entering Customers, *Oracle Receivables User Guide*

Maintaining Third Party Information

Use the Define Third Parties window to maintain master third party information. The master third party information holds all third party records.

When you run the Colombian Third Party Generate Balances program, General Ledger creates new third party information for all postings, including non-Oracle postings, and adds the records to the master third party information.

You can view third party information and modify incorrect information in the Define Third Parties window. If necessary, you can also enter new third party information.

> **Note:** New third party information that you enter in the Define Third Parties window is not checked against new third party information that you enter in the Payables or Receivables globalization flexfield. If you enter the same third party information as the supplier or customer number, you must check that the information is consistent.

To maintain third party information:

1. Navigate to the Define Third Parties window.

2. Query the third parties that you want.

3. In the Name field, enter or update the name of a third party.

4. In the Type field, enter or update the third party's identification type, such as *Foreign Entity*, *Individual*, or *Legal Entity*.

5. In the ID field, enter or update the third party ID.

6. If the identification type is *Legal Entity*, enter the verifying digit in the Verifying Digit field.

7. If the identification type is *Foreign Entity*, change the default third party ID, 444444444, to a unique entry.

8. Save your work.

Loading Non-Oracle Application Transactions

You can load non-Oracle application transactions into third party tables by first loading the transactions into the GL Interface table and then importing the postings into General Ledger.

The Journal Import program does not verify third party information that you import from non-Oracle sources. General Ledger only validates third party information when you run the Colombian Third Party Generate Balances program. See Generating Third Party Balances, page 6-15 for more information.

> **Note:** When you transfer the posting to General Ledger, run Journal Import in Detail mode.

To load non-Oracle data with third party information:

1. Define a new journal source for non-Oracle data.

   Define the journal source according to the requirements for third party management.

2. Load data into the GL Interface table, as described in the Oracle General Ledger User's Guide.

   The reference columns in the GL interface table for third party information are:

   - Reference 21 - Transaction Number
   - Reference 22 - Third Party ID
   - Reference 23 - Verifying Digit
   - Reference 24 - Third Party Type
   - Reference 25 - Third Party Name

3. Run the Journal Import program in Detail mode.

   To run the Journal Import program in Detail mode, leave the Create Summary Journals check box unchecked so that General Ledger can create detailed postings.

Related Topics

Importing Journals, *Oracle General Ledger User Guide*

Generating Third Party Balances

Use the Colombian Third Party Generate Balances program to update transactions that require third party information. You can run the Colombian Third Party Generate Balances program as often as you need to update account/third party balances. An *account/third party balance* refers to the balance for each third party ID for each natural account.

The Colombian Third Party Generate Balances program performs these operations:

- Validates third party information for all relevant transactions against master third party information
- Creates third party records for transactions with new third party information and adds the records to master third party information
- Generates an error report for unprocessed third party transactions and for transactions processed with default third party ID = 0

The Colombian Third Party Generate Balances program compares the third party information for each transaction to existing master third party records. When the program finds new third party information, it creates a new third party record. Whenever the program finds missing or incorrect third party information, the following processing occurs:

- General Ledger and non-Oracle transactions are processed and assigned third party = 0
- Payables, Receivables, and Purchasing transactions are not processed

See Correcting Third Party Balances, page 6-16 for more information about correcting the processing of third party transactions.

Navigate to the Third Party Programs window to run the Colombian Third Party Generate Balances program. Use the Standard Request Submission windows to submit the Colombian Third Party Balances Error report.

Program Parameters

Enter the following parameters to specify the desired options:

Fiscal Period

Enter the fiscal period.

Journal Batch

Enter the journal batch that you want to use. If you do not enter a journal batch, the default is all journal batches.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Correcting Third Party Balances

Use the Colombian Third Party Reverse Balances program to reverse an incorrect run of the Colombian Third Party Generate Balances program.

The Colombian Third Party Generate Balances program generates an error report of all transactions without third party information or with third party information that does not match master third party information.

There are three types of error processing of third party information:

- General Ledger and non-Oracle transactions, as well as subledger transactions where the third party ID cannot be determined, are processed with default third party ID = 0
- Payables, Receivables, and Purchasing transactions are not processed where the supplier or customer third party information does not match master third party information
- Transactions are successfully processed for natural accounts incorrectly marked as third party reportable

You should review the error report each time you run the Colombian Third Party Generate Balances program.

There are different steps for correcting errors in third party processing, depending on the type of error. You only need to run the Colombian Third Party Reverse Balances program for General Ledger and non-Oracle transactions with incorrect master third party information, or for transactions that were successfully processed for natural accounts that are incorrectly marked as third party reportable.

To navigate to the Colombian Third Party Reverse Balances program, use Colombia General Ledger: Colombian Localization > Third Party Programs. Use the Standard Request Submission windows to submit the Colombian Third Party Reverse Balances program.

To correct General Ledger and non-Oracle transactions, where third party information is correct and master third party information is incorrect:

1. Run the Colombian Third Party Reverse Balances program.
2. Correct third party information in the Define Third Parties window. See Maintaining Third Party Information, page 6-13 for more information.
3. Re-run the Colombian Third Party Generate Balances program.

To correct General Ledger and non-Oracle transactions, where master third party information is correct and third party information is incorrect or missing:

1. Reverse the journal entry.
2. Re-enter the journal entry with the correct third party assignment.
3. Re-run the Colombian Third Party Generate Balances program.

To correct subledger transactions, where third party information is correct and master third party information is incorrect:

1. Correct the third party information in the Define Third Parties window.
2. Re-run the Colombian Third Party Generate Balances program.

To correct subledger transactions, where master third party information is correct and third party information is incorrect or missing:

1. Correct the third party information for the transaction in the Supplier, Customer, or Banks window.
2. Re-run the Colombian Third Party Generate Balances program.

To correct transactions for natural accounts incorrectly marked as third party reportable:

1. Run the Colombian Third Party Reverse Balances program.
2. Unmark the natural account as third party reportable in the Third Party Control Accounts window.
3. Re-run the Colombian Third Party Generate Balances program

   The natural accounts that you unmarked in step 2 are not included in the calculation of third party information.

Program Parameters

Process ID

Enter the Process ID for the program run to reverse. You can find the process ID on the error report of the program run that you want to reverse.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Colombian Account/Third Party Report

Run the Colombian Account/Third Party report after you run the Colombian Third Party Generate Balances program.

The Colombian Account/Third Party report shows, for each account, all transactions per third party ID in the ledger currency and the associated document numbers.

Use the Standard Request Submission windows to submit the Colombian Account/Third Party report.

Report Parameters

Starting Period

Enter the initial period that you want to report from.

Ending Period

Enter the last period that you want to report to.

Account From

Enter the initial accounting flexfield that you want to report from.

Account To

Enter the last accounting flexfield that you want to report to.

Report Headings

In this heading…	General Ledger prints…
<Company Name>	The company name
Company Taxpayer ID	The company taxpayer ID
Period From	The first period in the report
To	The last period in the report
Account From	The first accounting flexfield included in the report

In this heading…	General Ledger prints…
To	The last accounting flexfield included in the report
Report Date	The date and time that you ran the report
Currency	The ledger currency code
Page	The current and total page numbers of the report

Column Headings

In this column…	General Ledger prints…
Journal Category	The journal entry category
Journal Number	The General Ledger document sequence value
Journal Name	The journal entry name
Document Number	The document number associated to each transaction by account and third party ID
GL Date	The accounting date of the transaction
Debit	The debit amount in ledger currency
Credit	The credit amount in ledger currency

Row Headings

In this row...	General Ledger prints...
Account	The natural account and its description, and the movements for each third party ID
Third Party ID	The third party name and third party ID

In this row...	General Ledger prints...
Beginning Balance	The initial third party balance for the account
Period Total	The sum of transaction debits and transaction credits for the period ranges
Ending Balance	The final third party balance for the account

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Colombian Third Party/Account Report

Run the Colombian Third Party/Account report after you run the Colombian Third Party Generate Balances program.

The Colombian Third Party/Account report shows, for each third party ID, all transactions per account in the ledger currency and the associated document numbers.

Use the Standard Request Submission windows to submit the Colombian Third Party/Account report.

Report Parameters

Starting Period

Enter the first period that you want to report from.

Ending Period

Enter the last period that you want to report to.

Starting Third Party ID

Enter the first third party ID that you want to report from.

Ending Third Party ID

Enter the last third party ID that you want to report to.

Report Headings

In this heading…	General Ledger prints…
<Company Name>	The company name
Company Taxpayer ID	The company taxpayer ID
Period From	The first period in the report
To	The last period in the report
Third Party From	The first third party ID included in the report
To	The last third party ID included in the report
Report Date	The date and time that you ran the report
Currency	The currency code
Page	The current and total page numbers of the report

Column Headings

In this column…	General Ledger prints…
Journal Category	The journal entry category
Journal Number	The General Ledger document sequence value
Journal Name	The journal entry name
Document Number	The document number associated to each third party ID transaction and account
GL Date	The accounting date of transaction
Debit	The debit amount in ledger currency
Credit	The credit amount in ledger currency

Row Headings

In this row...	General Ledger prints...
Third Party ID	The third party ID, third party name, and the movements for each natural account
Account	The natural account and its description
Beginning Balance	The initial account balance for the third party ID
Period Total	The sum of transaction debits and credits for period ranges
Ending Balance	The end account balance for the third party ID

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Oracle General Ledger

Magnetic Media Reporting

The Colombian government requires large companies to submit magnetic media (electronic ASCII file) to the DIAN at the end of the year. The electronic file reports on third party information for all account movements (transaction totals and to-date balances) according to pre-defined categories.

Each year the Colombian government issues a resolution that defines the reporting categories, sub-categories, and threshold values to include in magnetic media.

A category is called a *literal*. Each literal has one or more *subliterals* that identify detailed information related to the literal. For each literal and subliteral, there are one or two *reported values* to include in the electronic file.

Oracle Financials provides functionality to help you meet the magnetic media requirement for Colombia:

- Set up the magnetic media information according to Colombian government resolution
- Enter literal and subliteral threshold values

- Generate literal and third party reports
- Generate the ASCII file to send to the DIAN

> **Note:** As the magnetic media file does not meet the current fiscal year's format nor the requirement to have one XML file for each Literal, it is recommended that you use the current magnetic media file as a template for further customizations.

Literal and Subliteral Definition

The literals and subliterals defined by the Colombian government identify specific categories and sub-categories for reporting third party information. Each literal is assigned a two-digit code, and each subliteral a four-digit code (the two-digit literal plus a two-digit sub-code). The exact codes and descriptions can change each year.

For example, the 1997 resolution included the literals and subliterals shown in this table:

Literal	Subliteral	Description
75		Total or partial Payments
75	00	National or Foreign purchasing of movable assets and others payments
75	01	Salary Expenses
75	07	Purchasing of fixed assets
90		Credits
90	00	National Credits
90	01	Foreign Credits

Some literal and subliteral definitions refer specifically to foreign entities. The internal foreign third party IDs that your company uses to identify foreign entities are not used in the magnetic media report. Foreign entities are identified by the default foreign third party ID (444444444), and foreign third party values are summarized by literal and subliteral. The reported foreign entity name is the same for each literal and subliteral.

Companies are required to report third party values for each literal and subliteral that is greater than or equal to designated *threshold values*. Threshold values are assigned to

both literals and report groupings.

Reported Values

Each subliteral can have one or two values to report, called *reported values*. Depending on the subliteral, the reported value is either a transaction value or a to-date balance. For example, subliteral 7500 for 1997 (other payments) had two transaction reported values: Base Amount, and VAT Withholding Amount.

Each reported value is assigned a *movement type*. Movement types identify transaction totals and to-date balances. There are six movement types:

- Sum Transactions Debit
- Sum Transactions Credit
- Sum Transactions Debit-Credit
- Sum Transactions Credit-Debit
- Balances Debit-Credit
- Balances Credit-Debit

This table shows some of the reported values for literals and subliterals for the 1997 resolution:

Literal	Subliteral	Description	Reported Value	Value Description	Movement Type
75	00	Payments	1	Accumulated Amount	Sum Transactions (Debit - Credit)
75	00	Payments	2	Withholding VAT	Sum Transactions (Credit - Debit)
75	01	Payments	1	Accumulated Amount	Sum Transactions (Debits - Credits)

Literal	Subliteral	Description	Reported Value	Value Description	Movement Type
72	00	Payments	1	Withholding	Sum Transactions (Credit - Debit)
72	00	Payments	2	DeductibleVAT	Sum Transactions (Debit - Credit)
90	00	Credits	1	Total Amount	Balances (Debit - Credit)
87	00	Liabilities	1	Total Amount	Balances (Credit - Debit)

Report Groupings

Each combination of literal, subliteral, and reported value is called a *report grouping*. For example, the literal and subliteral 7500 for the 1997 resolution has two report groupings:

- Literal 75, subliteral 00, and reported value 1 (Accumulated Amount)
- Literal 75, subliteral 00, and reported value 2 (Deductible VAT)

You associate one or more ranges of existing accounting flexfield segments with each report grouping. The ranges populate the literal, subliteral, and reported values with transaction totals or to-date balances by third party.

You can assign more than one range of accounting flexfield segments to a reported value to make allowances for all possible code combinations. In the example that this table provides, accounting flexfield segment ranges are assigned to the following report grouping: literal 75, subliteral 01, reported value 1 (Accumulated Amount).

Literal	Subliteral	Report Value	Start Account	End Account
75	01	1	01.0.510503.0.1	01.9.510503.9.1
75	01	1	01.0.510503.0.3	01.9.510503.9.5

Literal	Subliteral	Report Value	Start Account	End Account
75	01	1	01.0.520503.0.0	01.9.520503.9.9

Threshold Values

The magnetic media resolution by the Colombian government assigns *threshold values* to literals and report groupings. The threshold values designate the minimum amounts to report per third party ID for each report grouping and for each literal.

The rule for threshold values is:

- If the sum of activity for any parent report grouping in a literal of a given third party ID at the highest level exceeds its associated threshold, all associated report groupings in the literal are reported.
- Children follow parents: for each report grouping that you must report, child report groupings are also reported.

General Ledger applies thresholds in this sequence:

1. **Parent Report Grouping threshold** – General Ledger reports on all parent report groupings greater than or equal to the report grouping threshold value.
2. **Literal threshold** – General Ledger adds together all parent report groupings that belong to a literal for each third party ID. If the sum that results meets or exceeds the literal threshold value, the program reports on each parent report grouping even if the value for each parent report grouping by itself is below its report grouping threshold value.
3. **Child Report Grouping level** – If a parent report grouping is reported, the children of the report grouping are also reported.

This sequence for applying thresholds means that if a parent report grouping is not reported at the parent report grouping threshold check, General Ledger may still report on the parent report grouping at the literal threshold check.

The setup phase for magnetic media involves entering details for all literals, subliterals, report groupings, ranges of accounting flexfield segments, and threshold values.

You enter magnetic media setup information in the Literals window and Accounts window. See Setting Up Magnetic Media Information, page 6-26 for more information.

Setting Up Magnetic Media Information

Complete these setup tasks for magnetic media reporting:

1. Use the Literals window to define literals, literal threshold values, and subliterals.

2. Use the Literals window to define reported values for each subliteral, and threshold amounts for parent report groupings.

3. Use the Accounts window to assign accounting flexfield segment ranges to each report grouping.

4. Run the Colombian Magnetic Media Literal Configuration Verification Report to verify your magnetic media setup.

Prerequisites

Before you can define literals and subliterals, you must:

- Define a ledger
- Assign your ledger to a responsibility
- Define company information
- Assign the company to a responsibility

Related Topics

Defining Ledgers, *Oracle General Ledger User Guide*

Defining Literals and Subliterals

Use the Literals window to define literals, subliterals, and report groupings. Use the Literal region in the Literals window to enter the literal or subliteral code, the literal and subliteral, domestic and foreign information, and the literal threshold value, if there is one. Use the Report Grouping region in the Literals window to define report groupings and enter report grouping threshold values.

You enter one or two reported values for each subliteral to create one or two report groupings. Define both parent report groupings and child report groupings. A parent report grouping can have an assigned threshold value. A child report grouping is always assigned to a parent report grouping. The format for a report grouping is *XXXX-Y*, where:

- *XXXX* is the subliteral code
- *Y* is the reported value

For each report grouping that you define, use the Accounts button in the Define Literals window to navigate to the Accounts window to assign accounting flexfield ranges to the report grouping. See Assigning Ranges of Accounting Flexfield Segments Assigning Ranges of Accounting Flexfield Segments, page 6-29 for more information.

To define a literal:

1. Navigate to the Literals window.
2. In the Literal Code field, enter the two-digit literal code.
3. In the Reported Year field, enter the current year.
4. For domestic or foreign literals, enter the description in the Description field. For foreign literals, enter the description as defined by the DIAN in the Foreign Description field.

   Note: If you enter a description in the Foreign Description field, the Foreign Reported check box is checked automatically.

5. Check the appropriate Reported check boxes, if not already checked.
6. If you are reporting on third party transactions according to a threshold value for the literal, check the appropriate Threshold check box.
7. If the literal has a threshold value, enter the value in the Threshold Value field. If there is no threshold value, leave the field blank.

   Note: Make sure that you have checked the appropriate Threshold check boxes.

8. To exclude subliterals from the Literal Threshold Analysis, select the checkbox.

   Note: Only 4-digit subliterals can be marked for exclusion.

9. Save your work.

To define a subliteral and report grouping:

1. Navigate to the Literals window.
2. In the Literal Code field, enter the four-digit subliteral code.

   Note: Define the literal first before you define the corresponding subliterals.

3. In the Reported Year field, enter the current year.
4. For domestic or foreign subliterals, enter the description in the Description field. For foreign subliterals, enter the description as defined by the DIAN in the Foreign Description field.

5. Check the appropriate Reported check boxes, if not already checked.

6. If you are reporting on third party transactions according to a threshold value for the subliteral, check the appropriate Threshold check box.

7. Navigate to the Report Grouping region. Define applicable reported values, including respective account ranges per reported value.

8. In the Reported Value field, enter the one-digit code (*1* or *2*) for the reported value for the report grouping.

9. In the Description field, enter the description of the reported value as defined by the DIAN.

10. In the Movement Type field, enter the movement type for the report grouping, such as *Sum Transactions Debit-Credit* or *Balances Debit-Credit*.

11. If the report grouping is a parent report grouping with threshold value, enter the threshold value in the Threshold Value field.

    Note: If you enter a value in this field, leave the Parent field blank. You only use the Parent field for child report groupings.

12. If the report grouping is a child report grouping, enter the parent report grouping in the Parent field.

13. If the literal has a threshold value, enter the value in the Threshold Value field. If there is no threshold value, leave the field blank.

14. Save your work.

Assigning Ranges of Accounting Flexfield Segments

Use the Accounts window to assign accounting flexfield segment ranges to each report grouping defined in the Literals window.

The accounting flexfield segment ranges in the Accounts window represent your chart of accounts. You can enter more than one range of accounting flexfield segments for a report grouping to allow for all possible code combinations.

Note: If you enter more than one range of accounting flexfield segments, the ranges must not overlap.

To assign ranges of accounting flexfield segments to a report grouping:

1. Navigate to the Literals window.

2. Query or define the subliteral that you want.

3. Navigate to the Report Grouping region.

4. Query or define the reported value that you want.

5. Navigate to the Accounts window by pressing the Accounts button.

6. Enter the start and end accounting flexfield segment ranges in the From and To fields. Enter all ranges that apply to the report grouping.

   Note: The list of values for accounting flexfield segment ranges represents your chart of accounts.

7. Save your work.

Colombian Magnetic Media Literal Configuration Verification Report

The Colombian Magnetic Media Literal Configuration Verification report generates a listing of the magnetic media setup information. Run the report after you set up magnetic media information for the current year.

The Colombian Magnetic Media Literal Configuration Verification report shows literals, subliterals, descriptions, reported values, threshold values, parent/child relationships, movement types, ranges of accounting flexfield segments assigned to each report grouping, and magnetic media status for each literal and subliteral. Use the report to verify the completeness and accuracy of the magnetic media setup.

The magnetic media status indicates the processing level for each literal and subliteral. You can only run the Colombian Magnetic Media Generate File program to generate the magnetic media ASCII file when all literals and subliterals have the status of *Processed by Threshold* which means that the Colombian Magnetic Media Apply Thresholds program was run for all literals and subliterals.

Use the Standard Request Submission windows to submit the Colombian Magnetic Media Literal Configuration Verification report.

Report Parameters

Report Year

Enter the year that you want to report.

Starting Literal Code

Enter the first literal or subliteral that you want to report from.

Ending Literal Code

Enter the last literal or subliteral that you want to report to.

Magnetic Media Status

Enter the magnetic media status to report for literals or subliterals. If you do not enter a

value, the report includes all literals and subliterals within the specified range. Enter one of the following:

- **New or Updated Literal –** The literal or subliteral is either newly created or updated
- **Processed by Get Movements –** The Colombian Magnetic Media Get Movements program was run for the literal or subliteral
- **Processed by Threshold –** The Colombian Magnetic Media Apply Thresholds program was run for the literal or subliteral

Report Headings

In this heading…	General Ledger prints…
Reported Year	The reported year
Literal Start	The first literal or subliteral to report
End	The last literal or subliteral to report
Magnetic Media Status	The magnetic media status to report
Report Date	The date and time that you ran the report
Page	The current and total page numbers of the report

Column Headings

In this column…	General Ledger prints…
Literal	The literal or subliteral code
Reported Value	The subliteral reported value
Description	The literal, subliteral, or reported value description
Threshold Value	The literal or report grouping threshold value

In this column…	General Ledger prints…
Parent	The parent report grouping (child report groupings only)
Movement Type	The movement type for the report grouping
Account Start/Account End	The first and last accounting flexfield segment for the report grouping
Magnetic Media Status	The magnetic media status for each literal and subliteral

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Generating the Magnetic Media File

After you set up and verify the completeness and accuracy of magnetic media information, you can generate the magnetic media file. Generating the electronic file involves accessing third party transaction information and organizing the information according to literal/subliteral definitions.

> **Note:** As the magnetic media file does not meet the current fiscal year's format nor the requirement to have one XML file for each Literal, it is recommended that you use the current magnetic media file as a template for further customizations.

To create the magnetic media file:

1. Run the Colombian Magnetic Media Get Movements program to get movements of third party accounting flexfield segment ranges.
2. Use the Colombian Magnetic Media Literals, Accounts and Third Party Movement report to print and review range accounts, third parties, and literal movements.
3. Run the Colombian Magnetic Media Apply Thresholds program to mark movements greater than or equal to threshold values.
4. Use the Colombian Magnetic Media Literals and Third Party Movement report to print and review third party and literal reported movements.

You can run the magnetic media file generation process as often as you need to produce an accurate report, as long as General Ledger is not permanently closed. When General

Ledger is permanently closed, the next run of the magnetic media file generation process is the final run.

These are the programs and reports that manage magnetic media file generation:

- Colombian Magnetic Media Literal Configuration Verification report, page 6-30
- Colombian Magnetic Media Get Movements program, page 6-33
- Colombian Magnetic Media Literals, Accounts and Third Party Movement report, page 6-34
- Colombian Magnetic Media Apply Thresholds program, page 6-34
- Colombian Magnetic Media Literals and Third Party Movement report, page 6-36

Colombian Magnetic Media Get Movements Program

Use the Colombian Magnetic Media Get Movements program to collect literal and third party movement information for each literal, subliteral, and reported value, using the accounting flexfield segment ranges.

The Colombian Magnetic Media Get Movements program is the first program to run in the generation of the magnetic media file.

After you run the Colombian Magnetic Media Get Movements program, run and review the Literals, Accounts and Third Party Movements report. See Colombian Magnetic Media Literals, Accounts and Third Party Movement Report, page 6-34 for more information.

Navigate to the Magnetic Media Programs window to run the Colombian Magnetic Media Get Movements program.

Program Parameters

Reported Year

Enter the year that you want to report.

Period Start

Enter the first fiscal period that you want to report from.

Period End

Enter the last fiscal period that you want to report to.

Literal Start

Enter the first literal or subliteral that you want to report from.

Literal End

Enter the last literal or subliteral that you want to report to.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Colombian Magnetic Media Apply Thresholds Program

Use the Colombian Magnetic Media Apply Thresholds program to collect literal and third party information to report.

Run the Colombian Magnetic Media Apply Thresholds program after you run the Colombian Magnetic Media Get Movements program and after you run and review the Literals, Accounts and Third Party Movements report.

You can only run the Colombian Magnetic Media Generate File program after you have run the Colombian Magnetic Media Apply Thresholds program for all literals and subliterals. You can use the Colombian Magnetic Media Literal Configuration Verification report to check the status of literals and subliterals. See Colombian Magnetic Media Literal Configuration Verification Report, page 6-30 for more information.

After you run the Colombian Magnetic Media Apply Thresholds program, run the Colombian Magnetic Media Literals and Third Party Movement report. See Colombian Magnetic Media Literals and Third Party Movement Report, page 6-36 for more information.

To navigate to the Colombian Magnetic Media Apply Thresholds program, use Colombian General Ledger: Colombian Localization > Magnetic Media Programs. Use the Standard Request Submission windows to submit the Colombian Magnetic Media Apply Thresholds program.

Program Parameters

Reported Year

Enter the year that you want to report.

Literal Start

Enter the first literal or subliteral that you want to report from.

Literal End

Enter the last literal or subliteral that you want to report to.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Colombian Magnetic Media Literals, Accounts and Third Party Movement Report

The Colombian Magnetic Media Literals, Accounts and Third Party Movement report prints, for each literal and subliteral, accounts and third party transactions by report grouping. The report includes all literals and subliterals.

You can use the report to compare account totals with General Ledger account balances, and correct any discrepancies.

Run this report after you run the Colombian Magnetic Media Get Movements program.

The Colombian Magnetic Media Literals, Accounts and Third Party Movement report shows the literal or subliteral code, reported value, initial and end range of accounting flexfield segments, third party ID, third party name, and reported values.

Use the Standard Request Submission windows to submit the Colombian Magnetic Media Literals, Accounts and Third Party Movement report.

Report Parameters

Reported Year

Enter the year that you want to report.

Literal Start

Enter the first literal or subliteral that you want to report from.

Literal End

Enter the last literal or subliteral that you want to report to.

Report Headings

In this heading…	General Ledger prints…
Company Taxpayer ID	Company Taxpayer ID
Reported Year	Reported year
Literal Start	First literal or subliteral to report
Literal End	Last literal or subliteral to report
Date	Date and time that you ran the report
Page	Current and total page numbers of the report

Column Headings

In this column…	General Ledger prints…
Literal	Subliteral code
RV	Reported value
Initial Account	First accounting flexfield segment for the report grouping
End Account	Last accounting flexfield segment for the report grouping
Third Party ID	Third party ID associated with the movement
Type	Third party identification type

In this column…	General Ledger prints…
Name	Third party name
First Value	First reported value
Second Value	Second reported value

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Colombian Magnetic Media Literals and Third Party Movement Report

The Colombian Magnetic Media Literals and Third Party Movement report prints third party and literal movements. Run the report after you run the Colombian Magnetic Media Apply Thresholds program.

The Colombian Magnetic Media Literals and Third Party Movement report shows literal and subliteral code, reported value, third party ID, third party name, first reported value, and second reported value.

Use the Standard Request Submission windows to submit the Colombian Magnetic Media Literals and Third Party Movement report.

Report Parameters

Reported Year

Enter the year that you want to report.

Literal Start

Enter the first literal or subliteral that you want to report from.

Literal End

Enter the last literal or subliteral that you want to report to.

Report Headings

In this heading…	General Ledger prints…
Company Taxpayer ID	Company Taxpayer ID
Reported Year	Reported year
Literal Start	First literal or subliteral to report
Literal End	Last literal or subliteral to report
Date	Date and time that you ran the report

In this heading…	General Ledger prints…
Page	Current and total page numbers of the report

Column Headings

In this column...	General Ledger prints...
Literal	Subliteral code
Third Party ID	Third party ID associated with the movement
Third Party Type	Third party identification type
Name	Third party name
First Value	First reported value
Second Value	Second reported value

Row Headings

In this row…	General Ledger prints…
Total Subliteral	Sum of first reported values and sum of the second reported values for each subliteral
Total Report	Sum of first reported values and sum of the second reported values for the report
Total of First and Second Values	Sum of first and second reported values for the report
Total Records	Reported record count

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Setting Up the Unique Chart of Accounts

In Colombia, companies are legally required to use a unique chart of accounts (Plan Unico de Cuentas or PUC) defined by the government. Different business sectors, such

as the commercial, financial, or government sectors, have different unique charts of accounts.

The Colombian government defines four levels of accounts within the commercial Unique Chart of Accounts:

- **Level 1** - Accounts at the class level, identified by a one-digit account number. Accounts at this level represent account classes such as asset, liability, equity, revenue, or expense.

- **Level 2** - Accounts at the group level, identified by a two-digit account number. Accounts at this level represent groups of accounts within the classes.

- **Level 3** - Accounts at the account level, identified by a four-digit account number. Accounts at this level represent individual accounts within the groups.

- **Level 4** - Accounts at the sub-account level, identified by a six-digit or longer account number. Accounts at this level represent sub-accounts within the accounts. Level 4 is the maximum level of account detail required by law. You should allow posting only for accounts at this level.

For example, the commercial Unique Chart of Accounts uses these one-digit initial codes to identify the classes of accounts.

- **1** - Asset (Activo)

- **2** - Liability (Pasivo)

- **3** - Equity (Patrimonio)

- **4** - Revenue (Ingresos)

- **5** - Expense (Gastos)

- **6** - Sales Cost (Costos de Ventas)

- **7** - Operation Cost (Costos de Produccion o de Operacion)

- **8** - Debtors Account Order (Cuentas de Orden Deudoras)

- **9** - Creditors Accounts Order (Cuentas de Orden Acreedoras)

Other codes identify accounts at lower account levels.

> **Note:** Oracle General Ledger for Colombia uses the number of digits in the account number to identify the level of the account. The Level field in the Segment Values window is not used for Colombian account levels.

To establish the legal hierarchy of account levels for your accounts, create parent-child relationships between accounts at different levels. Define level 4 accounts as children of level 3 accounts, level 3 accounts as children of level 2 accounts, and level 2 accounts as children of level 1 accounts.

You should set the Allow Posting segment qualifier to *Yes* for all accounts at level 4. General Ledger automatically maintains account balances for the accounts that allow posting.

Maintaining account balances for the higher-level accounts speeds the processing of reports on account activity at these levels, since General Ledger does not need to calculate the account balances when the report is generated. To maintain account balances for accounts at levels 1, 2, and 3, create summary accounts for these accounts. You can create summary accounts by defining a rollup group for each account level, assigning parent accounts to the appropriate rollup groups, and creating summary templates using the rollup groups.

In Colombia, companies must report account information according to the legal account levels. Companies must be able to list account information at each level of account detail.

In Oracle General Ledger for Colombia, a legal report at a particular account level shows detailed information for accounts at that level as well as totals for accounts at each higher level. For example, a report at level 3 shows detailed information for level 3 accounts as well as summary totals for level 2 accounts and level 1 accounts. For more information, see the General Ledger Journal and Balance report, General Ledger Inventory and Balances Book report, and General Ledger Trial Balance report in the *Oracle General Ledger User Guide*.

Example for Colombian legal account levels

Assume that a company needs to set up accounts using the commercial Unique Chart of Accounts with the four legal account levels.

The company defines segment values for the account segment of the accounting flexfield. This table lists some examples of accounts and shows whether the account is a parent value or a child value and which rollup group each parent value should belong to.

Account Number	Description	Parent/Child	Rollup Group
1	Asset	Parent	Class
11	Available	Parent	Group
1105	Cash	Parent	Account

Account Number	Description	Parent/Child	Rollup Group
110505	General Cash	Child	
1110	Banks	Parent	Account
111005	National Bank	Child	

The company also defines the child ranges for the parent accounts. This table shows some examples of the child ranges defined for parent accounts at the various account levels.

Account Number	Account Level	Child Range From	Child Range To	Included Values
1	1	11	11	Parent Values Only
1	1	12	12	Parent Values Only
1	1	13	13	Parent Values Only
1	1	14	14	Parent Values Only
1	1	15	15	Parent Values Only
1	1	16	16	Parent Values Only
1	1	17	17	Parent Values Only
1	1	18	18	Parent Values Only
1	1	19	19	Parent Values Only

Account Number	Account Level	Child Range From	Child Range To	Included Values
11	2	1105	1105	Parent Values Only
11	2	1110	1110	Parent Values Only
11	2	1115	1115	Parent Values Only
11	2	1120	1120	Parent Values Only
11	2	1125	1125	Parent Values Only
1105	3	110500	110599	Child Values Only

The company defines the rollup groups for the three upper account levels, as shown in this table:

Rollup Group Name	Account Level
Class	1
Group	2
Account	3

> **Note:** The subaccount level, level 4, does not need a rollup group since General Ledger automatically maintains account balances for accounts that allow posting.

Finally, the company defines the summary templates to create summary accounts for the upper account levels, as shown in this table. For this example, assume that the accounting flexfield consists of four segments, the first of which is the balancing segment and the second of which is the account segment.

Name	Template	Description
Class	D.CLASS.T.T	Level 1 Accounts
Group	D.GROUP.T.T	Level 2 Accounts
Account	D.ACCOUNT.T.T	Level 3 Accounts

The summary templates should use the rollup groups as the template values for the natural account segment. General Ledger uses these templates to create a summary account for each parent value assigned to the rollup groups. The balance of each summary account is the total of the balances of all the child accounts associated with the parent.

Related Topics

Defining Summary Accounts, *Oracle General Ledger User Guide*

Parent and Child Values and Rollup Groups, *Oracle General Ledger User Guide*

Oracle Payables

Withholding Tax Overview

In Colombia, customers who are withholding agents are responsible for withholding taxes from supplier invoices, credit memos, and debit memos when the supplier is subject to withholding and is not a withholding agent. The customer pays the supplier invoice net the withheld amount and issues a withholding certificate for the withheld amount. The customer pays the supplier invoice net the withheld amount as well as the tax withheld to the proper tax authority.

Several types of withholding tax can be levied on a single invoice line. The withholding tax types include:

- Income tax
- Industry and trade tax
- Remittance tax
- VAT
- Stamp tax

Each domestic invoice has one or more associated taxpayer ID (NIT). The taxpayer ID is

used to help calculate and report withholding activity to tax authorities.

Oracle Payables for Colombia calculates withholding tax during the document approval process based on:

- If you are a withholding agent for each tax
- If the supplier is subject to withholding of each tax from you
- The concepts, or categories, associated with each invoice line
- The rate and minimum tax base amount established by the federal or local government for each concept

This section describes the features of each withholding tax and how to set up Oracle Payables for Colombia to calculate withholding tax as well as withholding certificates that show your withheld tax amounts for your supplier.

Note: Oracle Payables for Columbia does not create offsetting accounting entries for withholding tax.

Note: Oracle Payables for Colombia does not support withholding on prepayments.

Note: The Oracle Payables for Colombia withholding tax solution, which is an extension of the Oracle Payables Automatic Withholding Tax functionality, has its own setup and does not require the use of withholding tax groups.

Withholding Tax and Calculation

This section describes the features and calculation method for each withholding tax type. These withholding taxes are:

- Income tax, page 6-44
- VAT, page 6-45
- Industry and trade tax, page 6-45
- Remittance tax, page 6-46
- Stamp tax, page 6-48

Oracle Payables for Colombia lets you define applicable withholding taxes by setting up the features described in this table:

Set up this Oracle feature…	For this purpose…
Tax Types	Define the types of withholding taxes that apply and their attributes
Tax Codes	Define the concepts, rates, and specific attributes for withholding taxes
Cities	Define cities where withholding taxes are applicable
Company Withholding Applicability	Specify if you are a withholding agent for each tax type
Supplier Withholding Applicability	Associate each supplier with applicable tax types and tax codes

When you enter a document, Oracle Payables for Colombia assigns default withholding tax codes to each applicable document distribution line based on the information that you defined for your company and supplier. You can change or delete the default taxes for a document before the withholding amounts are calculated with some restrictions.

Oracle Payables for Colombia calculates withholding taxes on documents as part of the document approval process:

- Each distribution line is associated with tax codes that apply. Document distribution line amounts are summed up by tax code as well as taxpayer ID to create a taxable base amount.
- If the withholding tax code has an associated minimum taxable base amount, the withholding tax is calculated only when the taxable base amount for the tax code is greater than or equal to the minimum taxable base amount.
- Withholding tax is calculated based on tax code and tax type attributes for the withholding tax.
- If the withholding tax code or associated withholding type has a minimum withheld amount, the calculated amount is compared to the minimum withheld amount to determine if the withholding amount should be applied or not.

Income Tax Withholding

Income tax is a national tax that individuals and legal entities pay for income obtained during the year. In Colombia, the customer withholds income tax on behalf of the supplier and pays it directly to the proper tax authorities. Income tax withholding is applicable for domestic and foreign suppliers when you are an income tax withholding

agent and the supplier is subject to income tax withholding from you.

The income tax withholding amount is calculated on the taxable base for each income concept within a document. The taxable base is established based on the sum of all distribution line amounts that are associated with the same tax code and taxpayer ID on a document. You define the income concept, the minimum amount, and the rate for each tax code.

Income tax withholding is calculated with this formula:

*(taxable base amount) * (tax code rate)*

If a minimum taxable base amount is associated with an income concept, income tax withholding is only calculated for the income concept when the taxable base amount is greater than or equal to the minimum taxable base amount.

If a minimum withheld amount is associated with the concept at either tax code level or withholding type level, the calculated withholding amount must be greater than or equal to the minimum withheld amount for withholdings to apply. Withholding distribution lines are created as part of the document approval process if they apply.

The income tax withholding certificate that you send to your supplier summarizes income tax withholding details.

VAT Withholding

Value Added Tax (VAT), a tax charged on the value added to goods or services at each stage of their supply, is withheld by the customer on behalf of the supplier. VAT withholding applies for domestic and foreign suppliers when you are a VAT withholding agent and the supplier is subject to VAT withholding from you.

The VAT withholding amount is calculated on the taxable base for each concept within a document. The taxable base is established based on the sum of all distribution line amounts that are associated with the same tax code and taxpayer ID on a document. You define the concept and the withholding rate for each tax code. Currently, no minimum taxable base amount is used for VAT withholding.

VAT withholding is calculated with this formula:

*(taxable base amount) * (tax code rate)*

If a minimum withheld amount is associated with the concept at either tax code level or withholding type level, the calculated withholding amount must be greater than or equal to the minimum withheld amount for withholdings to apply. Withholding distribution lines are created as part of the document approval process if they apply.

The VAT withholding certificate that you send to your supplier summarizes VAT withholding details.

Industry and Trade Tax Withholding

Industry and trade tax withholding is the withholding of industry and trade tax on behalf of the supplier. Industry and trade tax withholding applies for domestic and

foreign suppliers when these conditions apply:

- The city associated with a document line levies this tax
- You are an industry and trade tax withholding agent for the city associated with the document line
- Your supplier is subject to industry and trade tax withholding from you for the city associated with the document line

The industry and trade tax withholding amount is calculated on the taxable base for each concept by city within a document. The taxable base is established based on the sum of all distribution line amounts that are associated with the same tax code and taxpayer ID on a document. Each city that levies industry and trade tax has its own industry and trade tax type with its own tax codes and associated rates within this tax type.

The industry and trade tax withholding is calculated using this formula:

*(taxable base amount) * (tax code rate)*

If a minimum taxable base amount is associated with a concept, industry and trade tax withholding is only calculated for the concept when the taxable base amount is greater than or equal to the minimum taxable base amount.

If a minimum withheld amount is associated with the concept at either tax code level or withholding type level, the calculated withholding amount must be greater than or equal to the minimum withheld amount for withholdings to apply. Withholding distribution lines are created as part of the document approval process if they apply.

The industry and trade tax withholding certificate that you send to your supplier summarizes the industry and trade tax withholding details.

Remittance Tax Withholding

Remittance tax withholding is the withholding of remittance tax on behalf of a foreign supplier. Remittance tax withholding applies for foreign suppliers when you are a remittance tax withholding agent and the supplier is subject to remittance tax withholding from you.

The taxable base amount for remittance tax withholding is calculated with a specific formula that you define for each concept. See Remittance Tax Formulas, page 6-47 for examples. The taxable base is established based on the sum of all distribution line amounts that are associated with the same tax code and taxpayer ID on a document. You associate a concept with each tax code and you define the concept attributes that are used to determine which formula is used. In addition, you define the withholding rate for each tax code.

Currently, no minimum taxable base amount is used for remittance tax withholding.

If a minimum withheld amount is associated with the concept at either tax code level or withholding type level, the calculated withholding amount must be greater than or

equal to the minimum withheld amount for withholdings to apply. Withholding distribution lines are created as part of the document approval process if they apply.

The remittance tax withholding certificate that you send to your supplier summarizes the remittance tax withholding details. The base amount printed on the certificate is the calculated amount before the tax code withholding rate is applied in each formula.

Remittance Tax Formulas

This table shows examples of formulas by concept and the withholding rates that the Colombian government currently assigns to the concepts.

Concept	Calculation Method	Withholding Rate
Interest, commissions, and professional fees	(Concept taxable base amount - ((Concept taxable base amount * Income Tax %) + VAT withholding + Industry and Trade withholding + Stamp tax)) * concept withholding rate.	7%
Technical services	(Concept taxable base amount - Stamp tax) * concept withholding rate	10%
Movies exploitation	((Concept taxable base amount - ((Concept taxable base amount * Income Tax %) + VAT withholding + Industry and Trade withholding + Stamp tax)) * special reduction percentage) * concept withholding rate	7%
Software exploitation	((Concept taxable base amount - ((Concept taxable base amount * Income Tax %) + VAT withholding + Industry and Trade withholding + Stamp tax)) * special reduction percentage) * concept withholding rate	7%
Other payments	(Concept taxable base amount - Stamp tax) * concept withholding rate	1%

Stamp Tax Withholding

Stamp tax withholding is the withholding of stamp tax on behalf of a supplier. Stamp tax withholding can apply for domestic or foreign suppliers when you are a stamp tax withholding agent and the supplier is subject to stamp tax withholding. If stamp tax applies to a contract, a customer and a supplier can negotiate who pays what percentage of the standard rate.

The stamp tax withholding amount is calculated on the taxable base. The taxable base is established based on the sum of all distribution line amounts that are associated with the same tax code and taxpayer ID on a document. Generally, a stamp tax withholding type has only one concept. You must define a different tax code for each distinct rate that must apply. You should not define a minimum taxable base amount or minimum withheld amount for stamp tax withholding.

Stamp tax withholding is calculated using this formula:

*(taxable base amount) * (tax code rate)*

Stamp tax withholding is calculated and stamp tax withholding distribution lines are created for document lines that apply when a document is approved.

The stamp tax withholding certificate that you send to your supplier summarizes the stamp tax withholding details.

Setting Up Withholding Tax

This section describes how to set up Oracle Payables for Colombia for withholding tax handling. Complete the setup steps in this order:

Step	Setup Task
1	Enable extended automatic withholding tax calculation, page 6-49
2	Define Payables options, page 6-49
3	Define suppliers and supplier sites, page 6-50
4	Define lookup codes, page 6-51
5	Define locations, page 6-53
6	Define tax withholding types, page 6-54
7	Define tax codes and rates, page 6-56

Step	Setup Task
8	Define your withholding applicability, page 6-58
9	Define your supplier's withholding applicability, page 6-59

Enable Extended Automatic Withholding Tax Calculation

Enable extended automatic withholding tax calculation by setting the JG: Extended AWT Calculation profile option to *Yes* for your Oracle Payables responsibility. Use the System Profile Values window in the System Administrator responsibility to define the JG: Extended AWT Calculation profile option.

Related Topics

Overview of Setting User Profiles, *Oracle Applications System Administrator's Guide*

Define Payables Options

Use the Payables Options window to enable tax withholding and set control options and defaults that are used for withholding taxes.

To define Payables options for withholding taxes:

1. Navigate to the Payables Options window.
2. Navigate to the Withholding Tax tabbed region.
3. Check the Use Withholding Tax check box.
4. Choose At Invoice Approval Time in the Apply Withholding Tax region.
5. Check the Include Discount Amount check box in the Withholding Amount Basis region.
6. Choose the Never option in the Create Withholding Invoice region.
7. Save your work.

Related Topics

Payables Options, *Oracle Payables User Guide*

Define Suppliers and Supplier Sites

Use the Suppliers window to define suppliers and tax authorities. Use the globalization flexfield in this window to define the taxpayer ID validation digit used to validate the taxpayer ID. The taxpayer ID is used for the withholding tax process and reporting purposes.

Use the globalization flexfield in the Supplier Sites window to define a legal address for a supplier. You can only define one site as a legal address site. The legal address is printed on withholding certificates that are created for a supplier.

Prerequisites

Before you use the globalization flexfield in the Suppliers window, you must:

- Set the Supplier Number Entry option to *Manual* in the Supplier - Entry tabbed region of the Financials Options window.
- Set the JL: Copy Tax Identifier Number profile option value to *Yes* at the Responsibility level .

To define suppliers:

1. Navigate to the Suppliers window.
2. Enter or query a supplier.

   Note: Leave the Number field blank so that Oracle Payables for Colombia can automatically copy the taxpayer ID that you enter in the Taxpayer ID field into this field. If you enter a supplier's number in the Number field, Oracle Payables for Colombia does not overwrite the number with the taxpayer ID.

3. Enter the taxpayer ID without the hyphen or validation digit in the Taxpayer ID field. Enter a unique number for foreign entities.
4. Navigate to the globalization flexfield.
5. Enter either *Individual, Legal Entity,* or *Foreign Entity* for the supplier's identification type in the Taxpayer ID Type field. The default identification type is *Legal Entity*.
6. If you entered a Legal Entity identification type, then enter the taxpayer ID validation digit in the Taxpayer ID Validation Digit field. Leave this field blank for an Individual or Foreign Entity identification type.
7. Press the OK button.

   The taxpayer ID and its validation digit are copied into the Number field in the

Suppliers window if there are no errors.

8. If the supplier is a tax authority, navigate to the Classification tabbed region.
9. Enter *Tax Authority* in the Type field.
10. Navigate to the Sites tabbed region.
11. Select a site for the supplier's legal address and press the Open button.

    The Supplier Sites window appears
12. Navigate to the globalization flexfield.
13. Enter *Yes* in the Legal Address field if you want the site address to appear on withholding certificates.
14. Press the OK button.
15. Save your work.

Related Topics

Supplier Entry Financials Options, *Oracle Payables User Guide*

Overview of Setting User Profiles, *Oracle Applications System Administrator's Guide*

Entering Suppliers, *Oracle Payables User Guide*

Define Lookup Codes

Use the Lookups window to define lookup codes for cities and tax authority categories. Lookup codes are codes that you create and associate with predefined lookup types. The lookup types determine specific transaction elements that run in Oracle Payables for Colombia. You can select lookup codes from the lists of values after you have defined the lookup codes.

Defining City Lookup Codes

Define lookup codes for cities that are associated with ship-to locations, bill-to locations, and payment cities. Use the city lookup codes when you define tax types, locations, and your withholding applicability.

To define city lookup codes:

1. Navigate to the Lookups window.
2. Enter or query *JLZZ_CITY* as the lookup type in the Type field.
3. Enter *Latin America Localizations* in the Application field.

4. Enter *City* in the Description field.

5. Enter a unique lookup code for the lookup type in the Code field.

6. Enter the city's name for the lookup code in the Meaning field.

7. Enter dates that you want the lookup code to be entered in the From and To fields. The default date in the From field is the current date.

8. Check the Enabled check box to enable the lookup code for data entry.

9. Repeat steps 5 to 8 for each lookup code that you define for the lookup type.

10. Save your work.

Defining Tax Authority Category Lookup Codes

Define lookup codes for tax authority categories that represent the concepts for each tax type. Use the tax authority category lookup codes to associate a category with each tax code when you define tax codes.

To define tax authority category lookup codes:

1. Navigate to the Lookups window.

2. Enter or query *JLCO_TAX_AUTHORITY_CATEGORY* as the lookup type in the Type field.

3. Enter *Latin America Localizations* in the Application field.

4. Enter *Colombian tax authority category* in the Description field.

5. Enter a unique lookup code for the lookup type in the Code field.

6. Enter a unique tax authority category, such as Services, for the lookup code in the Meaning field.

7. Enter a description of the tax authority category in the Description field.

8. Enter dates that you want the lookup code to be entered in the From and To fields. The default date in the From field is the current date.

9. Check the Enabled check box to enable the lookup code for data entry.

10. Repeat steps 5 to 9 for each lookup code that you define for the lookup type.

11. Save your work.

Related Topics

Lookups, *Oracle Payables User Guide*

Define Locations

Use the Location Address flexfield in the Location window to define additional address information for your company's locations. The city that you specify for each location's address is used to determine the taxes that apply to each document.

For your company's primary location, use the Legal Entity Configurator to enter your company's taxpayer ID and validation digit. The taxpayer ID is used to report withholding activity to tax authorities.

To define locations:

1. Navigate to the Location window.
2. Enter or query a location.
3. In the Address Details tabbed region, enter *Colombia* in the Address Style field.

   The Location Address flexfield automatically appears.
4. Enter your street address in the Address Line 1, 2, and 3 fields.
5. Enter your neighborhood in the Neighborhood field.
6. Enter your city in the City field.
7. Enter your state in the State field.
8. Enter your postal code in the Postal Code field.
9. Enter your telephone area code in the Area Code field.
10. Enter your telephone number in the Telephone field.
11. Enter your fax number in the Fax field.
12. Enter your internet address in the Internet Address field.
13. Press the OK button.
14. Navigate to the Shipping Details tabbed region and enter the location name in the Ship To Location field.
15. Save your work.
16. Navigate to the globalization flexfield.

17. Enter your organization class in the Organization Tax Class field. Leave the Tax Code field blank.

18. Enter the legal name of your company in the Company Name field.

19. Enter your alternate company name in the Alternate Company Name field.

20. Enter your taxpayer ID in the Primary ID Number field.

21. Enter the taxpayer ID's validation digit in the Primary ID Validation Digit field.

22. Enter your city code in the City Code field.

23. Enter your economic activity code in the Economic Activity code field.

24. Press the OK button.

25. Save your work.

Related Topics

Defining Legal Entities Using the Legal Entity Configurator, *Oracle Financials Implementation Guide*

Setting Up Locations, *Oracle HRMS Enterprise and Workforce Management Guide*

Define Tax Withholding Types

Use the Withholding Tax Types window to define tax withholding types and associated attributes, such as the jurisdiction type and tax authority. Tax withholding calculation is based on attributes that you define for the withholding tax type and tax code.

Prerequisites

Before you can use the Withholding Tax Types window, you must:

- Define Payables options
- Define tax authorities. Tax authorities are defined as suppliers with a Tax Authority classification
- Define lookup codes for Colombian cities

To define tax withholding types:

1. Navigate to the Withholding Tax Types window.

2. Enter or query a unique withholding tax type code, such as one of the examples shown in this table, for the withholding tax in the Withholding Tax Type Code field. For industry and trade tax, a distinct withholding tax type is required for each

city. You should include the city's name in your industry and trade tax codes.

For this tax withholding type…	Enter this tax code…
Income tax	INC
VAT	VAT
Industry and Trade/Cali	ITT_CALI
Remittance	REM
Stamp	STA

3. Enter a description for the tax withholding type in the Description field.
4. Check the Applicable to Foreign Suppliers check box if the tax withholding type applies to foreign suppliers.
5. Choose the jurisdiction type, either *Municipal* for industry and trade tax or *Federal* for the other withholding taxes in the Jurisdiction Type field.
6. Choose *Invoice* as the basis that the taxable base amount is calculated on in the Taxable Base Amount Basis field.
7. Choose whether the minimum taxable amount is handled by *Category* or is *Not Applicable* in the Minimum Taxable Amount Level field.
8. Choose whether a minimum withheld amount is compared to the withheld amount for either a *Withholding Type*, *Category*, or is *Not Applicable* in the Minimum Withheld Amount Level field.
9. Enter the minimum withheld amount in the Minimum Withheld Amount field if the minimum withheld amount is compared at withholding type level.
10. Enter the tax authority, such as DIAN, for the withholding tax type in the Tax Authority field.
11. Enter text that will appear as the header of the certificate for the withholding type, such as *Income Tax Withholding Certificate*, in the Certificate Header Text field.
12. Enter a Colombian city in the City field if the jurisdiction type is municipal.
13. Check the User-Defined Formula check box if the withholding tax type is remittance.

14. Save your work.

Related Topics

Entering Suppliers, *Oracle Payables User Guide*

Define Tax Codes and Rates

Use the globalization flexfield in the Tax Codes window to define additional information for withholding tax codes, such as the withholding type and tax authority category.

You associate a withholding tax type with each tax code that you define. The withholding tax type generates default attributes for the tax code. In most cases, you can change the default attributes as required by the tax code definition.

You can associate a withholding tax type with more than one tax code. In general, you need to create a unique tax code within a withholding tax type whenever different rates or attributes apply.

For each tax code, you can choose any combination of item, freight, miscellaneous, and tax as the applicable document line type amounts used in the withholding tax calculation. You should not associate withholding tax codes, including VAT withholding tax codes, with tax line types. If you associate a user-defined formula with a withholding tax type, such as remittance tax, enter the income tax rate, special reduction rate, and withholding tax types that are used in the formula.

> **Note:** If a VAT tax rate changes, create a new tax code for the new rate instead of changing the original rate so that your withholding certificate displays the correct historical tax information.

Prerequisites

Before you can use the Tax Codes window, you must:

- Define withholding tax types
- Define tax authority category lookup codes

To define additional information for withholding tax codes:

1. Navigate to the Tax Codes window.
2. Enter or select a tax code in the Tax Code field. You should indicate the withholding type and category in the tax code, such as INC_GOODS.
3. Enter *Withholding Tax* in the Tax Type field.

Note: After you define a tax code, fill in the information in the globalization flexfield in the Tax Codes window. Use the Withholding Tax Details window to define and maintain withholding information for tax rates related to tax codes. If you change any information in the globalization flexfield in the Tax Codes window, Payables clears the tax authority name in the Withholding Tax Details window.

4. Navigate to the globalization flexfield.

5. Enter a withholding tax type to associate with the tax code in the Withholding Type field.

6. Enter a tax authority category that identifies the concept associated with the tax code in the Tax Authority Category field.

7. Enter *Yes* in the Foreign Rate Indicator field if the tax code applies to foreign suppliers. Enter *No* if the tax code only applies to domestic suppliers.

8. Enter *Yes* in the Item Line Type Applicability field if the item line type forms part of the taxable base amount that can be used to calculate withholding taxes. Otherwise enter *No*.

9. Enter *Yes* in the Freight Line Type Applicability field if the freight line type forms part of the taxable base amount that can be used to calculate withholding taxes. Otherwise enter *No*.

10. Enter *Yes* in the Miscellaneous Line Type Applicability field if the miscellaneous line type forms part of the taxable base amount that can be used to calculate withholding taxes. Otherwise enter *No*.

11. Enter *Yes* in the Tax Line Type Applicability field if the tax line type forms part of the taxable base amount that can be used to calculate withholding taxes. Otherwise enter *No*.

12. Enter the minimum taxable base amount in the Minimum Taxable Base Amount field if a minimum taxable base amount is defined at category level by the withholding tax type associated with the tax code.

13. Enter the minimum withheld amount in the Minimum Withheld Amount field if a minimum withheld amount is defined at category level by the withholding tax type associated with the tax code.

14. Enter the income tax rate that is used in the formula in the Income Tax Rate field.

15. Enter the first federal withholding tax type that is used in the formula in the First

Tax Type field.

16. Enter the second federal withholding tax type that is used in the formula in the Second Tax Type field, if applicable.

17. Enter *Yes* in the Municipal Tax Type field if all municipal withholding tax types are used in the formula. Enter *No* if municipal withholding tax types are not used in the formula.

18. Enter the percentage for special reductions that are used in a formula in the Reduction Percentage field.

19. For VAT withholding tax codes, enter the VAT withholding legal rate that is required to be printed on the withholding certificate in the Reported Tax Rate field.

20. Press the OK button.

21. Press the Withholding Tax Details button.

    The Withholding Tax Details window appears.

22. Enter the tax authority in the Tax Authority field.

23. Enter *Gross Amount* in the Amount Basis field.

24. Enter *Invoice* in the Period Basis field.

25. Uncheck the Create Tax Group check box.

26. Save your work.

Define Your Withholding Applicability

Use the Company Withholding Applicability window to set your withholding agent status for each withholding tax type. Before a tax code is associated with a distribution line, Oracle Payables for Colombia verifies that you are a withholding agent for that tax.

You need to define applicability only for your company's primary location. The same withholding applicability will apply to all locations within an organization.

Prerequisites

Before you can use the Company Withholding Applicability window, you must:

- Define locations
- Define legal entities
- Define withholding tax types

To define your withholding applicability:

1. Navigate to the Company Withholding Applicability window.
2. Enter your company's primary location that is associated with your organization in the Location field.

   A description of the location appears in the Description field.
3. Enter a withholding tax type code in the Withholding Tax Type field.

   A description of the withholding tax type appears in the Description field.
4. Check the Agent Indicator check box if you are a withholding agent for the withholding tax.
5. In the Payment City field, enter the city where the withholding tax is paid.
6. Save your work.
7. Repeat steps 3-5 for each withholding tax type.

Define Your Supplier's Withholding Applicability

Use the Supplier Withholding Applicability window to set your supplier's withholding applicability for each withholding tax type.

Use the Supplier Withholding Tax Codes window to enter tax codes that apply and indicate the primary tax code per withholding tax type. When you enter a document, Oracle Payables for Colombia assigns the supplier's primary withholding tax codes to each document distribution line that applies.

Prerequisites

Before you can use the Supplier Withholding Applicability window, you must:

- Define suppliers
- Define withholding tax types
- Define withholding tax codes

To define your supplier's withholding applicability:

1. Navigate to the Supplier Withholding Applicability window.
2. Select your supplier's name in the Supplier field.
3. Select a withholding tax type and check the Subject Indicator check box for each withholding tax type the supplier is subject to from the customer.

4. Press the Withholding Tax Codes button.

   The Supplier Withholding Tax Codes window appears.

5. Enter one or more tax codes that apply to the supplier for each withholding tax type.

6. Check the Primary check box if the tax code is the primary tax code within a withholding tax type for the withholding tax. Within each withholding tax type, only one tax code can be the primary tax for each supplier.

7. Save your work.

Entering Documents

You can either manually enter documents by matching an invoice to a purchase order, or use Invoice Gateway.

The globalization flexfield in the Distributions window lets you enter or change a ship-to location or taxpayer ID for each document distribution line before a document is approved. If an invoice is matched to a purchase order, the default ship-to location is derived from the purchase order details. You can use the globalization flexfield to change the ship-to location or associate a different taxpayer ID to distribution lines.

Oracle Payables for Colombia defaults withholding tax codes for each distribution line that applies based on your withholding tax setup information and the ship-to location and taxpayer ID associated with each distribution line. Document distribution line amounts are summed up by tax code and taxpayer ID to create a taxable base amount for calculating withholding tax.

Before approving a document, you can:

- Enter the ship-to location at the distribution line level. If a document is matched to a purchase order default, the ship-to location is derived from the purchase order details but you can change the ship-to location in the same way as for any other document.

- Enter a taxpayer ID at the distribution line level. If the taxpayer ID is left blank, the distribution line is automatically associated with the taxpayer ID from the header level.

- Change the ship-to location or taxpayer ID. If you change the taxpayer ID or ship-to location, you will receive a warning message that associated tax codes for the distribution line will return to the default value.

- Review the default withholding tax codes for each distribution line and, if necessary, change the tax code within a withholding tax type, or delete tax codes.

To enter or change a ship-to location or taxpayer ID:

1. Navigate to the Invoices window.
2. Query or enter the invoice that you want.
3. Navigate to the globalization flexfield.
4. Enter the ship-to location in the Ship To Location field if you want the ship-to location to be defaulted to all the invoice distributions.

   Note: When you use a distribution set to create invoice distributions and do not enter a ship-to location, a warning message will ask you to enter a ship-to location so that withholdings are defaulted for each distribution. If you ignore the message, you must manually update the ship-to locations for each distribution that you create.

5. Press the OK button.
6. Press the Distributions button.

   The Distributions window appears.
7. Select a distribution line, and view and update the standard distribution line information.
8. Navigate to the globalization flexfield.
9. Enter or change the supplier's ship-to location in the Ship To Location field.
10. Enter or change the supplier's taxpayer ID in the Taxpayer ID field. Leave this field blank to automatically associate the distribution line with the taxpayer ID from the header level.
11. Press the OK button.
12. Save your work.

Colombian Payables Withholding Certificate Report

Use the Colombian Payables Withholding Certificate report to print supplier withholding certificates. For each withholding tax type, you provide withholding certificates for each supplier that you withheld taxes for. The certificates are normally printed annually to cover all withholdings for a tax year; however, you can print this report for any supplier for any period.

Note: Payables only creates withholding certificate information for

suppliers that have a bill-to and ship-to address defined at the supplier header level.

The withholding certificate has the same general format for each of the withholding tax types, including the taxable period, company information, supplier information, city where the tax was withheld, and the city where the withholding tax was paid. Withholding information includes the taxable base amount and withheld amount for each concept.

The VAT withholding certificate includes additional information for each concept, such as the VAT amount and the reported tax rate for the tax code.

Use the Standard Request Submission windows to submit the Colombian Payables Withholding Certificate report.

Report Parameters

Start Date

Enter the starting date of the taxable period that you want a certificate for.

End Date

Enter the ending date of the taxable period that you want a certificate for.

Withholding Tax Type

Enter the tax withholding type or leave this field blank for all tax withholding types.

Supplier Name

Enter the supplier's name if you want to generate certificates for one supplier. This option overrides any supplier range entries.

Supplier Name Range From

Enter the starting supplier's name if you want certificates for a range of suppliers.

Supplier Name Range To

Enter the ending supplier's name if you want certificates for a range of suppliers.

Supplier Number Range From

Enter the starting supplier's number if you want certificates for a range of suppliers.

Supplier Number Range To

Enter the ending supplier's number if you want certificates for a range of suppliers.

Report Headings

In this heading…	Oracle Payables prints…
<Certificate Name>	The name of the certificate that you defined as certificate header text for the tax withholding type
Taxable Period From	The starting withholding date of the taxable period that you entered
To	The ending withholding date of the taxable period that you entered
City where the withholding was done	The city associated with the supplier's bill-to location
City where the withholding was paid	The payment city associated with the tax withholding type
Name	Your company name
Address	Your company address
NIT Number	Your company taxpayer ID
Name	Your supplier name
Address	Your supplier legal site address
NIT Number	Your supplier taxpayer ID
Date	The current date
Signature	A space for a signature

Column Headings

In this column…	Oracle Payables prints…
Concept	The concept name (tax authority category for the tax code)
Total Amount	The total taxable base amount for all withholdings within the concept for a supplier within the taxable period range. For remittance tax, this is the total calculated base amount.
VAT Amount (VAT Withholding Certificate)	The total VAT amount associated with the concept taxable base amount
Concept Rate (VAT Withholding Certificate)	The concept percentage rate for VAT, the reported tax rate for the tax code
Withholding Amount	The total withheld amount within the concept for a supplier within the specified taxable period range

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Colombian Payables Withholding Report

The Colombian Payables Withholding report is an internal report that details tax withholding information for a taxable period which you can use for audit purposes. You can report on any tax withholding type. The report shows the document number, withholding accounting date, taxable base amount, and withholding amount by tax withholding type, accounting flexfield, and supplier. The VAT Withholding Tax details also include the VAT amount. Totals for the supplier, accounting flexfield, and tax withholding type are calculated.

> **Note:** Payables only prints supplier information for suppliers that have a bill-to and ship-to address defined at the supplier site level.

Use the Standard Request Submission windows to submit the Colombian Payables Withholding report.

Report Parameters

Period From

Enter the starting withholding period for the range that you want to report from. Leave this field blank for the current withholding period.

Period To

Enter the ending withholding period for the range that you want to report to.

Taxpayer ID From

Enter the starting supplier's taxpayer ID for the range that you want to report from. Leave this field blank for the first taxpayer ID.

Taxpayer ID To

Enter the ending supplier's taxpayer ID for the range that you want to report to. Leave this field blank for the last taxpayer ID.

Withholding Type From

Enter the starting withholding type for the range that you want to report from. Leave this field blank for the first withholding type.

Withholding Type To

Enter the ending withholding type for the range that you want to report to. Leave this field blank for the last withholding type.

Flexfield From

Enter the starting accounting flexfield for the range that you want to report from. Leave this field blank for the first accounting flexfield.

Flexfield To

Enter the ending accounting flexfield for the range that you want to report to. Leave this field blank for the last accounting flexfield.

Report Headings

In this heading…	Oracle Payables prints…
Withholding Tax Type	The withholding type that you entered
Period From	The starting withholding period that you entered

In this heading…	Oracle Payables prints…
To	The ending withholding period that you entered
Start Flexfield	The starting accounting flexfield that you entered
End Flexfield	The ending accounting flexfield that you entered
Flexfield	The accounting flexfield for the withholding distribution line details
Taxpayer ID Number	The supplier taxpayer ID
Supplier Name	The supplier name

Column Headings

In this column...	Oracle Payables prints...
Document Number	The document number
Accounting Date	The withholding accounting date for the withholding distribution
Taxable Base Amount	The taxable base amount for the withholding distribution
VAT Amount (VAT withholdings)	The VAT amount associated with the taxable base amount
Withholding Amount	The amount withheld for the withholding distribution

Row Headings

In this row…	Oracle Payables prints…
Supplier Total	The totals for the supplier within an accounting flexfield and withholding type
Flexfield Total	The totals for the accounting flexfield within a withholding type
Withholding Tax Type Total	The sum of the totals for the withholding type

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Oracle Inventory

Inflation Adjustment for Inventory

Colombia law requires that you report the inflationary effects on your inventory in your financial statements. To meet this requirement, you must periodically adjust your inventory for inflation.

This requirement is similar to the inflation adjustment requirement for fixed assets. See Inflation Adjustment Overview, page 6-137 for more information.

The Departamento Administrativo Nacional de Estadistica (DANE), the National Statistics Department of Colombia, issues an inflation adjustment index, the Porcentaje De Ajuste Del Ano Gravable (PAAG), during the first five days of the month. This index, given as a percentage, corresponds to the previous month's variation of the General Consumer Price Index which you must apply to the value of all purchased inventory.

Oracle Inventory Inflation Adjustment helps you meet inflation adjustment requirements.

To meet the legal requirements for inventory inflation adjustment, you must store, track, and report:

- The inflation adjustment index
- The initial inflation adjustment (Beginning Total Inflation) amount per unit at the beginning of each period
- The initial on-hand quantity (Beginning Quantity) of each item at the beginning of each period

- The initial adjusted unit cost of each item at the beginning of each period which is calculated by adding the initial inflation adjustment per unit to the unit cost per item
- The period-end on-hand quantity (Final Quantity) of each item at the end of each period
- The period-end unit cost of each item (Final Unit Cost) at the end of each period
- The final balance inflation (Final Total Inflation) at period-end

Inflation Adjustment for Inventory requires these conditions:

- You must use an Average Costing method; Periodic Costing and Standard Costing are not supported
- You have transaction distributions that are costed
- Ensure that your organizations are not WMS enabled as this functionality does not support WMS enabled organizations.

The solution does not support transactions related to manufacturing processes.

Related Topics

Defining Costing Information, *Oracle Inventory User Guide*

Overview of Inventory Transactions, *Oracle Inventory User Guide*

Inventory Inflation Adjustment Setup Steps

You must complete these one-time setup steps:

1. Define a price index, page 6-69
2. Assign the Inflation Index, page 6-69
3. Define item category set and categories, page 6-69
4. Assign the item category set and categories, page 6-70
5. Assign the name of the category set and categories, page 6-71
6. Define Inflation Adjustment GL accounts, page 6-71
7. ,Assign Inventory Inflation Adjustment accounts to items, page 6-72
8. Load your historical data, page 6-72

Define a Price Index

Define a price index to store the government-supplied inflation adjustment index.

To define a price index:

1. Navigate to the Price Indexes window.
2. Enter the name of the Price Index in the index field. For example, PAAG for Porcentaje De Ajuste Del Ano Gravable.
3. Save your work.

Related Topics

Defining Price Indexes, *Oracle Assets User Guide*

Assign the Inflation Index

Assign the price index defined in the previous step to the Colombia Manufacturing responsibility.

To assign the price index:

1. Navigate to the Find System Profile Values window.
2. Check the Responsibility check box.
3. Enter *Colombia Manufacturing* in the Responsibility field.
4. Enter *CST: Price Index for Inflation Adjustment* in the Profile field.
5. Choose find.

   The System Profile Values window appears.
6. In the corresponding responsibility field, enter PAAG if you defined PAAG as the Price Index for Porcentaje De Ajuste Del Ano Gravable. Please note that the price index defined here will be defaulted at the time of running the inflation adjustment processor and can be overridden at the time of running the processor.

Define Item Category Set and Categories

You can define new item category sets and categories to identify inflation adjustment items in Oracle Inventory. Category sets provide the flexibility to designate specific inventory or non-monetary items that require inflation adjustments.

For example, you might create a category set for the non-monetary asset Office Furniture, which could include categories such as desks, chairs, and filing cabinets.

You can skip this step if you have already set up the category sets and categories that

you need to identify inflation adjustment items.

Related Topics

Defining Categories, *Oracle Inventory User Guide*

Defining Category Sets, *Oracle Inventory User Guide*

Assign the Item Category Set and Categories

The item category set and categories defined in the previous step are assigned at the site level.

You can skip this step if you want to apply the inflation adjustment to all inventory items.

This table indicates the effects of all combinations of category and category set assignments.

Category Set	Category	Inflation Adjustment Applied To
Not assigned	Not assigned	All
Assigned	Not assigned	Items with matched category set
Not assigned	Assigned	Items with matched category
Assigned	Assigned	Items with both matched

To assign item category set and category:

1. Navigate to the Find System Profile Values window.
2. Check the Site checkbox.
3. Query for CST: Item Category Set for Inflation Adjustment in the Profile field.

   The System Profile Values window appears.
4. In the Site field, select the name of the item category set that you defined from the list of values.
5. Query for CST: Item Category for Inflation Adjustment in the Profile field.
6. In the Site field, select the name of the category that you defined from the list of values.

7. Save your work.

Assign the Name of the Category Set and Categories

Use the Inventory setup window to assign the names of the category set and categories used to store the inflation adjustment index to the Colombia Manufacturing Responsibility.

Define Inflation Adjustment GL Accounts

For each organization, you must define the accounts that are used to track inflation adjustments.

To define the GL accounts that track the inflation adjustment:

1. Navigate to the GL Accounts window.

2. Enter an account for each of these inventory inflation adjustment accounts. Although these descriptions are optional, using these descriptions simplifies assigning accounts to your items.

   - **Inflation Adjustment Account** - An asset account used to accrue inflation adjustments for inventory items.

   - **Monetary Correction Account** - A revenue account that is the offsetting account for the Inventory Inflation Adjustment Account and is treated as income in financial statements.

   - **Sales Cost Account** - An expense account that is debited when the Inflation Adjustment Portion that corresponds to Material Issues is retired.

3. Select an effective From Date, but leave the To Date field blank.

4. Check the *Enabled* check box to activate the account. If you entered an Effective Date range, the account is only enabled within that date range.

5. Check the Allow Posting check box if you need to allow posting.

6. Check the Allow Budgeting check box if you need to allow budgeting.

   You also set Allow Posting and Allow Budgeting attributes for the individual segment values; however, the Allow Posting and Allow Budgeting attributes for the accounts do not override the attributes for the individual segment values. For example, if you allow posting to an account with a segment value that does not allow posting, you cannot post to that account.

   > **Note:** You cannot set Allow Posting for the Net Income account that is specified for a ledger with average balance processing

enabled.

7. Save your work.

Related Topics

Defining Accounts, *Oracle General Ledger User Guide*

Assign Inventory Inflation Adjustment Accounts to Items

Use the globalization flexfield in the Organization Items window to assign the inventory inflation accounts defined in the previous step to each inventory item.

To assign the inventory inflation accounts:

1. Navigate to the Organization Items window.
2. Select an item from the list of values.
3. Navigate to the globalization flexfield.
4. In the Inflation Adjustment Account field, enter the corresponding account number.
5. In the Monetary Correction Account field, enter the corresponding account number.
6. In the Sales Cost Account field, enter the corresponding account number.
7. Save your work.

> **Note:** The Inventory Item Application, Fiscal Classification Code, and Transaction Condition Class fields are not used for inventory inflation adjustment. These fields are used for the Latin Tax Engine in Oracle Receivables for Colombia. For more information, see Assign Tax Condition Classes and Fiscal Classifications to Items, page 6-114.

Related Topics

Defining Items, *Oracle Inventory User Guide*

Load the Historical Data

You must load historical data to establish a baseline for inventory inflation adjustment calculations by creating and running a SQL script to execute the create_historical_cost API.

If a problem occurs while creating historical data, you can delete and reload the data.

Deleting historical data is done using a SQL script to execute the delete_all_historical_costs API.

To load historical data:

1. Create a SQL script to load the create_historical_cost API.
2. Load the create_historical_cost API from the public package CST_MGD_INFL_ADJUSTMENT_PUB.
3. Execute the create_historical_cost API using the SQL script and these parameters, as described in this table.

   Create_historical_cost

Parameter	Usage	Type	Description
p_api_version_ number	Input	NUMBER	Colombian Mfg Version must be 1.0.
p_init_msg_list	Input	VARCHAR2	Initializes the message stack.
x_return_status	Output	VARCHAR2	Returns the program execution status.
x_msg_count	Output	NUMBER	Returns the number of messages in message stack.
p_historical_cost_ rec	Input	Inflation_ Adjustment_ Rec_ Type	A record that holds historical cost data per item and is defined in the CST_MGD_INFL_ ADJUSTMENT_PUB package.
p_api_version_ number	Input	NUMBER	Colombian Mfg Version must be 1.0.

To delete historical data:

1. Create a SQL script to load the delete_all_historical_costs API .
2. Load the delete_all_historical_costs API from the public package CST_MGD_INFL_ADJUSTMENT_PUB.

3. Execute the delete_all_historical_costs API using the SQL script and these parameters, as described in this table.

Delete_all_historical_costs

Parameter	Usage	Type	Description
p_api_version_ number	Input	NUMBER	Colombian Mfg Version. must be 1.0
p_init_msg_list	Input	VARCHAR2	Initializes the message stack.
x_return_status	Output	VARCHAR2	Returns the program execution status.
x_msg_count	Output	NUMBER	Returns the number of messages in message stack.

Inventory Inflation Adjustment Processing

You must periodically perform these steps:

1. Enter the inflation adjustment index value for the current period, page 6-74
2. Close the accounting period, page 6-75
3. Run the inflation adjustment processor, page 6-75
4. Print the Kardex Report, page 6-75
5. Review calculations in the Kardex Reports, page 6-76
6. Transfer the adjustment transactions to General Ledger, page 6-76

Enter the Inflation Adjustment Index Value for the Current Period

You must enter a value for the Price Index defined to store the inflation adjustment index value issued by DANE.

To enter the Inflation Adjustment Index Value:

1. Navigate to the Price Indexes window.
2. Select the name of the Price Index (such as PAAG) from the list of values.

3. Enter the inflation adjustment index value for the current period as a percentage (for example, enter 20 for 20%) in the Value % field.

4. Enter the From Date and To Date that this index is effective for. The date range that you specify must be the same as the Inventory Accounting Period.

5. Save your work.

Related Topics

Maintaining Accounting Periods, *Oracle Inventory User Guide*

Defining Price Indexes, Oracle Assets User Guide

Close the Accounting Period

In Oracle Cost Management, close the accounting period.

Related Topics

Overview of Period Close, *Oracle Cost Management User Guide*

Run the Inflation Adjustment Processor

The Inflation Adjustment Processor calculates the ending inflation value by applying the inflation adjustment index to each inventory item. You must run this process for each organization that requires an inflation adjustment. See Calculating the Inventory Inflation Adjustment, page 6-76 for more information about inflation adjustment calculations.

To run the Inflation Adjustment Processor:

1. Navigate to the Submit Requests window.

2. Select *Inflation Adjustment Processor* from the list of values to display the Parameters window.

3. In the Organization field, select an organization from the list of values. You should only select organizations that must have their inventories revalued.

4. Select an accounting period from the list of values. You should only select closed accounting periods.

5. Choose OK.

Print the Kardex Reports

See Fiscal Kardex Reports, page 6-82 for more information about Fiscal Kardex reports. You can run these reports in any order.

Review Calculations in the Kardex Reports

Before you post the adjustment to General Ledger, review the Fiscal Kardex reports (Adjusted and Historical) to verify that the adjustment calculations are correct. See Fiscal Kardex Reports, page 6-82for more information.

Transfer the Adjustment Transactions to General Ledger

Once the adjustments are calculated and are verified by the Fiscal Kardex Reports, you must transfer adjustments to General Ledger in the period that follows the adjusted period, before you run the Inflation Adjustment Processor for the period following the adjusted Period. For example, if you run the inflation adjustment processor for November on December 5, then you must transfer the adjustments before the end of the month (December 31).

To transfer adjustments to the General Ledger:

1. Navigate to the Submit Requests window.
2. Select *Inflation Adjustment Transfer to GL* to display the Parameters window.
3. Select an organization from the list of values.
4. You should only select organizations that have had their inventory adjusted for inflation.
5. Select an accounting period from the list of values. You should only select closed accounting periods.
6. Choose OK.

Calculating the Inventory Inflation Adjustment

This section provides an example to illustrate the calculations that the Inventory Inflation Adjustment processor makes and the accounting entries that result.

As you follow the example, please note:

- The inflation index is applied in the calculation of the beginning inflation
- January 2000 is a setup month and consequently unaffected by the inflation index in this example
- The effects of transfers are not considered in this example or the formulas that are discussed

Inflation Adjustment Calculation Example

This example shows transactions, calculations, and journal entries for inflation

adjustment performed on one organization between January 2000 and February 2000.

As required, the example uses an average costing organization.

This example assumes that:

- The organization is new and contains no historical data
- The periodic inflation adjustment is supplied
- Inflation indexes are:
  - January 2000**:** 2% (known in February)
  - February 2000**:** 3% (known in March)

Transactions Calculated for Period January 2000

This table summarizes the transactions for this period, with beginning total quantity and balance value of 0.

Date	Receipt Quantity	Issue Quantity	Receipt Unit Cost	Issue Unit Cost	Receipt Transaction Cost	Issue Transaction Cost	Total Quantity	Balance Value
1/31	170	130			1700	1300	40	400.00

The final totals for this period are the same values as shown in the above table.

Inflation Adjustment Calculation for January 2000

This table shows the calculation at the beginning of the period.

Quantity	Balance Value	Prior Final Inflation	Beginning Inflation
0	0.00	0	0

This table shows the calculation for receipt activity.

Quantity	Value	Unit Adjustment
170	1700.00	0.00

This table shows the calculation for issue activity.

Quantity	Value	Unit Adjustment	Inflation Issue
130	1300.00	0.00	0.00

This table shows the calculation at the end of the period.

Quantity	Balance Value	Final Inflation
40	400.00	0.00

Accounting Entries for January 2000

This table shows the accounting entries for this period.

Date	Journal Entry	Debit	Credit
01/30	Inflation Adjustment	0.00	
	Monetary Correction		0.00
	For Inflation Revaluation		
01/30	Sales Cost	0.00	
	Inflation Adjustment		0.00
	For Material Issues		

Transactions Calculated for Period February 2000

This table summarizes the transactions for this period, with beginning total quantity of 40 and balance value of 400.00, carried over from January 2000.

Date	Receipt Quantity	Issue Quantity	Receipt Unit Cost	Issue Unit Cost	Receipt Transaction Cost	Issue Transaction Cost	Total Quantity	Balance Value
02/03	20		10		200		60	600.00
02/05	200		10		2000		260	2600.00
02/06		40		10		400	220	2200.00
02/15	10		10		100		230	2300.00
02/20		20		10		200	210	2100.00
02/25		10		10		100	200	2000.00

This table shows the final totals for this period, including the beginning quantity of 40 and balance value of 400.00.

Receipt Quantity	Issue Quantity	Receipt Transaction Cost	Issue Transaction Cost	Total Quantity	Balance Value
230	70	2300	700	200	2000.00

Inflation Adjustment Calculation for February 2000

This table shows the calculation at the beginning of the period.

Quantity	Balance Value	Prior Final Inflation	Beginning Inflation
40	400.00	0	12

This table shows the calculation for receipt activity.

Quantity	Value	Unit Adjustment
230	2300.00	.04

This table shows the calculation for issue activity.

Quantity	Value	Unit Adjustment	Inflation Issue
70	700.00	.04	3.11

This table shows the calculation at the end of the period.

Final Quantity	Final Balance Value	Final Inflation
200	2000.00	8.89

Accounting Entries for February 2000

This table shows the accounting entries for this period.

Date	Journal Entry	Debit	Credit
2/28	Inventory Inflation Adjustment	12.00	
	Monetary Correction		12.00
	For Inflation Revaluation		
2/28	Sales Cost	3.11	
	Inventory Inflation Adjustment		3.11
	For Material Issues		

Transaction Costing Calculations

- Monthly Beginning Values are derived from the final values of the previous month.
  - Jan-00 - Jan-00 is a setup month in this example. The Beginning Quantity equals 0; the Beginning Value equals 0.
  - Feb-00 - Beginning Quantity and Balance Value come from the final values for Jan-00.

- Receipt Quantities and Issues Quantities are the sums of the months' receipts and issues.

  Jan-00 - Receipts: 170 Issues: 130

  Feb-00 - Receipts: 230 Issues: 70

- Transaction cost for an individual transaction is the unit quantity times the unit cost. For a month, transaction cost is the sum of the values respectively for the month's receipts and issues.

  Jan-00 - Receipts: 1700 Issues: 1300

  Feb-00 - Receipts: 2300 Issues: 700

- Final Quantity = Beginning Quantity + Receipt Quantity - Issue Quantity
  - Jan-00 - 0.00 + 170 - 130 = 40
  - Feb-00 - 40 + 230 - 70 = 200

- Final Balance Value = Beginning Balance Value + Receipt Value - Issue Value
  - Jan-00 - 0.00 + 1700.00 - 1300.00 = 400.00
  - Feb-00 - 400.00 + 2300.00 - 700.00 = 2000.00

Inflation Costing Calculations

- Prior Final Inflation carries forward the previous month's Final Inflation.

  Beginning Inflation is a calculation that represents the inflation amount that must distributed across the monthly transactions.

  This is the calculation that uses the Inflation Index, and the resulting amount is posted to the General Ledger.

  Beginning Inflation = (Prior Period Final Balance Value + Prior Period Final Inflation) * Inflation Index (current period) + Prior Period Final Inflation
  - Jan-00 - Beginning Inflation is 0 because the Beginning Quantity and values are 0.

    The formula for Jan-00 does not apply for this example because Jan-00 is a setup month.
  - Feb-00 - Beginning Inflation = (400.00 + 0.00) * 0.03 + 0.00 = 12.00
  - The Feb-00 calculation uses the inflation index of .03.

- Receipt Unit Adjustment represents the average inflation adjustment and, using the Beginning Inflation (see previous item), is calculated as:

Receipt Unit Adjustment = Beginning Inflation / (Beginning Quantity + Receipt Quantity)

- Jan-00 - 0.00/(0 + 170) = 0.00
- Feb-00 - 12.00/(40 + 230) = .0444 rounded to 0.04

- The Issue Unit Adjustment equals the Receipt Unit Adjustment.
- Inflation Issue represents the adjustment amount applied to issues. This amount is posted as a credit to General Ledger against the Beginning Inflation.

> **Note:** The Receipt Unit Adjustment applies only to inventory transfers. Items received from external organizations (PO, RMA, and WIP) are not included in the calculation.

Inflation Issue = Issue Unit Adjustment * Issue Quantity

- Jan-00 - 0.00 x 130 = 0.00
- Feb-00 - 0.0444 x 70 = 3.108 rounded to 3.11

- Final Inflation = Beginning Inflation - Inflation Issue
  - Jan-00 - 0.00 - 0.00 = 0.00
  - Feb-00 - 12.00 - 3.11 = 8.89

Related Topics

Overview of Average Costing, *Oracle Cost Management User Guide*

Fiscal Kardex Reports

The Fiscal Kardex reports supplied with Inflation Adjustment for Inventory are designed to meet the statutory requirements of the Colombian government. Ensure that you run the inflation adjustment processor for the period before you print these reports for the same period.

The reports list, by period and item, the initial and final costs, as well as all the transactions in the period. Items that have had no activity during the period are displayed without the transaction detail. There are two versions of the reports:

- Fiscal Kardex Report - Historical
- Fiscal Kardex Report - Adjusted

The reports are very similar. The Adjusted report has information specific to the

beginning, final, and total inflation. The Adjusted report also adds figures in the top section for Beginning and Final Total inflation.

Inflation Adjustment for Inventory assumes that you use the average costing method and that inflation adjustment is periodically run. Inflation adjustment is calculated at the period level, where different types of transactions are grouped together in the calculation, rather than at each individual transaction level as for average costing calculation. Inflation adjustment for each individual transaction in the report is estimated and should not be interpreted as the exact inflation adjustment for the transaction, but rather as the average inflation adjustment.

Report Parameters

Organization Code

Select an Organization Code. You should only select organizations that have had their inventory adjusted for inflation.

From Date

Enter the date that you want to run the report from.

To Date

Enter the date that you want to run the report to.

From Item Code

Select the beginning item that you want the report to run from.

To Item Code

Select the ending item that you want the report to run to.

Column Headings

Historical

In this column...	Oracle Inventory prints...
Date	The transaction date
Type	The type of transaction generating the posting to General Ledger
Beginning Inventory - Quantity	The inventory quantity at the beginning of the period

In this column...	Oracle Inventory prints...
Beginning Inventory - Unit Cost	The inventory unit cost at the beginning of the period
Beginning Inventory - Total Cost	The total cost of inventory at the beginning of the period
Transaction - Quantity	The number of units transacted
Transaction - Unit Cost	The unit cost at the time of transaction
Transaction - Total Cost	The total unit cost (Transaction Cost x Transaction Quantity)
Final Inventory - Quantity	The inventory quantity at the end of the period
Final Inventory - Unit Cost	The inventory cost at the end of the period
Final Inventory - Total Cost	The total cost of inventory at the end of the period

Adjusted

In this column...	Oracle Inventory prints...
Date	The transaction date
Type	The type of transaction generating the posting to General Ledger
Beginning Inventory - Quantity	The inventory quantity at the beginning of the period
Beginning Inventory - Unit Cost	The inventory unit cost at the beginning of the period
Beginning Inventory - Total Cost	The total cost of inventory at the beginning of the period
Beginning Inventory - Total Inflation	The total beginning inflation per unit

In this column...	Oracle Inventory prints...
Transaction - Quantity	The number of units transacted
Transaction - Unit Cost	The unit cost at the time of transaction
Transaction - Total Cost	The total unit cost (Transaction Cost x Transaction Quantity)
Transaction - Total Inflation	The total inflation per unit cost
Final Inventory - Quantity	The inventory quantity at the end of the period
Final Inventory - Unit Cost	The unit cost of inventory at the end of the period
Final Inventory - Total Cost	The total cost of inventory at the end of the period
Final Inventory - Total Inflation	The total inflation cost at the end of the period

Oracle Receivables

Income Tax Self Withholding and VAT

Companies can obtain the right from the Departamento de Impuestos y Aduanas Nacionales (DIAN) to self-withhold income tax on a customer invoice as a prepayment for their own income tax. Companies accrue and account for the income tax per invoice and pay the self-withheld income tax to the government.

A company may, for example, prefer to remit self withholding tax instead of having its customers withhold income tax on the company's behalf because this process involves collecting and reconciling a large amount of withholding income tax certificates before the income tax return due date.

Withholding Responsibility

The responsibility for withholding income tax on a sales invoice depends upon the withholding tax status of both you and your customer.

This table describes who is responsible for withholding income tax on a sales invoice.

If you are...	If the customer is income tax withholding agent...	If the customer is not an income tax withholding agent...
Responsible for self withholding income tax	You self-withhold income tax	No income tax is withheld
Not responsible for self withholding income tax	Customer withholds income tax	No income tax is withheld

Value Added Tax (VAT)

Any VAT paid on a company invoice is referred to as *input tax*. Value Added Tax (VAT) is imposed on the value added to goods or services at each stage of their supply. The VAT charged on a customer invoice is referred to as *output tax*. The formula to describe the VAT amount due each period is *Amount Due = Output Tax - Input Tax*.

Latin Tax Engine

If you are subject to income tax and are a self-withholder of income tax, you must calculate and accrue for income tax self withholding on certain sales invoices. Oracle Receivables for Colombia provides the *Latin Tax Engine* to support your income tax self withholding requirements as well as your VAT requirements.

If you are required to self-withhold income tax, use the Latin Tax Engine to calculate income tax self withholding. The Latin Tax Engine also calculates and accounts for VAT. If you are not required to self-withhold income tax, use the standard Receivables tax engine to handle VAT on your invoices.

Related Topics

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

Calculating Income Tax Self Withholding and VAT

This section describes the values that Oracle Receivables uses to calculate income tax self withholding and VAT.

Income Tax Self Withholding

Oracle Receivables calculates income tax self withholding according to these criteria:

- Your income tax self withholding status
- Your customer's withholding responsibility
- Income concept

An *income concept* describes the nature of the sale. Professional Fees, Goods, and Services are examples of income concepts. Oracle Receivables calculates income tax on an invoice line according to the income concept for that invoice line. A single invoice can contain multiple income concepts.

The government establishes the minimum taxable base and the withholding rate for each income concept. In accordance with the Plan Unico de Cuentas (PUC), you must maintain designated accounts for the prepaid tax asset and the self withholding liability.

Oracle Receivables calculates income tax self withholding on a transaction when:

- You are an income tax self-withholder for the income concept
- Customer is an income tax withholding agent
- The sum of invoice lines with the same income concept is greater than or equal to the income concept minimum taxable base amount

Example 1 illustrates the income tax self withholding calculation.

Example 1: Income Tax Self Withholding

This table provides an example of income tax rates and minimum taxable amounts for income concepts.

Income Concept	Income Tax Rate	Minimum Taxable Amount
Goods	3%	300
Services	4%	400
Professional Fees	10%	600

You issue this invoice:

Line	Item	Amount
line 1	Item A (Income Concept: Goods)	100
line 2	Item B (Income Concept: Goods)	1,000
line 3	Item C (Income Concept: Services)	2,000

Line	Item	Amount
line 4	Item D (Income Concept: Professional Fees)	500
	Total Invoice	3,100

Oracle Receivables calculates income tax self withholding as shown in this table:

Income Concept	Invoice Lines	Amount present on invoice	Income Tax Self-Withheld
Goods	1 and 2	1,100	33 (3% * 1100)
Services	3	2,000	80 (4% * 2000)
Professional Fees	4	500	0

There is no income tax self withholding for the income concept Professional Fees, since the invoice line amount is less than the minimum taxable base.

VAT

Oracle Receivables calculates VAT according to these criteria:

- Your VAT regime
- Your customer's VAT status
- Fiscal classification of items sold

A company is registered with one of two VAT regimes: simplified or common. A *simplified regime* is a company with a sales volume below a certain threshold. These companies are not required to collect VAT. A *common regime* is a company required to charge and collect VAT.

For VAT purposes, a customer is considered either *national* or *foreign*. Sales to foreign customers are considered exempt from VAT and are taxed at a 0% VAT rate. Sales to national customers are charged VAT according to the items sold.

The three fiscal classifications for items sold are:

- *Excluded* - items that are not subject to VAT
- *Exempt* - items that are subject to VAT at a 0% rate

- *Taxable* - items that are subject to VAT at a rate greater than 0%

Example 2 illustrates a VAT and income tax self withholding calculation.

Example 2: VAT and Income Tax Self Withholding

This table provides an example of VAT and income tax self withholding information for items A through D.

Item	VAT Fiscal Classification	VAT Rate	Income Tax Self Withholding Income Concept	Income Tax Self Withholding Minimum Amount Taxable	Income Tax Self Withholding Income Tax Rate
Item A	Taxable	16	Goods	300	3
Item B	Taxable	16	Goods	300	3
Item C	Exempt	0	Services	400	4
Item D	Excluded	Not Applicable	Professional Fees	600	10

You issue the following invoice:

line 1 Item A 100

line 2 Item B 1,000

line 3 Item C 300

line 4 Item D 1,500

Total Invoices 2,900

Oracle Receivables calculates VAT and income tax self withholding as shown in this table:

Line	VAT	Income Tax Self-Withheld
1	16 = (100 * 16%)	0
2	160 = (1,000 * 16%)	33 = ((100 + 1,000) * 3%)
3	0 = (300 * 0%)	0
4	Not Applicable	150 = (1,500 * 10%)

The total VAT is 176 and the total self-withheld income tax is 188.

There is no income tax self withholding for the income concept Services, since the invoice line amount is less than the minimum taxable base.

Setting Up for Income Tax Self Withholding and VAT

This section describes the steps for setting up Oracle Receivables and the Latin Tax Engine to calculate income tax self withholding and VAT. Use the setup checklist to help you complete the appropriate steps in the correct order.

Your Oracle Receivables for Colombia installation already includes some of the codes and values described in this section. The setup tasks in this chapter indicate whether the data included in the accompanying tables is included in your installation by the following notices:

- **This data is already included in your installation** - The data referred to is part of your installation
- **EXAMPLE ONLY This data is not included in your installation** - The data referred to is an example only and is not included in your installation

For setup tasks that refer to data that is already included in your installation, you can use the task as a guideline for modifying existing information or adding new information, if this is required.

Prerequisites

Before you can set up Oracle Receivables to calculate income tax self withholding and VAT, you must set the JL AR Tax: Use Related Transactions for Threshold Checking profile option to *Yes* at System level.

Setup Checklist

Use this checklist to help you complete the appropriate setup steps for income tax self withholding and VAT in the correct order.

Step	Setup Task
1	Define System Options , page 6-91
2	Define Tax Conditions , page 6-93
3	Define Tax Condition Values, page 6-94
4	Define Tax Categories, page 6-95

Step	Setup Task
5	Associate Tax Categories with Tax Conditions, page 6-98
6	Define Tax Codes and Rates , page 6-101
7	Define Tax Condition Classes for Organizations, page 6-104
8	Assign Tax Condition Classes to Organization Locations, page 6-105
9	Define Tax Condition Classes for Customers, page 6-106
10	Assign Tax Condition Classes to Customers, page 6-109
11	Define Tax Condition Classes for Transactions, page 6-110
12	Define Fiscal Classifications, page 6-113
13	Assign Tax Condition Classes and Fiscal Classifications to Items, page 6-114
14	Assign Tax Condition Classes and Fiscal Classifications to Memo Lines, page 6-115
15	Define Tax Group, page 6-116
16	Assign Tax Group to Transaction Types, page 6-120
17	Define Tax Rules, page 6-120

Define System Options

Use the Oracle Receivables System Options window and the globalization flexfield to set system options to calculate income tax self withholding and VAT.

Prerequisites

Before you can use the System Options window, you must:

- Define Company Information in the Companies window
- Define a Sales Tax Location Flexfield Structure, if necessary
- Set the options shown in this table for Colombia:

Tax Option Field Name	Suggested Setting
Tax Method	Latin Tax Handling
Location Flexfield Structure	Location Flexfield Structure
Tax Rule Set	Colombia
Compound Taxes	No
Calculation Level	Line
Rounding Rule	Nearest
Precision	2
Transaction Type	Your default transaction type
Location Flexfield Classification	State or Province

Notes for setting Oracle Receivables system options:

1. In the Location Flexfield Structure field, enter a location flexfield structure.

   Use one of the available location flexfield structures, or define your own location flexfield structure in the Key Flexfield Segments window. The name of the location flexfield structure that you define must contain either *State* or *Province* as one of the segments.

   > **Note:** You must define the segment *State* or the segment *Province* in English only, if you are going to use the Latin Tax Engine. The Latin Tax Engine only recognizes these values in English.

2. In the Location Flexfield Classification field, enter *State* or *Province*, depending on the location flexfield structure that you entered in the Location Flexfield Structure field.

3. Uncheck the Compound Taxes check box.

4. Enter *Line* in the Calculation Level field to let Oracle Receivables calculate taxes separately for each line.

Related Topics

Defining a Sales Tax Location Flexfield Structure, *Oracle Receivables User Guide*

Defining Receivables System Options, *Oracle Receivables User Guide*

Define Tax Conditions

Use the Lookups window to create lookup codes for income tax self withholding and VAT tax conditions. Tax conditions determine whether Oracle Receivables calculates income tax self withholding and VAT on a specific transaction.

The tax conditions that you define describe the possible conditions of your company, your customers, and your transactions.

Define tax conditions for the following lookup types:

- ORGANIZATION_ATTRIBUTE
- CONTRIBUTOR_ATTRIBUTE
- TRANSACTION_ATTRIBUTE

After you define tax conditions, define the tax condition values for each tax condition. See Define Tax Condition Values, page 6-94 for more information.

Create the tax conditions shown in this table for income tax self withholding:

This data is already included in your installation

Lookup Type	Lookup Code	Description
ORGANIZATION_ATTRIBUTE	INCOME TAX SW STATUS	Company income tax self withholding status
CONTRIBUTOR_ATTRIBUTE	INCOME TAX WH RESPONS	Customer income tax withholding responsibility
TRANSACTION_ATTRIBUTE	INCOME CONCEPT	Transaction income tax self withholding concept

Create the tax conditions shown in this table for VAT:

This data is already included in your installation

Lookup Type	Lookup Code	Description
ORGANIZATION_ATTRIBUTE	VAT REGIME	Company VAT Regime
CONTRIBUTOR_ATTRIBUTE	VAT STATUS	Customer VAT status
TRANSACTION_ATTRIBUTE	VAT QUALITY	Transaction VAT Quality

Define Tax Condition Values

Use the Lookups window to create lookup codes for tax condition values.

Tax condition values specify each of the possible values of a tax condition. For example, the possible values of the tax condition *income tax self-withholder (ITSW Status)* for an organization are Self-Withholder and Non-Self-Withholder.

Define tax conditions for the lookup type JLZZ_AR_TX_ATTR_VALUE.

After you define tax condition values for each tax condition, you can associate both the tax condition and tax condition values with Latin tax categories. See Associate Tax Categories with Tax Conditions, page 6-98 for more information.

Create the tax condition values for organizations, contributors, and transactions as shown in this table for lookup type JLZZ_AR_TX_ATTR_VALUE and income tax self withholding:

This data is already included in your installation

Organization/Contributor/Transaction	Lookup Code	Description
Organization	SELF WITHHOLDER	Income tax self-withholder
Organization	NON SELF WITHHOLDER	Income tax non-self-withholder
Contributor	WITHHOLDING AGENT	Income tax withholding agent
Contributor	NON WITHHOLDING AGENT	Not an income tax withholding agent
Transaction	GOODS	Income from sale of goods

Organization/Contributor/Transaction	Lookup Code	Description
Transaction	SERVICES	Income from sale of services
Transaction	COMMISSIONS	Income from commissions
Transaction	PROFESSIONAL FEES	Income from professional fees
Transaction	LEASINGS	Income from leases

Create the following tax condition values for organizations, contributors, and transactions shown in this table for lookup type JLZZ_AR_TX_ATTR _VALUE and VAT:

This data is already included in your installation

Organization/Contributor/Transaction	Lookup Code	Description
Organization	COMMON REGIME	Common regime
Organization	SIMPLIFIED REGIME	Simplified regime
Contributor	NATIONAL CUSTOMER	National customer
Contributor	FOREIGN CUSTOMER	Foreign customer
Transaction	TAXABLE	VAT taxable item (taxed or exempt)
Transaction	EXCLUDED	VAT excluded item

Define Tax Categories

Use the Lookups window to create lookup codes for tax categories for income tax self withholding and VAT.

Use the Latin Tax Categories window, after you create the lookup codes, to define the income tax self withholding and VAT tax categories.

> **Note:** If you want the Latin Tax Engine to derive the tax code from a tax category, associate the tax code with a tax category after you define

it in the Tax Codes and Rates window. See Define Tax Codes and Rates, page 6-101 for more information.

You create tax category lookup codes for income tax self withholding for the following two tax accruals, in order to create a double-sided accounting entry (asset and liability):

- Income tax self withholding prepaid (asset) (ITSW-A)
- Income tax self withholding payable (liability) (ITSW-L)

You create one tax category lookup code for VAT (VAT).

Create the tax categories shown in this table for lookup type JLZZ_AR_TX_CATEGRY:

This data is already included in your installation

Lookup Code	Description
ITSW-A	Income tax self-withholder prepaid
ITSW-L	Income tax self-withholder payable
VAT	VAT

Use the Latin Tax Categories window to define income tax self withholding and VAT tax categories, using the tax category lookup codes that you created in the Lookups window.

Define the two tax categories shown for income tax self withholding. Use this setup for both ITSW-A and ITSW-L tax categories.

This data is already included in your installation

Field	Value
Category	ITSW-A/ITSW-L
Effective From	01/01/90
Effective To	Default
Threshold Check Level	Operation
Grouping Condition Type	Income Concept

Field	Value
Min Amount	None
Min Taxable Basis	None
Inclusive Tax	No
Print	No
Tax Category Description	Income tax self withholding prepaid/ Income tax self withholding payable

Notes for defining tax categories for income tax self withholding:

1. If necessary, enter effective dates for the tax categories. The tax category is effective within the stated date range.

2. Enter *Operation* in the Threshold Check Level field. An operation is an invoice and its related debit memos and/or credit memos.

   Note: Oracle Receivables updates the Grouping Condition Type field with the value *Income Concept* when you associate the tax categories with tax conditions. See Associate Tax Categories with Tax Conditions, page 6-98 for more information.

   These two values let Oracle Receivables:

   - Group transaction line amounts by income concept within related transactions (invoice, credit memos, debit memos)
   - Check income concept transaction totals against threshold amounts

3. Uncheck the Inclusive Tax check box. Income tax self withholding is not included in the price of an item.

4. Uncheck the Print check box. Income tax self withholding lines are not printed on invoices.

5. Enter the default rate, minimum taxable base, and minimum tax amount in the Latin Tax Groups window, since these values depend on the income concept.

   You enter these values in the Latin Tax Groups window when you assign each self withholding tax category to a combination of organization, contributor, and transaction conditions. See Define Tax Group, page 6-116 for more information.

Define one tax category for VAT:

This data is already included in your installation

Field	Value
Category	VAT
Effective From	01/01/90
Effective To	Default
Threshold Check Level	Line
Grouping Condition Type	None
Min Amount	None
Min Taxable Basis	None
Inclusive Tax	No
Print	Yes
Tax Category Description	Value Added Tax

Notes for defining a tax category for VAT:

1. Enter *Line* in the Threshold Check Level field. VAT is calculated at line level.
2. Leave the Grouping Condition Type field blank. There is no threshold check for VAT.
3. Uncheck the Inclusive Tax check box. VAT is not included in the price of an item.
4. Check the Print check box. VAT lines must print on invoices.
5. The default rate, minimum taxable base, and minimum tax amount do not apply to VAT.

Associate Tax Categories with Tax Conditions

Use the Associate Latin Tax Category with Conditions and Values window to associate income tax self withholding and VAT tax categories with tax conditions, and designate one tax condition as the determining factor tax condition. Oracle Receivables uses determining factor tax conditions to determine the income tax self withholding and

VAT treatment to apply to transactions.

You define a determining factor tax condition for each combination of income tax self withholding tax category and condition type and VAT tax category and condition type for organization, contributor, and transaction.

Define the determining factor tax conditions as shown in this table for income tax self withholding:

This data is already included in your installation

Tax Category	Condition Type	Condition Name	Mandatory in Class	Determining Factor	Grouping Attribute	Condition Value
ITSW-A	Organization Condition	ITSW status	Yes	Yes	No	IT self-withholder or IT non self-withholder
ITSW-A	Contributor Condition	ITW Responsibility	Yes	Yes	No	IT withholding agent, or IT non withholding agent, or Default
ITSW-A	Transaction Condition	Income Concept	Yes	Yes	Yes	Goods, or Services, or Professional fees
ITSW-L	Organization Condition	ITSW status	Yes	Yes	No	IT self-withholder, or IT non self-withholder
ITSW-L	Contributor Condition	ITW Responsibility	Yes	Yes	No	IT withholding agent, or IT non withholding agent, or Default

Tax Category	Condition Type	Condition Name	Mandatory in Class	Determining Factor	Grouping Attribute	Condition Value
ITSW-L	Transaction Condition	Income Concept	Yes	Yes	Yes	Goods, or Services, or Professional fees

Notes for associating tax categories with tax conditions for income tax self withholding:

1. Check the Determining Factor check box for all tax categories and condition types.

   There is one determining factor tax condition for each tax category per condition type.

2. Check the Mandatory in Class check box for all tax categories and condition types.

   All determining factor tax conditions are mandatory in class.

3. Check the Grouping Attribute check box for transaction conditions only. When you save your work, Oracle Receivables updates the tax categories ITSW-A and ITSW-L with the grouping condition type *Income Concept*.

   Checking this check box for transaction conditions lets Oracle Receivables group transaction line amounts by income concept to determine the amount to compare to the minimum taxable base.

Define the determining factor tax conditions as shown in this table for VAT:

This data is already included in your installation

Tax Category	Condition Type	Condition Name	Mandatory in Class	Determining Factor	Grouping Attribute	Condition Value
VAT	Organization Condition	VAT Regime	Yes	Yes	No	Common or Simplified
VAT	Contributor Condition	VAT Status	Yes	Yes	No	National or Foreign
VAT	Transaction Condition	VAT Quality	Yes	Yes	No	Excluded or Taxable

Notes for associating tax categories with tax conditions for VAT:

1. Check the Determining Factor check box for all tax categories and condition types.

There is one determining factor tax condition for each tax category per condition type.

2. Check the Mandatory in Class check box for all tax categories and condition types.

   All determining factor tax conditions are mandatory in class.

3. Uncheck the Grouping Attribute check box for all condition types. There is no threshold check for VAT.

Define Tax Codes and Rates

Use the Tax Codes and Rates window to define tax codes for income concepts for income tax self withholding tax categories, and for fiscal classifications for VAT tax categories.

If you want the Latin Tax Engine to derive a tax code from a tax category:

- Associate a tax code that you define here with a tax category in the Latin Tax Categories window. See Define Tax Categories, page 6-95 for more information.
- Define a tax rule that looks for the tax code in the tax category. See Define Tax Rules, page 6-120 for more information.

If you want the Latin tax engine to derive a VAT tax code from a fiscal classification:

- Associate a VAT tax code that you define here with a fiscal classification in the Latin Fiscal Classifications window. See Define Fiscal Classifications, page 6-113 for more information.
- Define a tax rule that looks for the VAT tax code in the fiscal classification. See Define Tax Rules, page 6-120 for more information.

Income tax self withholding

Define two tax codes for each income concept, one for each of the two income tax self withholding tax categories:

- ITSW-A (Asset tax category) – debit sign
- ITSW-L (Liability tax category) – credit sign

> **Note:** Each tax code creates a tax line; the rate for both tax codes is the same to create a balanced double-sided entry. Income tax self withholding is not reflected in invoice amounts.

You assign income tax self withholding tax codes to the corresponding income concepts in the Latin Tax Groups window when you associate each self withholding tax category with a combination of organization, contributor, and transaction conditions. See Define Tax Group, page 6-116 for more information.

This table provides a guideline for defining tax codes for income tax self withholding. Actual rates and accounts depend on the prevailing legislation and on your company's chart of accounts.

EXAMPLE ONLY This data is not included in your installation

Tax Code	From	Tax Type	Tax Rate	Sign	Tax Category	Tax	Allow Exempt	Adhoc	Inclusive Tax	Allow Inclusive Override
Goods-Dr	01/01/90	VAT	3%	Debit	ITSW-A	01-135505-1004-0000-000-0000	No	No	No	No
Goods	01/01/90	VAT	3%	Credit	ITSW-L	01-236575-1004-0000-000-0000	No	No	No	No
Services-Dr	01/01/90	VAT	4%	Debit	ITSW-A	01-135505-1003-0000-000-0000	No	No	No	No
Services	01/01/90	VAT	4%	Credit	ITSW-L	01-236575-1003-0000-000-0000	No	No	No	No
Prof-fees-Dr	01/01/90	VAT	10%	Debit	ITSW-A	01-135505-1001-0000-000-0000	No	No	No	No
Prof-fees	01/01/90	VAT	10%	Credit	ITSW-L	01-236575-1001-0000-000-0000	No	No	No	No

Notes for defining income tax self withholding tax codes for income concepts:

1. Enter *VAT* in the Tax Type field, instead of *Sales Tax*, since income tax self withholding rates do not depend on location.

2. Uncheck the Allow Exemptions check box. This field is not used by the Latin Tax Engine.

3. Uncheck the Adhoc check box. The tax rate cannot allow changes to the transaction entry.

4. Uncheck the Inclusive Tax and Allow Inclusive Override check boxes. Income tax self withholding is not included in the price of an item.

VAT

Define one tax code for each tax rate. Define tax codes with the credit sign, because the tax codes correspond to VAT liabilities.

VAT tax rates vary according to the fiscal classification of an item. You assign VAT tax codes to corresponding fiscal classifications in the Latin Fiscal Classifications window. See Define Fiscal Classifications, page 6-113 for more information.

This table is a guideline for defining tax codes for VAT. Actual rates and accounts depend on the prevailing legislation and on your company's chart of accounts.

EXAMPLE ONLY This data is not included in your installation

Tax Code	From	Tax Type	Tax Rate	Sign	Tax Category	Tax	Allow Exempt	Adhoc	Inclusive Tax	Allow Inclusive Override
VAT–0	01/01/90	VAT	0%	Credit	VAT	01-240805-1010-0000-000-0000	No	No	No	No
VAT–1	01/01/90	VAT	16%	Credit	VAT	01-240805-1011-0000-000-0000	No	No	No	No

Tax Code	From	Tax Type	Tax Rate	Sign	Tax Category	Tax	Allow Exempt	Adhoc	Inclusive Tax	Allow Inclusive Override
VAT–2	01/01/90	VAT	20%	Credit	VAT	01-240805-1012-0000-000-0000	No	No	No	No
VAT–3	01/01/90	VAT	35%	Credit	VAT	01-240805-1013-0000-000-0000	No	No	No	No

Notes for defining VAT tax codes:

1. Enter *VAT* in the Tax Type field, instead of *Sales Tax*, since VAT rates do not depend on location.
2. Uncheck the Allow Exemptions check box. This field is not used by the Latin Tax Engine.
3. Uncheck the Adhoc check box. The tax rate cannot allow changes to the transaction entry.
4. Uncheck the Inclusive Tax and Allow Inclusive Override check boxes. VAT is not included in the price of an item.

Related Topics

Tax Codes and Rates, *Oracle Receivables User Guide*

Define Tax Condition Classes for Organizations

Use the Latin Tax Condition Classes window to define a tax condition class for your organization to manage both income tax self withholding and VAT handling.

You can define one tax condition class to contain all the values that determine the condition of each tax category for an organization: income tax self withholding - asset (ITSW-A), income tax self withholding - liability (ITSW-L), and VAT. Identify the organization for the tax condition class as both an income tax self-withholder and registered as a common regime.

After you create the tax condition class for both income tax self withholding and VAT handling, assign it to your organization. See Assign Tax Condition Classes to Organization Locations, page 6-105 for more information.

Create the tax condition classes for organizations as shown in this table.

This data is already included in your installation

Class Type	Class Code	Description	Tax Category	Condition Code	Value Code
Organization	IT Self-Withholder Common Regime	Income Tax Self-Withholder and Common Regime Organization	ITSW-A	ITSW status	IT self-withholder
Organization	IT Self-Withholder Common Regime	Income Tax Self-Withholder and Common Regime Organization	ITSW-L	ITSW status	IT self-withholder
Organization	IT Self-Withholder Common Regime	Income Tax Self-Withholder and Common Regime Organization	VAT	VAT regime	Common Regime

Notes for defining a tax condition class for organizations:

1. You previously defined the ITSW status and VAT regime tax conditions as determining factor tax conditions for the ITWS-A, ITSW-L, and VAT tax categories for an organization.

   See Associate Tax Categories with Tax Conditions, page 6-98 for more information.

2. Assign a condition value for the determining factors within this tax condition class. The values that you enter are *IT self-withholder* and *Common Regime*, which is the expected behavior for an organization.

3. Enter *Organization* in the Class Type field and *Organization Condition* in the Condition Type field, so that you can assign this condition to organizations.

Assign Tax Condition Classes to Organization Locations

Use the globalization flexfield in the Location window to assign the organization tax condition class to the current inventory organization location. The organization inherits the values for the determining tax conditions associated with each tax category

contained in the tax condition class.

Assign the organization tax condition class to the organization location shown in this table:

Location Name	Establishment Type
Inventory Organization Location	IT Self-Withholder - Common Regime

Define the Item Validation Organization

After you assign the organization tax condition class to the current organization location, enter the master inventory organization in the Item Validation Organization field of the Order Management Parameters window.

Related Topics

Defining Order Management System Parameters, *Oracle Order Management Implementation Guide*

Define Tax Condition Classes for Customers

Use the Latin Tax Condition Classes window to define tax condition classes for contributors (customers) to manage both income tax self withholding and VAT handling.

This table shows the three tax condition classes that you need to define to assign to customers:

Tax Condition	Income Tax Withholding Responsibility	VAT Status
National customers that are income tax withholding agents	IT withholding agent	National
National customers that are income tax non-withholding agents	IT non-withholding agent	National
Foreign customers, which are always income tax non-withholding agents	IT non-withholding agent	Foreign

Each tax condition class contains all the values that determine the condition of each tax category for a customer: income tax self withholding – asset (ITSW-A), income tax self withholding – liability (ITSW-L), and VAT.

After you create tax condition classes for customers for both income tax self

withholding and VAT handling, assign them to your customer addresses. See Assign Tax Condition Classes to Customers, page 6-109 for more information.

Create the tax condition classes as shown in these tables for customers:

This data is already included in your installation

Case 1: National Customers that are Income Tax Withholding Agents

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Contributor	IT Withholding Agent - National	National customer that is an income tax withholding agent	ITSW-A	Contributor Condition	ITW Responsibility	IT withholding agent
Contributor	IT Withholding Agent - National	National customer that is an income tax withholding agent	ITSW-L	Contributor Condition	ITW Responsibility	IT withholding agent
Contributor	IT Withholding Agent - National	National customer that is an income tax withholding agent	VAT	Contributor Condition	VAT status	National

Case 2: National Customers that are Income Tax Non-Withholding Agents

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Contributor	IT Non Withholding Agent - National	National customer that is an income tax non withholding agent	ITSW-A	Contributor Condition	ITW Responsibility	IT non-withholding agent

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Contributor	IT Non Withholding Agent - National	National customer that is an income tax non withholding agent	ITSW-L	Contributor Condition	ITW Responsibility	IT non-withholding agent
Contributor	IT Non Withholding Agent - National	National customer that is an income tax non withholding agent	VAT	Contributor Condition	VAT status	National

Case 3: Foreign Customers (Income Tax Non-Withholding Agents)

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Contributor	IT Non-Withholding Agent - Foreign	Foreign customers, which are income tax non withholding agents	ITSW-A	Contributor Condition	ITW Responsibility	IT non-withholding agent
Contributor	IT Non-Withholding Agent - Foreign	Foreign customers, which are income tax non withholding agents	ITSW-L	Contributor Condition	ITW Responsibility	IT non-withholding agent

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Contributor	IT Non-Withholding Agent - Foreign	Foreign customers, which are income tax non withholding agents	VAT	Contributor Condition	VAT status	Foreign

Notes for defining tax condition classes for customers:

1. You previously defined the ITW Responsibility and VAT status tax conditions as determining factor tax conditions for the ITWS-A, ITSW-L, and VAT tax categories for a contributor.

   See Associate Tax Categories with Tax Conditions, page 6-98 for more information.

2. Assign a condition value for the determining factors within each tax condition class.

3. The values that you enter are *IT withholding agent* or *IT non-withholding agent* for ITWS-A and ITSW-L and *National* for VAT for national customers, and *IT non-withholding agent* for ITWS-A and ITSW-L and *Foreign* for VAT for foreign customers.

4. Enter *Contributor* in the Class Type field and *Contributor Condition* in the Condition Type field, so that you can assign these conditions to customers.

Assign Tax Condition Classes to Customers

Use the globalization flexfield in the Contributor Class field in the Customer Addresses window to assign a contributor tax condition class to each of your customer addresses. The customer address inherits the values for the determining tax conditions associated with each tax category contained in the tax condition class.

Assign contributor tax condition classes to your customers according to this table:

Customer	Class
Customer A (National and IT withholding agent)	IT Withholding Agent - National
Customer B (National and IT non-withholding agent)	IT Non-Withholding Agent - National

Customer	Class
Customer C (Foreign)	IT Non-Withholding Agent - Foreign

Assign Tax Condition Classes to Customer Address

After you assign the contributor tax condition classes to your customer addresses, use the Customer Site Profile window to copy the contributor tax condition class to each customer address. In this way, you can modify the contributor tax condition class values for each customer site.

You associate the tax condition class to customer addresses, because the Latin Tax Engine keeps this information at the customer address level. Since the income tax self withholding and VAT treatments do not depend on the customer location, you can assign the same tax condition class to all customer addresses for a specific customer.

To assign tax condition classes to customer addresses:

1. Navigate to the Customer Site Profile window.
2. Query the customer and customer sites that you want.
3. Navigate to the Detail region.

   Oracle Receivables copies the contributor tax condition class values to each customer site.
4. If necessary, modify the values that you want for each customer site.
5. Save your work.
6. Repeat steps 2 to 5 for each customer and customer site.

Define Tax Condition Classes for Transactions

Use the Latin Tax Condition Classes window to define tax condition classes for transactions to manage both income tax self withholding and VAT handling.

You need to define excluded and taxable tax condition classes to assign to transactions for each combination of income concept and VAT quality.

This table provides an example that you can apply to other income concepts:

Determining Tax Condition Case	Income Concept	VAT Quality
Excluded Service	Services	Excluded

Determining Tax Condition Case	Income Concept	VAT Quality
Taxable Service	Services	Taxable
Excluded Good	Goods	Excluded
Taxable Good	Goods	Taxable
Taxable Good	Professional Services	Taxable

Each tax condition class contains all the values that determine the condition of each tax category for a transaction: income tax self withholding - asset (ITSW-A), income tax self withholding - liability (ITSW-L), and VAT.

After you create tax condition classes for transactions for both income tax self withholding and VAT handling, assign them to items and memo lines. See Assign Tax Condition Classes and Fiscal Classifications to Items, page 6-114 and Assign Tax Condition Classes and Fiscal Classifications to Memo Lines, page 6-115 for more information.

Create both excluded and taxable tax condition classes for transactions for each income concept according to these tables of examples:

EXAMPLE ONLY This data is not included in your installation

Taxable Good

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	Taxable Good	Good that is subject to VAT	ITSW-A	Transaction Condition	Income Concept	Goods
Transaction	Taxable Good	Good that is subject to VAT	ITSW-L	Transaction Condition	Income Concept	Goods
Transaction	Taxable Good	Good that is subject to VAT	VAT	Transaction Condition	VAT Quality	Taxable

Notes for defining tax condition classes for transactions:

1. You previously defined the Income Concept and VAT quality tax conditions as

determining factor tax conditions for the ITWS-A, ITSW-L, and VAT tax categories for a transaction.

See Associate Tax Categories with Tax Conditions, page 6-98 for more information.

2. In the Value Code field, assign a condition value for the determining factors within each tax condition class.

3. Enter the same income concept for both ITWS-A and ITSW-L to create balanced entries. Enter *Excluded* for VAT for excluded tax condition classes, and *Taxable* for VAT for taxable tax condition classes.

4. Enter *Transaction* in the Class Type field and *Transaction Condition* in the Condition Type field.

Excluded Service

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	Excluded Service	Service that is not subject to VAT	ITSW-A	Transaction Condition	Income Concept	Services
Transaction	Excluded Service	Service that is not subject to VAT	ITSW-L	Transaction Condition	Income Concept	Services
Transaction	Excluded Service	Service that is not subject to VAT	VAT	Transaction Condition	VAT Quality	Excluded

Taxable Service

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	Taxable Service	Service that is subject to VAT	ITSW-A	Transaction Condition	Income Concept	Services

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	Taxable Service	Service that is subject to VAT	ITSW-L	Transaction Condition	Income Concept	Services
Transaction	Taxable Service	Service that is subject to VAT	VAT	Transaction Condition	VAT Quality	Taxable

Excluded Good

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	Excluded Good	Good that is not subject to VAT	ITSW-A	Transaction Condition	Income Concept	Goods
Transaction	Excluded Good	Good that is not subject to VAT	ITSW-L	Transaction Condition	Income Concept	Goods
Transaction	Excluded Good	Good that is not subject to VAT	VAT	Transaction Condition	VAT Quality	Excluded

Define Fiscal Classifications

Use the Latin Fiscal Classifications window to define fiscal classifications for VAT tax rates. You need to define fiscal classifications for both items (Goods) and memo lines (Services).

You associate fiscal classifications with the VAT tax codes that you defined in the Tax Codes and Rates window. Associate the VAT tax code with the corresponding tax rate for each fiscal classification. See Define Tax Codes and Rates, page 6-101 for more information.

Define fiscal classifications according to this table of an example. Actual assignments depend on the prevailing legislation.

Note: You do not need to assign a tax code to a fiscal classification code for excluded goods and services. The Latin Tax Engine does not look for the tax code for an excluded item or memo line if the tax group does not include excluded items and memo lines.

EXAMPLE ONLY This data is not included in your installation

Fiscal Classification Code	Description	Tax Category	From Date	Tax Code
Exempt	Exempt Sales	VAT	01/01/90	VAT-0
Excluded-G	Excluded Goods	VAT	01/01/90	N/A
Excluded-S	Excluded Services	VAT	01/01/90	N/A
Standard	Standard Items	VAT	01/01/90	VAT-1
Taxable-S	Taxable Service	VAT	01/01/90	VAT-1
Alcohol	Alcohol	VAT	01/01/90	VAT-2
Luxury	Luxury Items	VAT	01/01/90	VAT-3

Notes for defining fiscal classifications:

1. Define as many fiscal classifications as you need for all VAT tax codes (rates).
2. You can associate a VAT tax rate with more than one fiscal classification.
3. You attach fiscal classifications to items to determine the VAT tax rate for the item.
4. If you want the Latin Tax Engine to derive a VAT tax code from a fiscal classification, define a tax rule that looks for the VAT tax code in the fiscal classification. See Define Tax Rules, page 6-120 for more information.

Assign Tax Condition Classes and Fiscal Classifications to Items

Use the Master Items window to assign a primary inventory item application, transaction tax condition class, and fiscal classification to each item. The item inherits the values for all tax conditions associated with each tax category from the tax condition class.

Assign the inventory item application *AR* (Oracle Receivables) to each item.

Assign a Goods fiscal classification code to each item. The Latin Tax Engine uses the fiscal classification code to find the tax code to apply, if the rule assignment directs the Latin Tax Engine to take the tax code from the fiscal classification.

You need to assign a fiscal classification code of excluded to items with this VAT condition.

> **Note:** The Inflation Adjustment Account, Monetary Correction Account, and Sales Cost Account fields are not used for the Latin Tax Engine. These fields are used for inventory inflation adjustment in Oracle Inventory for Colombia. For more information, see Assign Inventory Inflation Adjustment Accounts to Items, page 6-72.

Use this table as a guideline for assigning combinations of items, fiscal classification codes, and condition classes. Actual fiscal classifications depend on the prevailing legislation.

> **Note:** Use the income concept *Goods* for inventory items, because services or commissions are not stock items.

EXAMPLE ONLY This data is not included in your installation

Item	Fiscal Classification Code	Transaction Condition Class
Item 1 (Excluded)	Excluded-G	Excluded Good
Item 2 (Taxable item with a fiscal classification as Exempt)	Exempt	Taxable Good
Item 3 (Taxable item with the fiscal classification Standard)	Standard	Taxable Good
Item 4 (Taxable item with the fiscal classification Alcohol)	Alcohol	Taxable Good
Item 5 (Taxable item with the fiscal classification Luxury)	Luxury	Taxable Good

Assign Tax Condition Classes and Fiscal Classifications to Memo Lines

Use the Standard Memo Lines window to assign a transaction tax condition class and fiscal classification to each memo line. The memo line inherits the values for all tax

conditions associated with each tax category from the tax condition class.

Assign a Service fiscal classification code to each memo line. The Latin Tax Engine uses the fiscal classification code to find the tax code to apply, if the rule assignment directs the Latin Tax Engine to take the tax code from the fiscal classification.

You need to assign a fiscal classification code of excluded to memo lines with this VAT condition.

Use this table as a guideline for assigning combinations of memo lines, fiscal classification codes, and condition classes. Actual fiscal classifications depend on the prevailing legislation.

EXAMPLE ONLY This data is not included in your installation

Memo Line	Fiscal Classification Code	Transaction Condition Class
Consulting Services	Excluded-S	Excluded Service
Professional Fees	Exempt	Taxable Service
Architecture Fees	Taxable-S	Taxable Service
Professional Services	Taxable-S	Taxable Service
Professional Services-N.A.	Taxable-S	Taxable Service
Professional Services-S.A.	Excluded-S	Excluded Service
Professional Services-Colombia	Exempt	Taxable Service
Professional Services-U.S.	Taxable-S	Taxable Service
Packing Services	Taxable-S	Taxable Service
Shipping Services	Taxable-S	Taxable Service

Define Tax Group

Use the Latin Tax Groups window to define a tax group for income tax self withholding and VAT. Create assignments in the tax group for each combination of organization, contributor, and transaction condition values subject to either income tax self withholding or VAT.

After you create a tax group for income tax self withholding and VAT, assign the tax

group to each transaction type. See Assign Tax Group to Transaction Types, page 6-120 for more information.

The Latin Tax Engine determines which income tax self withholding and VAT taxes to calculate for a specific transaction based on the combination of values for the organization, contributor, and transaction determining conditions. These sections contain guidelines for determining both income tax self withholding and VAT. Use these guidelines when you create the tax group.

> **Note:** These guidelines are not intended as a tax guide for Colombia. You should review the prevailing tax legislation before you set up Oracle Receivables to handle taxes.

Income Tax Self Withholding

Income tax self withholding for a specific income concept applies to a transaction when:

- Organization is an income tax self-withholder for the income concept
- Contributor is an income tax withholding agent
- Total amount for the income concept is greater than or equal to the threshold

You must include an assignment for each combination of:

- **Tax Category-** - Income tax self withholding asset/liability
- **Organization Condition Value** - Income tax self-withholder
- **Contributor Condition Value** - Income tax withholding agent
- **Transaction Condition Value** - Each income concept that the organization is an income tax self-withholder for

You can assign a tax code and a minimum taxable amount for each combination of values. The Latin Tax Engine uses this information to determine the tax rate and tax amount, when the transaction is greater than or equal to the minimum taxable amount.

VAT

VAT is charged on an issued invoice in the following cases:

Case 1

- Organization is registered as a common regime
- Contributor is a national customer
- Transaction is subject to VAT

In this case, the items are taxed according to their fiscal classifications.

Case 2

- Organization is registered as a common regime
- Contributor is a foreign customer
- Transaction is either subject to or excluded to VAT

In this case, the items are taxed with a 0% VAT rate.

You must include an assignment for the following combinations:

Combination 1

- **Tax Category** - VAT
- **Organization's Condition Value** - Common
- **Contributor's Condition Value** - National
- **Transaction's Condition Value** - Taxable

In this case, because the tax code comes from the item's fiscal classification, you do not need to assign a tax code to the combination within the tax group.

Combination 2

- **Tax Category** - VAT
- **Organization's Condition Value** - Common
- **Contributor's Condition Value** - Foreign
- **Transaction's Condition Value** - Either excluded or taxable

In this case, you must charge a 0% VAT rate to the items. Assign a 0% VAT tax code to the combination within the tax group. The Latin Tax Engine takes the tax code from the tax group.

Define a single tax group for all income tax self withholding and VAT calculations in Colombia according to the following example. This example shows:

- Income tax self withholding (asset and liability) for Goods and Services
- VAT for National and Foreign customers

> **Note:** There are two foreign entries to show both Foreign VAT taxable and Foreign VAT excluded.

Actual assignments depend on the prevailing legislation. This table provides an example.

EXAMPLE ONLY This data is not included in your installation

Tax Group: CO_TAX **Description:** Colombian tax group

Tax Category	Contributor Value	Organization Value	Transaction Value	Effective From	Effective To	Tax Code	Minimum Amount	Minimum Taxable Basis
ITSW-A	IT withholding agent	IT self-withholder	Goods	01/01/90	Default	Goods-Debit	None	-300.000
ITSW-L	IT withholding agent	IT self-withholder	Goods	01/01/90	Default	Goods	None	300.000
ITSW-A	IT withholding agent	IT self-withholder	Services	01/01/90	Default	Services-Debit	None	-400.000
ITSW-L	IT withholding agent	IT self-withholder	Services	01/01/90	Default	Services	None	400.000
VAT	National	Common Regime	Taxable	01/01/90	Default	None	None	None
VAT	Foreign	Common Regime	Excluded	01/01/90	Default	VAT-0	None	None
VAT	Foreign	Common Regime	Taxable	01/01/90	Default	VAT-0	None	None

Notes for defining the tax group:

1. Create two assignments for each income concept that the organization is an income tax self-withholder for.

   Assign the credit tax code to the liability tax category. Assign the debit tax code to the asset tax category.

2. The tax code that you enter in the Tax Code field for a tax category is used to derive the tax rate for a transaction only when the tax rule looks to the tax group for the tax rate (tax rule: Latin Tax Group).

   See Define Tax Rules, page 6-120 or more information.

3. The minimum taxable amount is the same for both assignments. You must maintain the invoice amounts that are unaffected by the income tax self withholding.

4. Minimum tax amounts are not used in Colombia for income tax self withholding. Minimum taxable amounts and minimum tax amounts do not apply to VAT.

Assign Tax Group to Transaction Types

Use the Transaction Types window to assign the tax group that you defined for income tax self withholding and VAT to each transaction type in the Tax Code field. Transactions created with transaction types inherit the tax group.

Assign the tax group to your transaction types according to this table of an example:

EXAMPLE ONLY This data is not included in your installation

Transaction Type	Tax Code
Transaction Type 1	CO_<NAME>
Transaction Type 2	CO_<NAME>
Transaction Type 3	CO_<NAME>

Define Tax Rules

Use the Tax Rules window to define one or more tax rules for each combination of tax category, contributor condition value, and transaction type. The Latin Tax Engine uses these rules to determine the correct tax code to apply to a transaction. Define as many tax rules as you require.

For example, if you want the Latin Tax Engine to derive a tax code from a tax category, define a tax rule that looks for the tax code in the tax category.

Income Tax Self Withholding

For income tax self withholding, you need to define pairs of rules for both asset and liability, and for the two contributor condition values of withholding agent and non-withholding agent. Define tax rules for income tax self withholding in the following combinations:

- For each of the two income self withholding tax categories, ITSW-A and ITSW-L, define two tax rules for each contributor condition value (Withholding Agent and

Non-Withholding Agent)

- For each of the four combinations of tax category (ITSW-A and ITSW-L) and contributor condition value (Withholding Agent and Non-Withholding Agent) define a set of tax rules for each transaction type
- For each set of combinations of tax category, contributor condition value, and transaction type, define as many tax rules as you require for your hierarchy of rules

This table provides an example of the minimum number of income tax self withholding tax rules to define for two transaction types and the first tax rule hierarchy (Latin Tax Group):

EXAMPLE ONLY This data is not included in your installation

Category	Value	Transaction Type	Rule Level	Priority	Rule
ITSW-A	Withholding Agent	Transaction Type 1	Rate	1	Latin Tax Group
ITSW-A	Non-Withhol ding Agent	Transaction Type 1	Rate	1	Latin Tax Group
ITSW-L	Withholding Agent	Transaction Type 1	Rate	1	Latin Tax Group
ITSW-L	Non-Withhol ding Agent	Transaction Type 1	Rate	1	Latin Tax Group
ITSW-A	Withholding Agent	Transaction Type 2	Rate	1	Latin Tax Group
ITSW-A	Non-Withhol ding Agent	Transaction Type 2	Rate	1	Latin Tax Group
ITSW-L	Withholding Agent	Transaction Type 2	Rate	1	Latin Tax Group
ITSW-L	Non-Withhol ding Agent	Transaction Type 2	Rate	1	Latin Tax Group

Notes for defining income tax self withholding tax rules:

1. To define a default tax rule, enter *Default* in the Value field and the default transaction type in the Transaction Type field which instructs the Latin Tax Engine

to use this rule as the default tax rule. The default transaction type corresponds to the transaction type that you entered in the Receivables System Options window.

2. Enter *Rate* in the Rule Level fields which instructs the Latin Tax Engine to retrieve the tax code for the rate.

3. Enter *1* in the Priority fields. There is only one rule assignment for each combination of values.

4. Enter the rule to use in the Rule fields.

> **Note:** If you enter the rule *Latin Tax Group*, the Latin Tax Engine is instructed to take the tax code from the tax group. In this case, enter a tax code in the Tax Code field in the Latin Tax Groups window. See Define Tax Group, page 6-116 for more information.

VAT

For VAT, you must define a pair of tax rules for each transaction type for the two contributor condition values of national and foreign contributors.

Your tax rules for VAT should include Latin Tax Group, Fiscal Classification, and Customer Exception, if you want the Latin Tax Engine to consider exceptions for your contributors.

This table provides an example of a hierarchy with two tax rules for the two contributor condition values and one transaction type:

EXAMPLE ONLY This data is not included in your installation

Category	Value	Transaction Type	Rule Level	Priority	Rule
VAT	National	Transaction Type 1	Rate	1	Latin Tax Group
VAT	National	Transaction Type 1	Rate	2	Fiscal Classification
VAT	Foreign	Transaction Type 1	Rate	1	Latin Tax Group
VAT	Foreign	Transaction Type 1	Rate	2	Fiscal Classification

Notes for defining VAT tax rules:

1. To define a default tax rule, enter *Default* in the Value field and the default transaction type in the Transaction Type field which instructs the Latin Tax Engine to use this rule as the default tax rule. The default transaction type corresponds to the transaction type that you entered in the Receivables System Options window.

2. Enter *Rate* in the Rule Level fields which instructs the Latin Tax Engine to retrieve the tax code for the rate instead of the tax code for the base modifier.

3. Enter *1* in the first Priority field and *2* in the second Priority field.

Entering Transactions

Use the globalization flexfield in the Lines window to enter the fiscal classification code and transaction condition class for each invoice line. The Latin Tax Engine uses the fiscal classification code and transaction condition class to calculate income tax self withholding and VAT for each invoice line.

To enter a fiscal classification code and transaction condition class:

1. Navigate to the Transactions window.

2. Enter an invoice.

   Oracle Receivables defaults the tax group from the transaction type.

3. Navigate to the Lines window by pressing the Line Items button.

4. Enter an invoice line.

5. Navigate to the More tabbed region.

6. If the invoice line is an item line, enter the warehouse name in the Warehouse Name field to define an item validation organization for your ship-from location.

   Note: If you selected *Latin Tax Handling* as your tax method in the System Options window, the Warehouse Name field is mandatory only if the invoice line is an item line.

7. Navigate to the globalization flexfield.

   When you open the globalization flexfield, the Latin Tax Engine populates the fields with the default fiscal classification code and transaction condition class. These attributes are defaulted from the master inventory organization's item definition. You define the master inventory organization in the Order Management Parameters window.

   For more information about assigning a transaction condition class and fiscal classification to items, see Assign Tax Condition Classes and Fiscal Classifications

to Items, page 6-114.

You can accept the default fiscal classification code and transaction condition class for the invoice line by pressing the OK button, or you can replace the defaults with other valid values.

8. Press the OK button.

9. Save your work.

Oracle Receivables calculates the associated tax rate and amount.

> **Note:** When entering credit transactions, setting up recurring invoices, or using the Copy and Void Invoices process, the Warehouse Name field on the original invoice lines is mandatory only if the invoice line is an item line and you selected *Latin Tax Handling* as your tax method in the System Options window.

Related Topics

Entering Transactions, *Oracle Receivables User Guide*

Defining Order Management System Parameters, *Oracle Order Management Implementation Guide*

Self Withholding Income Tax Example

This example shows how Oracle Receivables for Colombia calculates and accounts for income tax self withholding on an invoice when a customer is responsible for withholding and your company is an income tax self-withholder.

Your company, ABC Services (NIT 123456789), sends the invoice shown by this table to XYZ Customer (NIT 987654321) who purchased services and goods:

Item	Amount
Product A (Software)	2000
Service X (Consulting)	3000
Income tax on software	320
Income tax on consulting	480
Income tax total	880

Item	Amount
Invoice Total	6380

Income tax self withholding is calculated for each income concept with the parameter in this table:

Income Concept	Percentage	Minimal Amount for Calculating Tax
Services	10%	2500
Goods	3%	1500

The invoice amounts for each income concept are compared with the minimum amount for calculating tax. Since the services amount of 3000.00 is greater than the minimum amount of 2500.00, for example, income tax self withholding is calculated for services as shown in this table:

Item	Amount
Sum of all services on invoice	3000
Self withholding rate for services	10%
Self withholding amount	300

Income tax self withholding is calculated for goods as shown in this table:

Item	Amount
Sum of all goods on invoice	2000
Self withholding rate for goods	3%
Self withholding amount	60

Oracle Receivables adds the self-withheld amount to a prepaid income tax asset account and adds the same amount to an income tax liability account. This table shows the

account information.

Account	Debit	Credit	NIT
Revenue		5000	98765432
Accounts Receivable	5000		98765432
Income Tax Self Withholding - Services (Asset)	300		98765432
Income Tax Self Withholding - Services (Liability)		300	98765432
Income Tax Self Withholding - Goods (Asset)	60		98765432
Income Tax Self Withholding - Goods (Liability)		60	98765432

The customer can use Oracle Payables to account for the invoice payment, as shown in this table:

Account	Debit	Credit	NIT
Accounts Payable		5000	98765432
Expense	5000		98765432

Colombian Receivables Income Tax Self Withholding Report

If you use the Latin Tax Engine for income tax self withholding, you can use the Colombian Receivables Income Tax Self Withholding report to list self withholding tax details for a particular accounting period for audit purposes. The Colombian Receivables Income Tax Self Withholding report lists all the transactions during the period that were subject to income tax self withholding and shows the taxable base amount and self-withheld amount for each transaction.

The Colombian Receivables Income Tax Self Withholding report includes only transactions whose transaction class is *Invoice*, *Debit Memo*, or *Credit Memo* and whose

status is *Completed*.

To meet Colombian legal requirements, the Colombian Receivables Income Tax Self Withholding report must show all transaction amounts as the amounts were originally printed on the invoice. Adjustments do not appear on the report. If you need to make an adjustment to an invoice, you should create a credit memo against the original invoice and enter a new invoice with the correct amounts.

Oracle Receivables groups transactions by income concept on the Colombian Receivables Income Tax Self Withholding report. For each income concept, the report displays the name and description of the tax code associated with the concept, the accounting flexfield associated with the tax code, and the tax rate. You can choose which income concepts to include on the report by entering the corresponding accounting flexfield range in the report parameters.

Within each income concept, Oracle Receivables groups sales transactions by transaction class and prints the transaction classes in this order: Credit Memos, Debit Memos, Invoices. Within each transaction class, transactions are ordered by transaction batch source and transaction number.

The Colombian Receivables Income Tax Self Withholding report lets you determine the income tax that you self-withheld for an entire operation. An operation consists of several related transactions on which income tax self withholding is calculated. For example, an operation can contain one or more credit memos associated with an invoice. In Colombia, withholding thresholds are compared to the total sales amount on an entire operation to determine the income tax self withholding amount.

To provide a clear audit trail, the Colombian Receivables Income Tax Self Withholding report provides operation information at the transaction level. A unique operation is identified by the combination of transaction number and transaction batch source. Operation information at the transaction level lets you reference all transactions belonging to an operation to the original invoice.

Oracle Receivables provides the Colombian Receivables Income Tax Self Withholding report to show supporting information for your income tax self withholding liability. In order to display liability information, you should choose the tax category that you use for income tax self withholding liability when you submit the report.

Use the Standard Request Submission windows to submit the Colombian Receivables Income Tax Self Withholding report.

Prerequisites

Before you run the Colombian Receivables Income Tax Self Withholding report, you must:

- Enter third party ID information for your customers. To meet Colombian legal requirements, the Colombian Receivables Income Tax Self Withholding report must show your customer's third party ID. For more information, see Third Party Management, page 6-1.

- Set up the Latin Tax Engine for income tax self withholding handling.

Report Parameters

Period

Enter the accounting period that you want to report on.

Tax Category

Enter the tax category for income tax self withholding liability.

Tax Account From

Enter the starting value of the accounting flexfield range corresponding to the income concepts you want to include on the report.

Tax Account To

Enter the ending value of the accounting flexfield range corresponding to the income concepts you want to include on the report.

Report Headings

In this heading…	Oracle Receivables prints…
<Ledger>	The ledger name
Tax Category	The tax category name and description
Flexfield From	The starting value for the accounting flexfield range
To	The ending value for the accounting flexfield range
<Report Title>	Income Tax Self Withholding Report
Period	The accounting period
Date	The date and time that you ran the report
Page	The current and total pages of the report

Column Headings

In this column…	Oracle Receivables prints…
Invoice Number	The transaction number.
Operation - Transaction Number	For credit memos only, the number of the credited transaction.
Operation - Transaction Batch Source	For credit memos only, the transaction batch source of the credited transaction.
Third Party Identifier	The customer's third party identifier.
Customer Name	The customer name.
Date	The transaction date.
Base Amount	The taxable base for income tax self withholding. The taxable base is the sum of the extended amounts of all the transaction lines that correspond to the income concept associated with the tax code.
Self Withholding Amount	The amount that was self-withheld for this income concept.

Row Headings

In this row…	Oracle Receivables prints…
Tax Code	The name and description of the tax code associated with the income concept
Tax Rate	The tax rate for the tax code
Account	The accounting flexfield and description associated with the tax code
Transaction Class	The transaction class
Transaction Batch Source	The transaction batch source

In this row…	Oracle Receivables prints…
Total Transaction Batch Source	The transaction batch source name and the totals for the transaction batch source
Total Transaction Class	The transaction class name and the totals for the transaction class
Total Tax Code	The tax code name and the totals for the tax code
Report Totals	The totals for the report

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Defining the VAT Tax Category

In Colombia, companies are required to report VAT information on the Colombian Receivables Sales Fiscal Book report. If you use the Latin Tax Engine, you must distinguish VAT tax lines in your transactions from income tax self withholding tax lines. Only VAT lines should be included in the VAT amount on the Colombian Receivables Sales Fiscal Book report. To identify tax lines as VAT, you must define the VAT tax category. Use the globalization flexfield in the System Options window to define the VAT tax category.

> **Note:** If you do not use the Latin Tax Engine, you do not need to define the VAT tax category. In this case, Oracle Receivables treats all tax lines as VAT lines and includes all the tax lines in the VAT amount on the Colombian Receivables Sales Fiscal Book report.

To define the VAT tax category:

1. Navigate to the System Options window.
2. Navigate to the globalization flexfield.
3. In the VAT Tax Category field, enter the Latin tax category that you set up in the Latin Tax Engine to identify your VAT tax lines.

> **Note:** The remaining fields in the globalization flexfield are not used for the VAT tax category. These fields are used for the Latin

Tax Engine.

4. Choose the OK button to save your work.

Related Topics

Defining Receivables System Options, *Oracle Receivables User Guide*

Colombian Receivables Sales Fiscal Book Report

In Colombia, companies are legally required to report sales transactions on the Colombian Receivables Sales Fiscal Book report. The Colombian Receivables Sales Fiscal Book report includes all completed credit memos, debit memos, and invoices for a given accounting period. For each transaction, the Colombian Receivables Sales Fiscal Book report shows the extended amount, the VAT amount, and the total amount.

Voided transactions are included on the Colombian Receivables Sales Fiscal Book report but do not affect the report amounts. Voided transactions are labeled *VOID* and always have an amount of zero.

If you use the Latin Tax Engine, you must identify the tax lines in your transactions that are VAT lines and should be included in the VAT amount on the Colombian Receivables Sales Fiscal Book report. To identify tax lines as VAT, you must define the VAT tax category. For more information, see Defining the VAT Tax Category, page 6-130.

If you do not use the Latin Tax Engine, Oracle Receivables treats all tax lines as VAT lines and includes all the tax lines in the VAT amount on the Colombian Receivables Sales Fiscal Book report.

The Colombian Receivables Sales Fiscal Book report includes only transactions whose transaction class is *Invoice*, *Debit Memo*, or *Credit Memo* and whose status is *Complete*.

To meet Colombian legal requirements, the Colombian Receivables Sales Fiscal Book report must show all transaction amounts as the amounts were originally printed on the invoice. Adjustments do not appear on the report. If you need to make an adjustment to an invoice, you should create a credit memo against the original invoice and enter a new invoice with the correct amounts.

Oracle Receivables groups sales transactions by transaction class and prints the transaction classes in this order: Credit Memos, Debit Memos, Invoices. Within each transaction class, transactions are ordered by transaction batch source and transaction number.

Use the Standard Request Submission windows to submit the Colombian Receivables Sales Fiscal Book report.

Prerequisites

Before you run the Colombian Receivables Sales Fiscal Book report, you must:

- Enter third party ID information for your customers. To meet Colombian legal requirements, the Colombian Receivables Sales Fiscal Book report must show your customer's third party ID. For more information, see Third Party Management, page 6-1.
- If you use the Latin Tax Engine, define the VAT tax category to identify VAT tax lines for the Colombian Receivables Sales Fiscal Book report. For more information, see Defining the VAT Tax Category, page 6-130.

Report Parameters

Period

Enter the accounting period that you want to report on.

Report Headings

In this heading…	Oracle Receivables prints…
<Ledger>	The ledger name
<Report Title>	Sales Fiscal Report
Period	The accounting period
Report Date	The date and time that you ran the report
Page	The current and total pages of the report

Column Headings

In this column…	Oracle Receivables prints…
Transaction - Date	The transaction date
Transaction - Number	The transaction number

In this column…	Oracle Receivables prints…
Customer Name	The customer name, or *VOID* for a void transaction
Third Party ID	The customer's third party identifier
Extended Amount	The total amount of the transaction lines, including freight and charge lines
VAT Amount	The total amount of the VAT lines
Total Amount	The total amount of all lines for the transaction, calculated by adding the extended amount and the VAT amount

Row Headings

In this row…	Oracle Receivables prints…
Transaction Class	The transaction class
Transaction Batch Source	The transaction batch source
Total Transaction Batch Source	The transaction batch source name and the totals for the transaction batch source
Total Transaction Class	The transaction class name and the totals for the transaction class
Totals	The totals for the report

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Colombian Receivables Cash Receipt Report

In Colombia, companies are legally required to issue a cash receipt document each time a payment is received. Use the Colombian Receivables Cash Receipt report to print cash receipts that you can send to your customers as a confirmation that payments were

received for processing.

The Colombian Receivables Cash Receipt report shows information about the company issuing the report, the customer, and the receipt.

The receipt information includes the payment mode for the receipt. The payment mode is the mechanism that the customer used to make the payment, such as cash, check, credit card, debit card, or wire transfer. You can enter the payment mode for a payment method in the Printed Name field when you define the payment method in the Receipt Classes window. Oracle Receivables displays the printed name for the payment method of the receipt as the payment mode on the Colombian Receivables Cash Receipt report.

The Colombian Receivables Cash Receipt report also shows details about the application of the receipt. Oracle Receivables prints one line for each transaction to which the receipt was applied, as well as one line for on-account amounts and another line for unapplied amounts. The Colombian Receivables Cash Receipt report is ordered by receipt number and transaction number.

Oracle Receivables does not print the Colombian Receivables Cash Receipt report for miscellaneous or unidentified receipts, since customer information is not available for these receipts.

Use the Standard Request Submission windows to submit the Colombian Receivables Cash Receipt report.

Prerequisites

Before you run the Colombian Receivables Cash Receipt report, you must:

- Define payment methods for your receipts in the Payment Method region of the Receipt Classes window. In the Printed Name field, enter the payment mode associated with the payment method. Oracle Receivables prints the payment mode on the Colombian Receivables Cash Receipt report exactly as you enter the printed name in the Receipt Classes window. For this reason, you should enter the printed name exactly as you want the payment mode to appear on the report.

- Require every receipt to be associated with a bill-to address by checking the Require Billing Location for Receipts check box in the Miscellaneous tabbed region of the System Options window. To meet Colombian legal requirements, the Colombian Receivables Cash Receipt report must show the bill-to address associated with the receipt.

- Enter Colombian company information for your company. To meet Colombian legal requirements, the Colombian Receivables Cash Receipt report must show your company information.

- Enter third party ID information for your customers. To meet Colombian legal requirements, the Colombian Receivables Cash Receipt report must show your customer's third party ID. For more information, see Third Party Management, page 6-1.

Report Parameters

Receipt Date From

Enter the starting value for the receipt date range that you want to include on the report.

Receipt Date To

Enter the ending value for the receipt date range that you want to include on the report.

Receipt Number From

Enter the starting value for the receipt number range that you want to include. Leave the Receipt Number From and To parameters blank to include all receipt numbers.

Receipt Number To

Enter the ending value for the receipt number range that you want to include. Leave the Receipt Number From and To parameters blank to include all receipt numbers.

Customer Name From

Enter the starting value for the customer name range that you want to include. Leave the Customer Name From and To parameters blank to include all customer names.

Customer Name To

Enter the ending value for the customer name range that you want to include. Leave the Customer Name From and To parameters blank to include all customer names.

Customer Number From

Enter the starting value for the customer number range that you want to include. Leave the Customer Number From and To parameters blank to include all customer numbers.

Customer Number To

Enter the ending value for the customer number range that you want to include. Leave the Customer Number From and To parameters blank to include all customer numbers.

Third Party ID From

Enter the starting value for the customer third party ID range that you want to include. Leave the Third Party ID From and To parameters blank to include all customer third party IDs.

Third Party ID To

Enter the ending value for the customer third party ID range that you want to include. Leave the Third Party ID From and To parameters blank to include all customer third party IDs.

Payment Method

Enter the payment method of the receipts that you want to include. Leave the Payment Method parameter blank to include all payment methods.

Payment Mode

Enter the payment mode of the receipts that you want to include. The payment mode of a receipt is the printed name you defined for the payment method of the receipt. Leave the Payment Mode parameter blank to include all payment modes.

Report Headings

In this heading...	Oracle Receivables prints...
<Report Title>	Cash Receipt
Report Date	The date and time that you ran the report
Page	The current and total pages of the report
Company Name	Your company name
Company Taxpayer ID	Your taxpayer ID
Address	Your address
Customer	The customer name
Third Party ID	The customer third party ID
Address	The customer bill-to address associated with the receipt
Receipt Number	The receipt number
Receipt Date	The receipt date
Payment Method	The payment mode that you defined as the printed name for the payment method of the receipt
Receipt Amount	The receipt amount

Currency	The receipt currency

Column Headings

In this column...	Oracle Receivables prints...
Transaction Number	The transaction number to which the receipt was applied. Oracle Receivables prints *On Account* for on-account amounts and *Unapplied* for unapplied amounts.
Transaction Date	The transaction date. Oracle Receivables leaves this column blank for on-account and unapplied amounts.
Applied Amount	The amount applied to this transaction, or the on-account or unapplied amount.

Row Headings

In this row...	Oracle Receivables prints...
Receipt Amount	The total amount of the receipt, including applied, on-account, and unapplied amounts.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Payment Methods, *Oracle Receivables User Guide*

Miscellaneous System Options, *Oracle Receivables User Guide*

Oracle Assets

Inflation Adjustment Overview

In Colombia, since 1992, companies must adjust the cost and accumulated depreciation amounts of their assets for inflation. The adjustments must be performed at the beginning of the depreciation period and must be recorded in fixed asset inflation

adjustment accounts according to the Chart of Accounts defined by the Colombian government. In this Chart of Accounts, fixed asset inflation adjustment accounts are identified by codes of the form *15XX99*. The first two digits, *15,* represent fixed assets accounts; the next two digits represent the asset category; and the last two digits, *99,* represent inflation adjustment accounts.

The Colombian government requires companies to report historical amounts for their assets as well as inflation-adjusted amounts. To satisfy this requirement, choose the historical/adjusted option in Oracle Assets. The historical/adjusted option lets you maintain and report both historical amounts and inflation-adjusted amounts by using two separate depreciation books. Keep the historical amounts in a corporate book and the inflation-adjusted amounts in a tax book.

In Colombia, you can implement inflation adjustment in Oracle Assets without implementing inflation adjustment in General Ledger. The Colombian Chart of Accounts lets you maintain historical amounts and inflation adjustment amounts in different accounts within the same General Ledger ledger.

Transfer all your historical asset information to General Ledger from the historical depreciation book using the standard Create Journal Entries process. Then use the Colombian Fixed Assets Transfer to General Ledger process to transfer only inflation adjustment transactions from the adjusted depreciation book to General Ledger. For more information about transferring Oracle Assets information to General Ledger in Colombia, see Transferring Inflation Adjustment Journal Entries to General Ledger to General Ledger, page 6-159.

> **Note:** You can implement Multiple Reporting Currencies (MRC) while using the historical/adjusted option in Oracle Assets by using the historical book as your MRC primary book. You must not use the adjusted depreciation book as your MRC primary book because the inflation adjustment transactions must not be included when MRC converts your transactions to another currency. Using the historical book as your MRC primary book ensures that you maintain only the correct transactions in your MRC reporting book.

Basic Business Needs

In addition to the inflation adjustment business needs described in the *Oracle Financials Common Country Features User Guide*, Oracle Assets for Colombia provides you with features to satisfy these basic business needs. You can:

- Record inflation adjustments, deferred depreciation, monetary corrections, and deferred monetary corrections in different accounts from the original asset accounts, according to the statutory Chart of Accounts in Colombia.

- Adjust deferred depreciation balances for inflation and amortize the adjustment along with the original balance.

- Transfer or retire inflation adjustment amounts together with the original amounts when assets are reclassified, transferred, retired, or reinstated.

- Report asset information, including inflation adjustments.

Major Features

In addition to the inflation adjustment features described in the *Oracle Financials Common Country Features User Guide*, Oracle Assets for Colombia provides these features:

Inflation Adjustment Accounts

You can record the inflation adjustments to cost and accumulated depreciation for your assets in separate accounts from the original accounts for these components. You define the inflation adjustment accounts at asset category level.

Journal Categories

You can specify journal categories at depreciation book level to identify inflation adjustment journal entries when the journal entries are posted in General Ledger.

Inflation Adjustment of CIP Assets

You must adjust the cost amounts for CIP assets for inflation according to the general rules for fixed assets. The offset of the inflation adjustment, however, is not credited to the regular monetary correction account but to a deferred monetary correction credit account. You can adjust your CIP assets for inflation regularly once each depreciation period.

Deferred Monetary Correction Credit

You can offset inflation adjustments to the cost of CIP assets by charging the deferred monetary correction credit account. After you capitalize a CIP asset, the balance of the deferred monetary correction credit account is amortized over the life of the asset.

Deferred Depreciation

You can adjust deferred depreciation balances for inflation and amortize the adjustment over the life of the asset along with the original balance.

Transfer of Inflation Adjustment Balances

You can use the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program to transfer or retire the amounts in inflation adjustment accounts along with the original amounts when assets are reclassified, transferred, retired, or reinstated. This process complements the standard transfer of balances for standard Oracle Assets accounts.

Reports for Inflation Adjustment Information

You can run standard Oracle Assets reports to meet Colombian reporting requirements for the Major Book of Capitalized Assets with Inflation Adjustments, the Major Book of CIP Assets with Inflation Adjustments, and Assets Retired in a Period with Inflation Adjustment Information. You can also use these reports to show information for assets with deferred depreciation balances, deferred monetary correction credit balances, or deferred monetary correction charge balances.

Additionally, Oracle Assets for Colombia provides these special reports to show inflation adjustment information:

- Colombian Fixed Assets Inflation Adjusted Drill Down Report
- Colombian Fixed Assets Inflation Adjusted Account Drill Down Report
- Colombian Inflation Adjusted Fixed Assets Report

Purge Process

You can use the Colombian Fixed Asset Purging process to archive, delete, and recover obsolete information in the inflation adjustment tables following the guidelines established by the standard purging process.

Inflation Adjustment Setup

This section describes how to set up Oracle Assets for Colombia for the inflation adjustment process. Use this checklist to help you complete the appropriate steps.

- Enable Automatic Revaluation Rate Calculation
- Define Price Indexes
- Define Journal Categories, page 6-140
- Set Up Depreciation Books, page 6-141
- Set Up Asset Categories, page 6-144
- Define inflation start dates
- Set up assets in a depreciation book

Define Journal Categories

You must define new journal categories in General Ledger for inflation adjustment. The journal categories help you identify the nature of inflation adjustment journal entries when you post the journal entries in General Ledger. Define journal categories for these kinds of journal entries:

- Inflation adjustments
- Inflation adjustment reclassifications
- Inflation adjustment CIP reclassifications
- Inflation adjustment transfers
- Inflation adjustment CIP transfers
- Inflation adjustment retirements
- Inflation adjustment CIP retirements
- Inflation adjustment additions
- Inflation adjustment CIP additions
- Inflation adjustment cost adjustments
- Inflation adjustment CIP cost adjustments
- CIP inflation adjustments

Related Topics

Defining Journal Categories, *Oracle General Ledger User Guide*

Set Up Depreciation Books

Use the Book Controls window and the globalization flexfield to set up your depreciation books for inflation adjustment. You can enable or disable inflation adjustment at depreciation book level. If you enable inflation adjustment for a depreciation book, you can choose to enable or disable inflation adjustment for individual asset categories and assets when you define them. If you disable inflation adjustment for a depreciation book, none of the assets in that book can be adjusted.

Oracle Financials for Colombia also lets you use the globalization flexfield to define the journal categories that you want to use for your inflation adjustment journal entries when you transfer the journal entries to General Ledger. Select the General Ledger journal categories that you defined for inflation adjustment.

To set up depreciation books:

1. Navigate to the Book Controls window.
2. Enter a depreciation book.
3. Navigate to the globalization flexfield.

4. Enter *Yes* in the Adjust for Inflation field to enable inflation adjustment for assets in this depreciation book. Enter *No* to disable inflation adjustment for all assets in this book.

5. In the Inflation Adjustment Journal Category field, enter the journal category for your inflation adjustment journal entries.

6. In the Inflation Adjustment Reclassification Journal Category field, enter the journal category for your inflation adjustment reclassification journal entries.

7. In the Inflation Adjustment CIP Reclass Journal Category field, enter the journal category for your inflation adjustment CIP reclassification journal entries.

8. In the Inflation Adjustment Transfer Journal Category field, enter the journal category for your inflation adjustment transfer journal entries.

9. In the Inflation Adjustment CIP Transfer Journal Category field, enter the journal category for your inflation adjustment CIP transfer journal entries.

10. In the Inflation Adjustment Retirements Journal Category field, enter the journal category for your inflation adjustment retirement journal entries.

11. In the Inflation Adjustment CIP Retirements Journal Category field, enter the journal category for your inflation adjustment CIP retirement journal entries.

12. In the Inflation Adjustment Addition Journal Category field, enter the journal category for your inflation adjustment addition journal entries.

13. In the Inflation Adjustment CIP Addition Journal Category field, enter the journal category for your inflation adjustment CIP addition journal entries.

14. In the Inflation Adjustment - Adjustment Journal Category field, enter the journal category for your inflation adjustment cost adjustment journal entries.

15. In the Inflation Adjustment CIP Adjustment Journal Category field, enter the journal category for your inflation adjustment CIP cost adjustment journal entries.

16. In the CIP Inflation Adjustment Journal Category field, enter the journal category for your CIP inflation adjustment journal entries.

    After you perform inflation adjustment for this book, you can view information about the most recent inflation adjustment processes in the next four fields. Oracle Assets displays the period name for the most recent inflation adjustment in the Last Inflation Adjustment Period field, and the revaluation ID for the most recent inflation adjustment in the Last Inflation Adjustment field.

    The period name for the most recent time you ran the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program appears in the Last Closed

Period field. The period name for the most recent time you ran the Colombian Fixed Assets Transfer to General Ledger process appears in the Last Transferred Period field.

> **Note:** The Technical Appraisal Journal Category field in the globalization flexfield is not used for inflation adjustment. This field is used for technical appraisal in Oracle Assets for Colombia. For more information, see Assign the Technical Appraisal Journal Category, page 6-174.

17. Press the OK button.

18. In the Book Controls window, navigate to the Calendar tabbed region.

19. In the GL Ledger field, select the General Ledger ledger that you want to transfer this depreciation book's journal entries to.

20. Complete the Allow GL Posting check box according to your depreciation book's requirements.

    If you are using the historical/adjusted option in Oracle Assets, check the Allow GL Posting check box for your historical book so that you can use the standard Create Journal Entries process to transfer asset information from the historical book to General Ledger. Do not check the Allow GL Posting check box for your adjusted book, since you use only the country-specific Colombian Fixed Assets Transfer to General Ledger process to transfer inflation adjustment transactions from the adjusted depreciation book to General Ledger. For more information, see Transferring Inflation Adjustment Journal Entries to General Ledger, page 6-159.

21. Navigate to the Accounting Rules tabbed region.

22. If you want to allow revaluation in this book, check the Allow Revaluation check box.

23. If you want to revalue accumulated depreciation, check the Revalue Accumulated Depreciation check box.

24. If you want to revalue year-to-date depreciation, check the Revalue YTD Depreciation check box. In Colombia, you usually do not revalue year-to-date depreciation.

25. If you want to retire revaluation reserve, check the Retire Revaluation Reserve check box. In Colombia, you usually do not retire revaluation reserve.

26. If you want to amortize revaluation reserve, check the Amortize Revaluation Reserve check box. In Colombia, you usually do not amortize revaluation reserve.

27. If you want to revalue fully reserved assets, check the Revalue Fully Reserved Assets check box.

    If you choose to revalue fully reserved assets, enter a life extension factor in the Life Extension Factor field. To maintain the current asset life without extending it, enter *1*. You can also enter the maximum number of times an asset can be revalued as fully reserved in the Maximum Revaluations field and enter a life extension ceiling in the Life Extension Ceiling field.

28. Navigate to the Tax Rules region.

29. If you are defining a tax book and you want to include CIP assets in the tax book, check the Allow CIP Assets check box. You must include CIP assets in your adjusted tax book, if you are using the historical/adjusted option, so that you can adjust the CIP assets for inflation in the adjusted tax book.

30. Save your work.

Related Topics

Defining Depreciation Books, *Oracle Assets User Guide*

Asset Management in a Highly Inflationary Economy (Revaluation), *Oracle Assets User Guide*

Construction-in-Process (CIP) Assets, *Oracle Assets User Guide*

Set Up Asset Categories

Use the Asset Categories window with the globalization flexfield and the Default Depreciation Rules window to set up your asset categories for inflation adjustment. In the Asset Categories window, you can specify the revaluation reserve account that the inflation adjustment process uses to offset the inflation adjustments for assets in a category in a particular depreciation book.

> **Note:** You must enter a revaluation reserve account in order to run the inflation adjustment process. After you run the inflation adjustment process, however, you can use the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program to assign inflation adjustment and offset amounts to the correct accounts according to Colombian requirements.

In the globalization flexfield, you can enable or disable inflation adjustment for the asset category in a particular depreciation book. If you enable inflation adjustment for an asset category in a book, you can choose to enable or disable inflation adjustment for individual assets when you define the assets. If you disable inflation adjustment for an asset category in a book, none of the assets in that category can be adjusted in that book.

In this way, you can choose to adjust an asset category in one depreciation book while

preventing the same asset category from being adjusted in another book. You can also choose to adjust some asset categories in a depreciation book for inflation while preventing other categories in the same book from being adjusted.

If inflation adjustment is disabled for an entire depreciation book, however, none of the asset categories in that book can be adjusted.

Oracle Financials for Colombia also lets you use the globalization flexfield in the Asset Categories window to define the natural accounts used to store the inflation adjustment and monetary correction amounts for your assets. The Account Generator derives the complete accounting flexfield combinations for your inflation adjustment journal entries by following the rules that you set up for the corresponding standard asset accounts, but replacing the natural account segment with the natural accounts that you enter for inflation adjustment.

This table shows the standard asset account that the Account Generator follows for different inflation adjustment accounts.

For this inflation adjustment account…	The Account Generator follows the rules set up for this standard asset account…
Inflation Adjustment Cost	Asset Cost
Indexing Cost	Asset Cost
Inflation Adjustment Depreciation Reserve	Depreciation Reserve
Indexing Depreciation Reserve	Depreciation Reserve
Inflation Adjustment CIP Cost	Construction-In-Process Cost
Deferred Indexing CIP Cost	Construction-In-Process Cost

In the Default Depreciation Rules window, you can assign a price index to the asset category. The price index is used to calculate the inflation rate for all the assets in this asset category.

To set up asset categories:

1. Navigate to the Asset Categories window.
2. Enter an asset category.
3. Navigate to the General Ledger Accounts region.
4. Enter a depreciation book in the Book field.

5. Enter a revaluation reserve account in the Revaluation Reserve field.

6. Navigate to the globalization flexfield.

7. Enter *Yes* in the Adjust for Inflation field to enable inflation adjustment for assets in this asset category. Enter *No* to disable inflation adjustment for all assets in this category.

   If inflation adjustment is enabled for this depreciation book, the Adjust for Inflation field defaults to *Yes*. Otherwise, the Adjust for Inflation field defaults to *No*.

8. In the Inflation Adjustment Cost Account field, enter the natural account where you want to record the inflation adjustments to the cost of your capitalized assets.

9. In the Indexing Cost Account field, enter the natural account where you want to record the monetary corrections to the cost of your capitalized assets.

10. In the Inflation Adjustment Depreciation Reserve Account field, enter the natural account where you want to record the inflation adjustments to the accumulated depreciation of your capitalized assets.

11. In the Indexing Depreciation Reserve Account field, enter the natural account where you want to record the monetary corrections to the accumulated depreciation of your capitalized assets.

12. In the Inflation Adjustment CIP Cost Account field, enter the natural account where you want to record the inflation adjustments to the cost of your CIP assets.

13. In the Deferred Indexing CIP Cost Account field, enter the natural account where you want to record the deferred monetary correction credits to the cost of your CIP assets.

14. Press the OK button.

    Note: The remaining fields in the globalization flexfield are not used for inflation adjustment. These fields are used for technical appraisal in Oracle Assets for Colombia. For more information, see Define Technical Appraisal Accounts, page 6-175.

15. Press the OK button.

16. In the Asset Categories window, press the Default Rules button.

    The Default Depreciation Rules window appears.

17. In the Price Index field, enter the price index that you want to use to calculate the inflation rate for this asset category.

18. Enter appropriate information in the remaining fields.

19. Save your work.

Related Topics

Setting Up Asset Categories, *Oracle Assets User Guide*

Asset Management in a Highly Inflationary Economy, *Oracle Assets User Guide*

Using the Account Generator in Oracle Assets, *Oracle Assets User Guide*

Set Up Assets in a Depreciation Book

Use the globalization flexfield in the Books window to enable or disable inflation adjustment for individual assets. You enable or disable inflation adjustment for an asset in a particular depreciation book.

In this way, you can choose to adjust an asset in one depreciation book while preventing the same asset from being adjusted in another book. You can also choose to adjust some assets in a certain category in a depreciation book for inflation while preventing other assets in the same category and book from being adjusted.

If inflation adjustment is disabled for an entire depreciation book or an entire category in a book, however, none of the assets in that book or category can be adjusted.

You can also use the globalization flexfield to specify how to record depreciation amounts when you enter an asset that has already been adjusted for inflation. To meet Colombian legal requirements, you must record separately these components of the adjusted depreciation for an asset:

- Depreciation on the historical cost of the asset
- Depreciation on the inflation adjustments to the asset cost
- Inflation adjustments to the depreciation

If you enter an asset that has already been adjusted for inflation, you can enter the amount of existing depreciation for the asset that corresponds to inflation adjustments to the asset cost. Oracle Assets for Colombia uses this information to separate the total adjusted depreciation amount into the required components and record each component in the appropriate account.

To set up assets in a depreciation book:

1. Navigate to the Asset Workbench.
2. Enter or query an asset.
3. Navigate to the Books window.
4. Enter a depreciation book in the Book field.

5. Navigate to the Depreciation region.

6. Navigate to the globalization flexfield.

7. Enter *Yes* in the Adjust for Inflation field to enable inflation adjustment for the asset. Enter *No* to disable inflation adjustment for the asset.

   If inflation adjustment is enabled for this depreciation book and for this category in this book, the Adjust for Inflation field defaults to *Yes*. Otherwise, the Adjust for Inflation field defaults to *No*.

8. In the Depreciation on Inflation Adjusted Cost field, enter the amount of the existing depreciation for the asset that corresponds to inflation adjustments on the asset cost, if the asset has already been adjusted for inflation.

   If the asset has never been adjusted for inflation, or if you disabled inflation adjustment for the asset, leave the Depreciation on Inflation Adjusted Cost field blank.

   > **Note:** The remaining fields in the globalization flexfield are not used for inflation adjustment. These fields are used for technical appraisal in Oracle Assets for Colombia. For more information, see Enter Initial Values for Technical Appraisals, page 6-176.

9. Press the OK button.

10. Save your work.

Related Topics

Asset Setup Processes (Additions), *Oracle Assets User Guide*

Accounting for Deferred Depreciation Balances

Until 1991, the Colombian government allowed companies to use an accelerated depreciation method in which assets are entirely depreciated over three years for tax purposes. For accounting purposes, however, only the normal depreciation amounts are recognized as expenses during those three years

The difference between the depreciation taken by the accelerated method and the depreciation taken by the normal method is recorded in the deferred depreciation account. After the third year, the balance of the deferred depreciation account must be amortized over the remaining life of the asset.

Since the Colombian government no longer allows companies to use deferred depreciation, you will not need to record any new deferred depreciation amounts. If you have an asset with a deferred depreciation balance from 1991 or earlier, however, you must continue to amortize the balance over the life of the asset. You must also

adjust the deferred depreciation balance for inflation and amortize the adjustment amounts along with the original balance.

You can account for deferred depreciation balances in Oracle Assets for Colombia by creating child assets to represent these balances. You should define a special asset category for these child assets.

Setting Up a Deferred Depreciation Asset Category

If you have assets with balances in deferred depreciation accounts, you can create child assets to represent the deferred depreciation balances. You can define a separate asset category for the deferred depreciation child assets. Set the deferred depreciation asset category up to amortize the deferred balance over the life of the parent asset. You should enable inflation adjustment for this asset category as well.

Adding Deferred Depreciation Balances as Child Assets

When you enter a new asset, check whether the asset has any balance in a deferred depreciation account. If the asset you are entering has a deferred depreciation balance, you can create a child asset to represent that balance.

You can use the Asset Workbench to create the child asset representing a deferred depreciation balance. Assign the child asset to the asset category that you defined for deferred depreciation. The child asset can belong to a different asset category than the parent asset. You should enable inflation adjustment for each child asset as well.

To ensure that the balance is amortized correctly, you must assign the child asset that represents a deferred depreciation balance the same depreciation method and remaining life as the parent asset.

Related Topics

Setting Up Asset Categories, *Oracle Assets User Guide*

Asset Setup Processes (Additions), *Oracle Assets User Guide*

Accounting for Deferred Monetary Correction Credit Balances

When you adjust the cost amounts of CIP assets for inflation, you charge the deferred monetary correction credit account rather than the regular monetary correction account for capitalized assets. You can define the deferred monetary correction credit account for each asset category in the globalization flexfield in the Asset Categories window.

After you capitalize a CIP asset, the balance of the deferred monetary correction credit account is amortized over the life of the asset using a straight-line method.

You can account for deferred monetary correction credit balances in Oracle Assets for Colombia by creating child assets to represent these balances. You should define a special asset category for these child assets. You can create the child asset for a deferred monetary correction charge balance either when you begin construction on the parent

CIP asset or when you capitalize the parent asset.

Setting Up a Deferred Monetary Correction Credit Asset Category

If you have assets with balances in deferred monetary correction credit accounts, you can create child assets to represent the deferred monetary correction credit balances. You can define a separate asset category for the deferred monetary correction credit child assets. Set the deferred monetary correction credit asset category up to amortize the deferred balance over the life of the parent asset.

Adding Deferred Monetary Correction Credit Balances as Child Assets

When you enter a new capitalized asset, or when you capitalize a CIP asset, check whether the asset has any balance in a deferred monetary correction credit account. If the asset you are entering has a deferred monetary correction credit balance, you can create a child asset to represent that balance.

You can use the Asset Workbench to create the child asset representing a deferred monetary correction credit balance. Assign the child asset to the asset category that you defined for deferred monetary correction credit. The child asset can belong to a different asset category than the parent asset.

At the time of capitalization, the cost of the child asset that represents the deferred monetary correction credit balance should equal the difference between the cost of the parent asset in the historical book and in the adjusted book.

Related Topics

Setting Up Asset Categories, *Oracle Assets User Guide*

Asset Setup Processes (Additions), *Oracle Assets User Guide*

Accounting for Deferred Monetary Correction Charge Balances

When you use your own company's resources to finance a CIP asset, you must adjust the portion of your own equity that is invested in the CIP asset for inflation. You offset the inflation adjustment by charging the deferred monetary correction charge account.

After you capitalize a CIP asset, the balance of the deferred monetary correction charge account is amortized over the life of the asset using a straight-line method.

You can account for deferred monetary correction charge balances in Oracle Assets for Colombia by creating child assets to represent these balances. You should define a special asset category for these child assets.

Setting Up a Deferred Monetary Correction Charge Asset Category

If you have assets with balances in deferred monetary correction charge accounts, you can create child assets to represent the deferred monetary correction charge balances. You can define a separate asset category for the deferred monetary correction charge

child assets. Set the deferred monetary correction charge asset category up to amortize the deferred balance over the life of the parent asset.

For deferred monetary correction charge balances, you can choose to create the child assets as soon as you begin constructing the parent CIP asset. You can then make cost adjustments to the child asset to account for the effect of inflation.

> **Note:** The effect of inflation on deferred monetary correction charge balances is calculated differently than ordinary inflation adjustments. For this reason, you should make manual cost adjustments to a deferred monetary correction charge child asset, rather than using the ordinary inflation adjustment process.

Adding Deferred Monetary Correction Charge Balances as Child Assets

When you enter a new asset, or when you capitalize a CIP asset, check whether the asset has any balance in a deferred monetary correction charge account. If the asset you are entering has a deferred monetary correction charge balance, you can create a child asset to represent that balance.

You can use the Asset Workbench to create the child asset representing a deferred monetary correction charge balance. Assign the child asset to the asset category that you defined for deferred monetary correction charge. The child asset can belong to a different asset category than the parent asset.

You can create the child asset for a deferred monetary correction charge balance either when you begin construction on the parent CIP asset or when you capitalize the parent asset. If you choose to create the child assets as soon as you begin constructing the parent CIP asset, set up the deferred monetary correction charge asset category up with appropriate accounts to record the child assets.

This option allows you to clearly identify the contributions of each CIP asset to the balance of the deferred monetary correction charge account. When you capitalize the parent asset, you can capitalize the child asset as well and begin amortizing the deferred balance as usual.

Related Topics

Setting Up Asset Categories, *Oracle Assets User Guide*

Asset Setup Processes (Additions), *Oracle Assets User Guide*

Adjusting Assets for Inflation

Complete these steps in your adjusted depreciation book to adjust your assets for inflation with Oracle Assets for Colombia. You should adjust your assets for inflation regularly once each period. You can perform the Mass Revaluation process to create the inflation adjustments either at the beginning or at the end of the period.

To adjust assets for inflation:

1. Run the Calculate Gains and Losses program to ensure that accumulated depreciation for reinstated assets is correct.

   > **Note:** Oracle Assets runs the Calculate Gains and Losses program automatically as part of the depreciation process to close a period. If you run the Mass Revaluation process to adjust your assets at the beginning of the period, just after running depreciation to close the previous period, you do not need to run the Calculate Gains and Losses program again separately.

2. Run the Mass Revaluation process to revalue the cost and accumulated depreciation for your assets. For more information, see Revaluing Assets, page 6-153.

3. Perform standard Oracle Assets procedures, such as capitalizing CIP assets, at the end of the period. If your country requires assets to be adjusted for inflation in their retirement period, you should also retire assets at this point, after you run the Mass Revaluation process, but before you run depreciation.

4. Run depreciation in your adjusted book.

5. Run the Create Accounting program for the *Assets* application. Leave the Process Category blank to process all entries. For the Post to GL parameter, select Yes for the corporate book and No for a tax book.

6. Run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program to create the correct journal entries recording the historical and adjustment amounts in the correct accounts. For more information, see Generating Inflation Adjustment Journal Entries, page 6-158.

7. Run the Colombian Fixed Assets Transfer to General Ledger process to transfer the journal entries created by Oracle Assets for Colombia to General Ledger. For more information, see Transferring Inflation Adjustment Journal Entries to General Ledger, page 6-159.

8. Run the Journal Import process to import the journal entries created by Oracle Assets for Colombia into General Ledger. For more information, see Running the Journal Import Process, page 6-160.

9. Run the Inflation Adjusted Asset Summary report to review the results of the inflation adjustments.

10. Run standard and Colombian Oracle Assets reports showing inflation adjustment information. For more information, see Reporting Inflation Adjustment Information, page 6-160.

11. Run the Colombian Fixed Asset Purging process to archive, delete, and recover obsolete information in the inflation adjustment tables. For more information, see Archiving, Purging, and Restoring Inflation Adjustment Data, page 6-168.

    Note: In Colombia, some of the steps for adjusting your assets for inflation are different from the steps for inflation adjustment in other countries. The differences are due to Colombian legal requirements.

    For example, after you adjust your assets for inflation in Oracle Assets for Colombia, you must run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program to generate the correct journal entries and run the Colombian Fixed Assets Transfer to General Ledger process to transfer these journal entries to General Ledger. Also, since the Colombian government abolished inflation adjustment for gain/loss accounts, you must not use the Oracle Assets Inflation Adjustment of Retired Assets process in Colombia.

Revaluing Assets

Example for adjusting an asset for inflation

This example shows how inflation rates and adjustment amounts are calculated to adjust a capitalized asset for inflation in Colombia. Assume that the price index values for the given periods are as shown in this table:

Period	Price Index Value
January	100.00
February	101.00
March	103.02

The inflation rates in this example are calculated with the maximum available precision. The inflation rates are calculated according to this formula:

(Index Value for Current Period/Index Value for Previous Period) - 1

For example, the February Inflation Rate is (101.00 / 100.00) - 1, or 0.01

March Inflation Rate is (103.02 / 101.00) - 1, or 0.02

Assume that an asset is added in January with a cost of $3,600.00 and a life of 2 years, or 24 periods. Assume also that the prorate convention for the asset is the Following Month convention and that there are no cost adjustments after the asset is added, other than the inflation adjustments.

In January, the asset is not adjusted for inflation, since an asset is not adjusted for inflation in the period when the asset is entered. Depreciation is run for the asset in January; however, according to the Following Month prorate convention, the depreciation amount in the first month is 0.

In February, the asset is adjusted for inflation. Since there is no accumulated depreciation for the asset yet, only the asset cost is adjusted. After the asset is adjusted for inflation in February, depreciation is run for the asset.

The inflation adjustment amount for cost in the current period is calculated on the current cost of the asset, including any cost adjustments made in the period before inflation adjustment is performed.

> **Note:** If you want to adjust current period cost adjustment amounts for inflation, make the cost adjustments before you perform inflation adjustment for the current period. Otherwise, make the cost adjustments after you perform inflation adjustment for the current period.

The current cost for the asset is calculated according to this formula:

Beginning Cost + Current Period Cost Adjustments

For example, the February Current Cost is 3,600.00 + 0, or 3,600.00

The current period cost inflation adjustment is calculated according to this formula:

*Cost Inflation Adjustment is Current Cost * Inflation Rate*

For example, the February Inflation Adjustment is 3,600.00 * 0.01, or 36.00

The total adjusted cost at the end of the period is calculated according to this formula:

Adjusted Cost is Current Cost + Inflation Adjustment

For example, the February Adjusted Cost is 3,600.00 + 36.00, or 3,636.00

> **Note:** For calculation purposes, the total current cost and total adjusted cost of an asset consist of both historical amounts and inflation adjustment amounts, even though you record historical and inflation adjustment amounts in separate accounts.

This table shows the journal entry to record the inflation adjustments in February:

Account	Debit	Credit
Inflation Adjustment of Cost	36.00	

Account	Debit	Credit
Monetary Correction of Cost		36.00

The depreciation amount for the current period is calculated according to this formula:

Current Period Adjusted Cost / Asset Life

For example, the February Depreciation is 3,636.00 / 24, or 151.50

In March, both the cost and the accumulated depreciation of the asset are adjusted for inflation. After the asset is adjusted for inflation in March, depreciation is run for the asset.

The current cost for the asset is calculated according to this formula:

Beginning Cost + Current Period Cost Adjustments

For example, the March Current Cost is 3,636.00 + 0.00, or 3,636.00

The current period cost inflation adjustment is calculated according to this formula:

*Current Cost * Inflation Rate*

For example, the March Inflation Adjustment is 3,636.00 * 0.02, or 72.72

The total adjusted cost at the end of the period is calculated according to this formula:

Current Cost + Inflation Adjustment

March Adjusted Cost is 3,636.00 + 72.72, or 3,708.72

The inflation adjustment amount for accumulated depreciation in the current period is calculated on the current accumulated depreciation of the asset, before the asset is depreciated for the period.

The current period accumulated depreciation inflation adjustment is calculated according to this formula:

*Current Accumulated Depreciation * Inflation Rate*

For example, the March Inflation Adjustment is 151.50 * 0.02, or 3.03

This table shows the journal entries to record the inflation adjustments in March:

Account	Debit	Credit
Inflation Adjustment of Cost	72.72	
Monetary Correction of Cost		72.72

Account	Debit	Credit
Monetary Correction of Accumulated Depreciation	3.03	
Inflation Adjustment of Accumulated Depreciation		3.03

The depreciation amount for the current period is calculated according to this formula:

Current Period Adjusted Cost /Asset Life

For example, the March Depreciation is 3,708.72 /24, or 154.53

The total adjusted accumulated depreciation at the end of the period is calculated according to this formula:

Current Accumulated Depreciation + Inflation Adjustment + Current Period Depreciation

For example, the March Adjusted Accumulated Depreciation is 151.50 + 3.03 + 154.53, or 309.06

> **Note:** For calculation purposes, the total adjusted accumulated depreciation of an asset consists of both historical amounts and inflation adjustment amounts, even though you record historical and inflation adjustment amounts in separate accounts.

Example for adjusting a CIP asset for inflation

This example shows how inflation rates and adjustment amounts are calculated to adjust a CIP asset for inflation in Colombia.

When you build a CIP asset, you add the cost amounts resulting from invoice lines. The invoice line amounts added in the current period are never adjusted for inflation in the current period. The adjustment amount for the current period is calculated only on the asset's adjusted cost as of the beginning of the period.

Assume that the price index values for the given periods are as shown in this table:

Period	Price Index Value
January	100.00
February	101.00

Period	Price Index Value
March	103.02

The inflation rates in this example are calculated with the maximum available precision. The inflation rates are calculated according to this formula:

(Index Value for Current Period / Index Value for Previous Period) - 1

For example, the February Inflation Rate is (101.00 / 100.00) - 1, or 0.01

March Inflation Rate is (103.02 / 101.00) - 1, or 0.02

Assume that construction began on a CIP asset in December and that the invoice line amounts added each period are as shown in this table:

Period	Invoice Line Amount
January	20,000.00
February	18,000.00
March	0.00

The current period cost inflation adjustment is calculated according to this formula:

*Beginning Cost * Inflation Rate*

The adjusted cost at the end of the period is calculated according to this formula:

Beginning Cost + Inflation Adjustment + Invoice Line Amounts

For example, the January Adjusted Cost is 0 + 0 + 20,000.00, or 20,000.00

February Inflation Adjustment is 20,000.00 * 0.01, or 200.00

February Adjusted Cost is 20,000.00 + 200.00 + 18,000.00, or 38,200.00

This table shows the journal entry to record the inflation adjustment in February:

Accounts	Debit	Credit
Inflation Adjustment of Cost	200.00	
Deferred Monetary Correction Credit		200.00

March Inflation Adjustment is 38,200.00 * 0.02, or 764.00

March Adjusted Cost is 38,200.00 + 764.00 + 0.00, or 38,964.00

This table shows the journal entry to record the inflation adjustment in March:

Accounts	Debit	Credit
Inflation Adjustment of Cost	764.00	
Deferred Monetary Correction Credit		764.00

Generating Inflation Adjustment Journal Entries

In Colombia, you must record historical amounts and adjustment amounts in separate accounts for the cost and accumulated depreciation components of your assets. The standard Mass Revaluation process, however, creates journal entries that record the adjustment amounts in the same accounts as the historical amounts. To generate the correct journal entries recording the historical amounts and the adjustment amounts in the correct accounts, you must run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program after you run the Mass Revaluation process.

The Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program also transfers or retires the amounts in inflation adjustment accounts when assets are reclassified, transferred, retired, or reinstated. This process complements the standard transfer of balances for standard Oracle Assets accounts.

You must run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program after you run depreciation. If you did not run depreciation yet for the current period in your adjusted depreciation book, you cannot run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program.

The Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program is also used for technical appraisal in Oracle Assets for Colombia. When you run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program, Oracle Assets for Colombia generates both inflation adjustment and technical appraisal journal entries. You only need to run the process once each period. For more information, see Transferring Technical Appraisal Account Balances, page 6-189.

You can use the globalization flexfield in the Book Controls window to check whether the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program has been run for the latest period. The period name for the most recent time you ran the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program appears in the Last Closed Period field. For more information, see Set Up Depreciation Books, page 6-141.

The Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program

prepares inflation adjustment and technical appraisal journal entries for transfer to General Ledger. After you run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program, run the Colombian Fixed Assets Transfer to General Ledger process to transfer the journal entries created by Oracle Assets to General Ledger.

To the submit the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program, choose Journal Entries > Generate from the Colombian Localization menu. Use the Standard Request Submission windows to submit the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program.

Program Parameters

Book

Enter the depreciation book for which you want to generate Colombian inflation adjustment journal entries. You can only choose a depreciation book for which you have enabled inflation adjustment.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Transferring Inflation Adjustment Journal Entries to General Ledger

After you run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program, run the Colombian Fixed Assets Transfer to General Ledger process to transfer the inflation adjustment journal entries created by Oracle Assets to General Ledger.

You must not run the standard Create Journal Entries process from your adjusted depreciation book. The Colombian Fixed Assets Transfer to General Ledger process replaces the standard Create Journal Entries process for the inflation adjustment journal entries. You should, however, run the standard Create Journal Entries process from your historical depreciation book to transfer historical asset information to General Ledger.

The Colombian Fixed Assets Transfer to General Ledger process is also used for technical appraisal in Oracle Assets for Colombia. When you run the Colombian Fixed Assets Transfer to General Ledger process, Oracle Assets for Colombia transfers both inflation adjustment and technical appraisal journal entries. You only need to run the process once each period. For more information, see Transferring Technical Appraisal Journal Entries to General Ledger, page 6-189.

You can use the globalization flexfield in the Book Controls window to check whether the Colombian Fixed Assets Transfer to General Ledger process has been run for the latest period. The period name for the most recent time you ran the Colombian Fixed Assets Transfer to General Ledger process appears in the Last Transferred Period field. For more information, see Set Up Depreciation Books, page 6-141.

The Colombian Fixed Assets Transfer to General Ledger process creates inflation adjustment and technical appraisal journal entries in the General Ledger interface table. Before you can see the journal entries, you must import the journal entries to General Ledger by running the Journal Import process. The Colombian Fixed Assets Transfer to General Ledger process creates the inflation adjustment journal entries with the journal source that you defined for your depreciation book in the Book Controls window and with the journal categories that you defined for your transactions in the globalization flexfield. For more information, see Set Up Depreciation Books, page 6-141.

To submit the Colombian Fixed Assets Transfer to General Ledger process, choose Journal Entries > Transfer to GL from the Colombian Localization menu. Use the Standard Request Submission windows to submit the Colombian Fixed Assets Transfer to General Ledger process.

Program Parameters

Book

Enter the depreciation book that you want to transfer journal entries from. You can only choose a depreciation book for which you have enabled inflation adjustment.

Related Topics

Defining Depreciation Books, *Oracle Assets User Guide*

Using Standard Request Submission, *Oracle Applications User Guide*

Running the Journal Import Process

The Colombian Fixed Assets Transfer to General Ledger process creates inflation adjustment journal entries in the General Ledger interface table. Before you can see the journal entries, you must import the journal entries to General Ledger by running the Journal Import process. The inflation adjustment journal entries are imported with the journal source that you defined for the depreciation book in the Book Controls window.

Related Topics

Importing Journals, *Oracle General Ledger User Guide*

Defining Depreciation Books, *Oracle Assets User Guide*

Reporting Inflation Adjustment Information

You can run standard Oracle Assets reports to show information about the assets that you adjust for inflation and to meet Colombian reporting requirements. Run the reports from your historical book when you want to show historical information and from your adjusted book when you want to show adjusted information.

This table shows the report to run for these Colombian requirements:

To meet this Colombian requirement…	Run this standard Oracle Assets report…
Major Book of Capitalized Assets with Inflation Adjustments	Journal Entry Reserve Ledger Report or Tax Reserve Ledger Report
Major Book of CIP Assets with Inflation Adjustments	CIP Assets Report
Assets Retired in a Period with Inflation Adjustment Information	Asset Retirements Report

You can also use these reports to show information for assets with deferred depreciation balances, deferred monetary correction credit balances, or deferred monetary correction charge balances. To show this information, run the reports for the asset categories that contain the child assets representing deferred balances.

Oracle Assets for Colombia also provides special reports to show inflation adjustment information. For more information, see:

- Colombian Fixed Assets Inflation Adjusted Drill Down Report, page 6-161
- Colombian Fixed Assets Inflation Adjusted Account Drill Down Report, page 6-164
- Colombian Inflation Adjusted Fixed Assets Report, page 6-166

Related Topics

Journal Entry Reserve Ledger Report, *Oracle Assets User Guide*

Tax Reserve Ledger Report, *Oracle Assets User Guide*

CIP Assets Report, *Oracle Assets User Guide*

Asset Retirements Report, *Oracle Assets User Guide*

Colombian Fixed Assets Inflation Adjusted Drill Down Report

Use the Colombian Fixed Assets Inflation Adjusted Drill Down report to reconcile journal entries to your general ledger and to review activity for your general ledger accounts. The Colombian Fixed Assets Inflation Adjusted Drill Down report lists your journal entry lines and gives detailed information about the asset transactions for a particular journal entry batch.

The Colombian Fixed Assets Inflation Adjusted Drill Down report is sorted by journal entry batch name, journal entry category, account, journal entry line number, and asset number. The report shows the total debits and credits for each line, account number, and batch.

The Colombian Fixed Assets Inflation Adjusted Drill Down report is similar to the standard Oracle Assets Drill Down report, but the Colombian report shows the journal entries created by the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program, which include the Colombian inflation adjustment accounts.

Use the Standard Request Submission windows to submit the Colombian Fixed Assets Inflation Adjusted Drill Down report.

Report Parameters

Book

Enter the depreciation book that you want to report on. You can only choose a tax book for which you have enabled inflation adjustment.

Period

Enter the period that you want to report on.

Batch Name

Enter the name of the batch that is being transferred to General Ledger. Leave this parameter blank to include all batches.

Line

Enter the journal entry line number that you want to report on. Leave this parameter blank to include all journal entry lines.

Report Headings

In this heading…	Oracle Assets prints…
<Organization Name>	The name of your organization
Book	The name of the inflation-adjusted depreciation book
Batch	The name of the journal entry batch
Journal Entry Category	The journal entry category
<Report Title>	Colombian Fixed Assets Inflation Adjusted Drill Down Report
Period	The period name

In this heading…	Oracle Assets prints…
Report Date	The date and time that you ran the report
Page	The current and total page numbers of the report

Column Headings

In this column...	Oracle Assets prints...
Account Number	The accounting flexfield
Line	The journal entry line number
Asset Number	The asset number
Description	The asset description
Debits	The debit amounts of the transactions
Credits	The credit amounts of the transactions
Transaction Number	The transaction number of the source transaction

Row Headings

In this row…	Oracle Assets prints…
Line <Number> Totals	The debit and credit totals for the line
Account Totals	The debit and credit totals for the account
Batch Totals	The debit and credit totals for the batch
Report Totals	The debit and credit totals for the report

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Colombian Fixed Assets Inflation Adjusted Account Drill Down Report

Use the Colombian Fixed Assets Inflation Adjusted Account Drill Down report to reconcile journal entries to your general ledger and to review activity for your general ledger accounts. The Colombian Fixed Assets Inflation Adjusted Account Drill Down report gives you detailed information about the asset transactions represented by a journal entry line.

The Colombian Fixed Assets Inflation Adjusted Account Drill Down report is sorted by account, journal entry batch name, journal entry category, journal entry line number, and asset number. The report shows the total debits and credits for each line, batch, and account number.

The Colombian Fixed Assets Inflation Adjusted Account Drill Down report is similar to the standard Oracle Assets Account Drill Down report, but the Colombian report shows the journal entries created by the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program, which include the Colombian inflation adjustment accounts.

Use the Standard Request Submission windows to submit the Colombian Fixed Assets Inflation Adjusted Account Drill Down report.

Report Parameters

Book

Enter the depreciation book that you want to report on. You can only choose a tax book for which you have enabled inflation adjustment.

Period

Enter the period that you want to report on.

Account

Enter the accounting flexfield that you want to report on. Leave this parameter blank to include all accounts.

Batch

Enter the name of the batch that is being transferred to General Ledger. Leave this parameter blank to include all batches.

Line

Enter the journal entry line number that you want to report on. Leave this parameter blank to include all journal entry lines.

Report Headings

In this heading…	Oracle Assets prints…
<Organization Name>	The name of your organization
Book	The name of the inflation-adjusted depreciation book
Account Number	The accounting flexfield
Batch	The name of the journal entry batch
Journal Entry Category	The journal entry category
<Report Title>	Colombian Fixed Assets Inflation Adjusted Account Drill Down Report
Period	The period name
Report Date	The date and time that you ran the report
Page	The current and total page numbers of the report

Column Headings

In this column...	Oracle Assets prints...
Line	The journal entry line number
Asset Number	The asset number
Description	The asset description
Debits	The debit amounts of the transactions
Credits	The credit amounts of the transactions

In this column...	Oracle Assets prints...
Transaction Number	The transaction number of the source transaction

Row Headings

In this row…	Oracle Assets prints…
Line <Number> Totals	The debit and credit totals for the line
Batch Totals	The debit and credit totals for the batch
Account Number Totals	The debit and credit totals for the account
Report Totals	The debit and credit totals for the report

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Colombian Inflation Adjusted Fixed Assets Report

Use the Colombian Inflation Adjusted Fixed Assets report to review detailed information about the asset transactions represented by a journal entry line. The Colombian Inflation Adjusted Fixed Assets report shows all the accounts affected by transactions transferred from Oracle Assets for Colombia to General Ledger, including inflation adjustment transactions.

The Colombian Inflation Adjusted Fixed Assets report is sorted by asset category, asset number, and transaction type. The report shows the total debits and credits for each asset as well as totals for all assets on the report.

Use the Standard Request Submission windows to submit the Colombian Inflation Adjusted Fixed Assets report.

Report Parameters

Book

Enter the depreciation book that you want to report on. You can only choose a tax book for which you have enabled inflation adjustment.

Period

Enter the period that you want to report on.

Asset Category

Enter the asset category that you want to report on. You can only choose an asset category that belongs to the depreciation book you entered in the Book parameter.

Leave the Asset Category parameter blank to include all asset categories.

Asset Number

Enter the number of the asset that you want to report on. Leave this parameter blank to include all assets.

Report Headings

In this heading…	Oracle Assets prints…
<Organization Name>	The name of your organization
Book	The name of the tax depreciation book
Asset Category	The asset category
<Report Title>	Colombia Inflation Adjusted Fixed Assets Report
Period	The period name
Report Date	The date and time that you ran the report
Page	The current and total page numbers of the report

Column Headings

In this column...	Oracle Assets prints...
Asset Number - Description	The asset number and description

In this column...	Oracle Assets prints...
Transaction Type	The type of transaction that generated the transfer to General Ledger, identified by the name of the journal category you assigned to this type of transaction in the globalization flexfield of the Book Controls window
Account Number	The accounting flexfield
Debit	The debit amount of the transaction
Credit	The credit amount of the transaction
Transaction Number	The transaction number of the source transaction

Row Headings

In this row...	Oracle Assets prints...
Asset <Number> Totals	The debit and credit totals for the asset
Report Totals	The debit and credit totals for all assets on the report

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Archiving, Purging, and Restoring Inflation Adjustment Data

Use the Colombian Fixed Asset Purging process to archive and purge inflation adjustment data in order to release disk space for current data. The Colombian Fixed Asset Purging process purges inflation adjustment data for the book and fiscal year you specify.

If you do not need to run reports for previous fiscal years, you can copy the data onto tape or any storage device, and then delete it from your system. If you later need these records online, you can restore them into Oracle Assets. In Colombia, companies are legally required to store inflation adjustment accounting information for at least twenty years before purging the information.

Archiving inflation adjustment information for a fiscal year and book copies the information for that year and book to an archive table.

Purging inflation adjustment information removes rows from the inflation adjustment table after the rows have been archived. You must purge fiscal years in chronological order. Before you purge a fiscal year, you must archive and purge all earlier fiscal years. You must also archive inflation adjustment information for a fiscal year before purging the information for that fiscal year.

You cannot purge periods in the current fiscal year. You cannot archive and purge the period prior to the current period. If your current period is the first period of a new fiscal year, you cannot purge the previous period.

Restoring inflation adjustment information for a fiscal year and book reloads the information for that fiscal year and book from a storage device into Oracle Assets. You can only restore the most recently purged fiscal year, so you must restore fiscal years in reverse chronological order.

To submit the Colombian Fixed Asset Purging process, choose Purge > Inflation Adjustments from the Colombian Localization menu. Use the Standard Request Submission windows to submit the Colombian Fixed Asset Purging process.

Program Parameters

Book

Enter the depreciation book that you want to process.

Fiscal Year

Enter the fiscal year that you want to process.

Option

Enter the option that you want to perform. Valid values are:

- Archive
- Delete
- Restore

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Performing the Archive, Purge, and Restore Procedure

There are several steps to archive, purge, and restore a fiscal year. Some of these steps you can do within Oracle Assets for Colombia. Others you should ask your Database Administrator to perform.

To archive and purge a fiscal year:

1. Archive and purge all earlier fiscal years.
2. Run the Colombian Fixed Asset Purging process with the Archive option (Fixed Assets Administrator).
3. Export temporary archive tables to a storage device (Database Administrator).
4. Run the Colombian Fixed Asset Purging process with the Delete option (Fixed Assets Administrator).
5. Drop temporary archive tables (Database Administrator).
6. Export current data from tables from which you purged (Database Administrator).
7. Drop tables from which you purged (Database Administrator).
8. Recreate tables from which you purged (Database Administrator).
9. Import current data into tables from which you purged (Database Administrator).
10. Verify tables and indexes (Database Administrator).

    If you later need the inflation adjustment information online, you can restore the data.

To restore a fiscal year:

1. Restore all later fiscal years.
2. Import temporary archive tables from storage device (Database Administrator).
3. Run the Colombian Fixed Asset Purging process with the Restore option (Fixed Assets Administrator).

Archiving Data

When you run the Archive option, Oracle Assets for Colombia assigns a reference number to the archive. The Colombian Fixed Asset Purging process copies the inflation adjustment data to the temporary table JL_CO_FA_ADJUSTMENTS_<Archive_Number>.

You can export the temporary archive table onto tape or any storage device. If you need these records again, you can restore the records. You must archive records before you can purge them, and Oracle Assets for Colombia prevents you from running the Purge option if this table does not exist. You should not drop the table until after you have exported the table and run the Delete option.

The Colombian Fixed Asset Purging process archives rows from the table JL_CO_FA_ADJUSTMENTS. You can determine approximately how many rows the

Colombian Fixed Asset Purging process will archive for a fiscal year using this SQL script:

```
select count(ADJ.ASSET_ID)
from JL_CO_FA_ADJUSTMENTS ADJ,
FA_DEPRN_PERIODS DP,
FA_FISCAL_YEAR FY
where
FY.FISCAL_YEAR = Fiscal Year To Archive Or Delete and
DP.CALENDAR_PERIOD_OPEN_DATE >= FY.START_DATE and
DP.CALENDAR_PERIOD_CLOSE_DATE <= FY.END_DATE and
ADJ.PEROD_COUNTER_CREATED = DP.PERIOD_COUNTER and
ADJ.BOOK_TYPE_CODE = Depreciation Book To Archive Or Delete From;
```

Purging Data

Oracle Assets for Colombia prevents you from running the Delete option if the temporary archive table from the archive transaction does not exist. Since the archive number is part of the temporary table name, Oracle Assets for Colombia purges only the records that were archived during the archive you specify.

After you purge your database, contact your Database Administrator to export, drop, and recreate the tables from which you purged data. By recreating these objects, you can reduce the memory each object occupies in your tablespace and perhaps increase the performance of your system.

Restoring Data

To restore records that you have purged from Oracle Assets for Colombia, you must first import the tables from your archive and then perform the restoration. You do not need to archive the records before you purge the records again.

Since the archive number is part of the temporary table name, Oracle Assets for Colombia restores only the records that were archived during the archive you specify.

Controlling Your Archive

Use this table to determine the next possible action you can perform at different stages of the purging procedure.

Status	Definition	Possible Action
New	Newly created archive definition	Archive
Archived	Archive completed successfully	Delete
Purged	Purge completed successfully	Restore

Status	Definition	Possible Action
Restored	Restoration completed successfully	Delete

Technical Appraisal Overview

In Colombia, corporations must appraise the value of their fixed assets at least once every three years in a process known as a technical appraisal.

During a technical appraisal, an appraiser uses specific accounting procedures to determine the market value of the company's fixed assets. The appraiser gives the appraisal information to the company either on a paper report or electronically on media such as a floppy disk, CD-ROM, and so on.

If the appraiser gives you a paper report, you must manually enter the appraisal information into Oracle Assets. If the appraiser gives you a flat file on a disk, you can import the appraisal information into Oracle Assets if the data is formatted correctly.

After the appraisal information is entered into Oracle Assets, the assets' appraisal value is compared to the assets' net book value, and you record the difference in General Ledger using special technical appraisal accounts.

Basic Business Needs

Oracle Assets lets you satisfy Colombian legal requirements for creating technical appraisals. You can:

- Create the accounts used to account for the differences between the asset net book value and the asset appraisal value.
- Calculate and account for technical appraisal revaluations.
- Transfer or retire technical appraisal account balances when assets are reclassified, transferred, retired, or reinstated.
- Verify appraisal data entered into Oracle Assets with the Colombian Fixed Assets Technical Appraisal Additions report.
- Review the asset revaluation at book and current period level for each asset with the Colombian Fixed Assets Technical Appraisal Revaluation report.
- Query the balance of prior and current revaluations online.
- Save, delete, or restore technical appraisal information.

Major Features

Journal Entry Category

You can specify a journal entry category at depreciation book level to identify technical appraisal journal entries when the journal entries are created in General Ledger.

Technical Appraisal Accounts

You can define the accounts required to post technical appraisal journal entries in General Ledger. You define technical appraisal accounts at asset category level.

Data Entry

You can enter technical appraisal data into Oracle Assets either manually in the Maintain Technical Appraisals window or automatically with the Colombian Fixed Assets Technical Appraisal Mass Load process.

Accounting

You can use the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program to generate technical appraisal journal entries as well as inflation adjustment journal entries. The Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program creates journal entries for technical appraisal transactions and transfers or retires technical appraisal amounts along with the original amounts when assets are reclassified, transferred, or retired. This process complements the standard transfer of balances for standard Oracle Assets accounts.

Reports for Technical Appraisal

You can use these reports to show technical appraisal information:

- Colombian Fixed Assets Technical Appraisal Additions report
- Colombian Fixed Assets Technical Appraisal Revaluation report

Purge Process

You can use the Colombian Fixed Assets Technical Appraisal Purging program to archive, delete, and restore obsolete information in the technical appraisal tables.

Setting Up Technical Appraisal

This section describes how to set up Oracle Assets for Colombia to enable the technical appraisal process. Use this checklist to help you complete the appropriate steps in the correct order.

Step	Setup Task
1	Category, Define a Technical Appraisal Journal , page 6-174
2	Assign the Technical Appraisal Journal Category, page 6-174
3	Define Technical Appraisal Accounts, page 6-175
4	Enter Initial Values for Technical Appraisals, page 6-176

Define a Technical Appraisal Journal Category

Define a new journal category in General Ledger for technical appraisal. The journal category helps you identify the nature of technical appraisal journal entries when you post the journal entries in General Ledger. After you define the technical appraisal journal category, you can assign the journal category to your depreciation books.

Related Topics

Defining Journal Categories, *Oracle General Ledger User Guide*

Assign the Technical Appraisal Journal Category

Use the globalization flexfield in the Book Controls window to assign the journal category used to post technical appraisal transactions. You must assign a technical appraisal journal category to each of your depreciation books.

To assign the technical appraisal journal category:

1. Navigate to the Book Controls window.
2. Navigate to the globalization flexfield.
3. From the list of values in the Technical Appraisal JournalCategory field, select the journal category that you want to use for technical appraisals.
4. Press the OK button.
5. Save your work.

Note: The remaining fields in the globalization flexfield are not

used for technical appraisal. These fields are used for inflation adjustment in Oracle Assets for Colombia. For more information, see Set Up Depreciation Books, page 6-141.

Related Topics

Defining Depreciation Books, *Oracle Assets User Guide*

Define Technical Appraisal Accounts

Use the globalization flexfield in the Asset Categories window to define your technical appraisal accounts. You must define these accounts to enable Oracle Assets to register the journal entries in General Ledger:

- Technical appraisal revaluation (asset)
- Technical appraisal surplus (equity)
- Technical appraisal reserve (asset)
- Technical appraisal reserve expense (expense)
- Technical appraisal reserve recovery (revenue)

In the globalization flexfield, enter the natural account that you want to use for each type of technical appraisal account. The Account Generator derives the complete accounting flexfield combinations for your technical appraisal journal entries by following the rules that you set up for the Asset Cost account, but replacing the natural account segment with the natural accounts that you entered for technical appraisal.

To define the new technical appraisal accounts:

1. Navigate to the Asset Categories window.
2. Navigate to the globalization flexfield.
3. In the Technical Appraisal Valuation Account field, enter the natural account where you want to record technical appraisal revaluation amounts.
4. In the Technical Appraisal Surplus Account field, enter the natural account where you want to record technical appraisal surplus amounts.
5. In the Technical Appraisal Reserve Account field, enter the natural account where you want to record technical appraisal reserve amounts.
6. In the Technical Appraisal Reserve Expense Account field, enter the natural account where you want to record technical appraisal reserve expense amounts.

7. In the Technical Appraisal Reserve Recovery Account field, enter the natural account where you want to record technical appraisal reserve recovery amounts.

8. Press the OK button.

9. Save your work.

> **Note:** The remaining fields in the globalization flexfield are not used for technical appraisal. These fields are used for inflation adjustment in Oracle Assets for Colombia. For more information, see Set Up Asset Categories, page 6-144.

Related Topics

Setting Up Asset Categories, *Oracle Assets User Guide*

Using the Account Generator in Oracle Assets, *Oracle Assets User Guide*

Enter Initial Values for Technical Appraisals

If you upgrade Oracle Assets from a previous release or migrate from another asset system, you must enter initial values for technical appraisal information for your assets, including the current revaluation, previous revaluation, last appraisal number, last appraisal date, and last appraisal value.

Use the globalization flexfield in the Books window on the Asset Workbench to enter these initial values. You can enter information in fields that are blank, but you cannot change existing appraisal information. If no initial technical appraisal information is available, leave the technical appraisal fields in the globalization flexfield blank.

The initial values for technical appraisals are defined as follows:

- The current revaluation for an asset is the difference between the asset's inflation-adjusted net book value and the last appraisal value.

- The previous revaluation for an asset is the most recent appraisal revaluation before the current revaluation.

- The last appraisal number for an asset is the appraisal number of the most recent technical appraisal for the asset.

- The last appraisal date for an asset is the date of the most recent technical appraisal for the asset.

- The last appraisal value for an asset is the amount of the most recent technical appraisal provided for the asset by an appraiser.

You can also use the globalization flexfield in the Books window to review technical appraisal values for an asset after you enter or import the values.

To define initial balances for technical appraisals:

1. Navigate to the Asset Workbench.
2. Query the asset that you want.
3. Navigate to the Books window.
4. In the Book field, query the depreciation book that you want.
5. Navigate to the Depreciation region.
6. Navigate to the globalization flexfield.
7. Enter the current revaluation value in the Current Revaluation field.
8. Enter the previous revaluation value in the Previous Revaluation field.
9. Enter the number of the last appraisal in the LastAppraisal Number field.
10. Enter the date of the last appraisal in the LastAppraisal Date field.
11. Enter the last appraisal value in the LastAppraisal Value field.
12. Press the OK button.

> **Note:** The remaining fields in the Colombian Books Information flexfield are not used for technical appraisal. These fields are used for inflation adjustment in Oracle Assets for Colombia.

Related Topics

Asset Setup Processes (Additions), *Oracle Assets User Guide*

Using Colombian Fixed Assets Technical Appraisal Mass Load

Use the Colombian Fixed Assets Technical Appraisal Mass Load process to import technical appraisal information into your Oracle Financials database. Appraisers must submit their appraisal data on a disk, such as a floppy disk or CD-ROM, that contains a flat file in a special format. The Colombian Fixed Assets Technical Appraisal Mass Load process reads the source file data and adds this data to the database.

When the Colombian Fixed Assets Technical Appraisal Mass Load process finishes, Oracle Assets automatically runs the Colombian Fixed Assets Technical Appraisal Validation program. Then Oracle Assets automatically runs the Colombian Fixed Assets Technical Appraisal Additions report. For more information, see Validating Appraisal Information, page 6-181 and Colombian Fixed Assets Technical Appraisal Additions Report, page 6-193.

After you import technical appraisal information with the Colombian Fixed Assets Technical Appraisal Mass Load process, you can review the information in the Maintain Technical Appraisals window. For more information, see Entering or Modifying Technical Appraisals, page 6-179.

To submit the Colombian Fixed Assets Technical Appraisal Mass Load process, choose Technical Appraisals > Upload from the Colombian Localization menu. After you submit the Colombian Fixed Assets Technical Appraisal Mass Load process, you must wait until your concurrent request finishes before you can resubmit the process. Use the Standard Request Submission windows to submit the Colombian Fixed Assets Technical Appraisal Mass Load process.

Program Parameters

File Name

Enter the full path and file name of the source data (*.dat) flat file that contains the technical appraisal data that you want to import.

Source Data File and Control File

The source data file contains the technical appraisal data that you upload into your Oracle Financials database. Oracle provides a sample control (*.ctl) file that contains the structure that the source data must use. The pathname for the control file is $JL_TOP/bin/jlcofamp.ctl. When you upload the data file into Oracle Assets, you specify the source data (*.dat) file.

The data file must have the format shown in these tables:

Header Record (First Record)

Field Positions	Type	Field Length (characters)	Description
001-011	Date	11	The appraisal date
012-015	Number	4	The fiscal year
016-030	Char	15	The currency code
031-090	Char	60	The appraiser name
091-150	Char	60	The first line of the appraiser address
151-210	Char	60	The second line of the appraiser address

Field Positions	Type	Field Length (characters)	Description
211-225	Char	15	The appraiser phone number
226-245	Char	20	The appraiser city

Detail Records (Second Record through Last Record)

Field Positions	Type	Field Length (characters)	Description
001-015	Char	15	The asset number
016-035	Number	20	The appraisal value in this format: 99999999999999999.99

You can change the format that your source data uses by customizing the structure of the control file.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Entering or Modifying Technical Appraisals

To manually enter a new technical appraisal, or to query an existing technical appraisal that you want to modify, use the Maintain Technical Appraisals window. You can modify technical appraisal information only if the appraisal is not yet applied to a book.

An appraisal with a status of *Pending* is not yet validated, and you can modify the appraisal information if necessary. An appraisal with a status of *Processed* was already applied to a book, and you cannot change the appraisal information.

To enter appraisal information from an external source, such as a floppy disk or CD-ROM, use the Colombian Fixed Assets Technical Appraisal Mass Load process. For more information, see Using Colombian Fixed Assets Technical Appraisal Mass Load, page 6-177.

You can also use the Maintain Technical Appraisals window to review technical appraisal validation and revaluation information. After you run the Colombian Fixed Assets Technical Appraisal Validation program, you can review appraisal-level and asset-level statuses. After you run the Colombian Fixed Assets Technical Appraisal

Revaluation program, you can review the date of the last revaluation for a particular depreciation book. For more information, see Validating Appraisal Information, page 6-181.

To manually enter a new technical appraisal:

1. Navigate to the Maintain Technical Appraisals window.
2. Enter the appraisal date in the Appraisal Date field.
3. Enter the appraiser name in the Appraiser Name field.
4. In the Fiscal Year field, enter the fiscal year when the appraisal is applied. You can only enter a year that is 1990 or later.
5. Enter the appraiser's address in the Appraiser Address and City fields.
6. Enter the currency code for the asset values in the Currency Code field.
7. Enter the appraiser's telephone number in the Appraiser Phone field.
8. Navigate to the Asset tabbed region.
9. Enter the asset number in the Asset Number field.

   Oracle Assets displays the asset description in the Description field.
10. Enter the appraiser's value for the asset in the Appraised Value field. Enter *0* if the asset has no value. You cannot enter a negative value.

    Oracle Assets automatically assigns the asset appraisal a status of *Verified* and displays the status in the Status field.
11. Repeat steps 9 and 10 for each asset in the appraisal that you want to enter.
12. Save your work.

    Oracle Assets generates the appraisal number and displays the number in the Appraisal Number field at the top of the Maintain Technical Appraisals window.

To modify an existing technical appraisal:

1. Navigate to the Maintain Technical Appraisals window.
2. Query the appraisal that you want.

   If the appraisal that you query has a status of *Pending*, the appraisal is not yet validated and you can modify the appraisal information.
3. Modify the appraisal information that you want to change. You can modify the information identifying the appraisal, as well as adding, modifying, or removing

information for a particular asset within the appraisal.

Note: After an appraisal is validated or is accounted for in any book, you cannot change the appraisal information.

4. Save your work.

To review technical appraisal revaluation information:

1. Navigate to the Maintain Technical Appraisals window.
2. Query the appraisal that you want.
3. Navigate to the Book tabbed region.

   In the Book field, Oracle Assets displays the name of the depreciation book in which you have run the Colombian Fixed Assets Technical Appraisal Revaluation program for this appraisal.

   In the Description field, Oracle Assets displays the description of the depreciation book.

   In the Date Revalued field, Oracle Assets displays the date when you ran the Colombian Fixed Assets Technical Appraisal Revaluation program for this appraisal in this depreciation book.

Validating Appraisal Information

Use the Colombian Fixed Assets Technical Appraisal Validation program to validate imported appraisals that have not yet been validated or that have errors, such as an invalid currency or fiscal year. Oracle Assets runs the Colombian Fixed Assets Technical Appraisal Validation program automatically after you run the Colombian Fixed Assets Technical Appraisal Mass Load process. For more information, see Using Colombian Fixed Assets Technical Appraisal Mass Load, page 6-177. You can also submit the Colombian Fixed Assets Technical Appraisal Validation program separately by choosing Technical Appraisals > Validate from the Colombian Localization menu. Use the Standard Request Submission windows to submit the Colombian Fixed Assets Technical Appraisal Validation program.

Program Parameters

Appraisal Number

Enter the number of the appraisal that you want to validate. Leave this parameter blank to validate all pending appraisals.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Reviewing Appraisal Statuses

After you run the Colombian Fixed Assets Technical Appraisal Validation program, use the Maintain Technical Appraisal window to review the appraisal status. The Maintain Technical Appraisal window displays appraisal statuses at both the appraisal level and asset level.

Appraisal-Level Statuses

- **Processed** - The appraisal was processed; the appraisal information cannot be modified.
- **Verified** - The appraisal was validated with no errors.
- **Error** - No record exists for an appraised asset.
- **Invalid fiscal year** - The appraisal has an invalid fiscal year.
- **Invalid currency code** - The appraisal has an invalid currency code.

Asset-Level Statuses

- **Asset number not found** - Oracle Assets did not find an asset with this asset number.
- **Negative appraised value** - A negative amount was entered for the appraisal value.
- **Verified** - The asset was appraised with no errors.

You must correct appraisals that have a status of *Error*, *Invalid fiscalyear*, or *Invalid currency code*. After you correct any errors, run the Colombian Fixed Assets Technical Appraisal Validation program again. Validation is complete when the status of the appraisal is *Verified*.

> **Note:** If you query an existing appraisal that is not yet validated, the status is *Pending* at both the appraisal level and asset level.

Accounting for Technical Appraisals

Use the Colombian Fixed Assets Technical Appraisal Revaluation program to compare the asset's current net book value to the appraisal value and record the difference, called the appraisal revaluation, in your technical appraisal accounts. The Colombian Fixed Assets Technical Appraisal Revaluation program calculates the appraisal revaluation

and net revaluation for your assets and creates journal entries to record the technical appraisal transactions.

You can use the Maintain Technical Appraisals window to review the date of the last revaluation for a particular depreciation book. For more information, see Entering or Modifying Technical Appraisals, page 6-179.

To submit the Colombian Fixed Assets Technical Appraisal Revaluation program, choose Technical Appraisals > Revalue from the Colombian Localization menu. Use the Standard Request Submission windows to submit the Colombian Fixed Assets Technical Appraisal Revaluation program.

Program Parameters

Book

Enter the depreciation book that you want to use to account for the technical appraisals.

Appraisal Number

Enter the number of the appraisal that you want to process.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Accounting Logic

When an appraiser assigns an appraisal value to an asset, you must compare the asset's current net book value to the appraisal value and record the difference, called the appraisal revaluation, in your technical appraisal accounts. The appraisal revaluation is calculated based on this formula:

Appraisal Revaluation = Appraisal Value - Inflation-Adjusted Net Book Value

If the appraisal value is greater than or equal to the inflation-adjusted net book value, the asset is revalued. If the appraisal value is less than the inflation-adjusted net book value, the asset is devalued.

The net revaluation for an asset is the difference between the current appraisal revaluation and the previous appraisal revaluation. The net revaluation is calculated based on this formula:

Net Revaluation = Current Appraisal Revaluation - Previous Appraisal Revaluation

Oracle Assets creates journal entries to record the appraisal revaluation for an asset, using the natural accounts that you entered for the asset category that the asset belongs to. The Account Generator derives the complete accounting flexfield combinations for your technical appraisal journal entries by following the rules that you set up for the Asset Cost account, but replacing the natural account segment with the natural accounts that you entered for technical appraisal. For more information, see Define Technical Appraisal Accounts, page 6-175.

Journal Entry Models

The journal entries to record the appraisal revaluation use different accounts depending on whether the current appraisal revaluation, previous appraisal revaluation, and net revaluation amounts are greater or less than zero.

This table shows models for journal entries when the different revaluation amounts are greater or less than zero. The journal entry models use these variables:

- **R** - The current appraisal revaluation
- **P** - The previous appraisal revaluation
- **N** - The net revaluation
- **Rp** - The inverse of the current appraisal revaluation if the current appraisal revaluation is less than zero (Rp = - R)
- **Pp** - The inverse of the previous appraisal revaluation if the previous appraisal revaluation is less than zero (Pp = - P)
- **Np** - The inverse of the net revaluation if the net revaluation is less than zero (Np = - N)

Current Appraisal Revaluation (R)	Previous Appraisal Revaluation (P)	Net Revaluation (N)	Account	Debit	Credit
Greater than or equal to 0	Greater than or equal to 0	Greater than or equal to 0	Technical Appraisal Revaluation	N	
Greater than or equal to 0	Greater than or equal to 0	Greater than or equal to 0	Technical Appraisal Surplus		N
Greater than or equal to 0	Greater than or equal to 0	Less than 0 (Np = - N)	Technical Appraisal Surplus	Np	
Greater than or equal to 0	Greater than or equal to 0	Less than 0 (Np = - N)	Technical Appraisal Revaluation		Np

Current Appraisal Revaluation (R)	Previous Appraisal Revaluation (P)	Net Revaluation (N)	Account	Debit	Credit
Greater than or equal to 0	Less than 0 (Pp = - P)		Technical Appraisal Revaluation	R	
Greater than or equal to 0	Less than 0 (Pp = - P)		Technical Appraisal Surplus		R
Greater than or equal to 0	Less than 0 (Pp = - P)		Technical Appraisal Reserve		
Greater than or equal to 0	Less than 0 (Pp = - P)		Technical Appraisal Reserve Recovery	Pp	Pp
Less than 0 (Rp = - R)	Greater than or equal to 0		Technical Appraisal Surplus	P	
Less than 0 (Rp = - R)	Greater than or equal to 0		Technical Appraisal Revaluation		P
Less than 0 (Rp = - R)	Greater than or equal to 0		Technical Appraisal Reserve Expense	Rp	
Less than 0 (Rp = - R)	Greater than or equal to 0		Technical Appraisal Reserve		Rp
Less than 0 (Rp = - R)	Less than 0	Greater than or equal to 0	Technical Appraisal Reserve	N	

Current Appraisal Revaluation (R)	Previous Appraisal Revaluation (P)	Net Revaluation (N)	Account	Debit	Credit
Less than 0 (Rp = - R)	Less than 0	Greater than or equal to 0	Technical Appraisal Reserve Recovery		N
Less than 0 (Rp = - R)	Less than 0	Less than 0 (Np = - N)	Technical Appraisal Reserve Expense	Np	
Less than 0 (Rp = - R)	Less than 0	Less than 0 (Np = - N)	Technical Appraisal Reserve		Np

Example for technical appraisal

This table shows the journal entries that are created for several different technical appraisals of an asset. Assume that the asset has never been appraised before and that the appraisal value and inflation-adjusted net book value at the time of each appraisal are:

Appraisal Number	Appraisal Value	Inflation-Adjusted Net Book Value
1	600	420
2	550	430
3	300	390
4	330	350
5	410	350

First appraisal:

The appraisal revaluation for the first appraisal is calculated according to this formula:

Appraisal Value - Inflation-Adjusted Net Book Value

For example 600 - 420, or 180

The net revaluation for the first appraisal is calculated according to this formula:

Current Appraisal Revaluation - Previous Appraisal Revaluation

For example, 180 - 0, or 180

This table shows the journal entry to record the first appraisal:

Account	Debit	Credit
Technical Appraisal Revaluation	180.00	
Technical Appraisal Surplus		180.00

Second appraisal:

The appraisal revaluation for the second appraisal is calculated according to this formula:

Appraisal Value - Inflation-Adjusted Net Book Value

For example, 550 - 430, or 120

The net revaluation for the second appraisal is calculated according to this formula:

Current Appraisal Revaluation - Previous Appraisal Revaluation

For example, 120 - 180, or - 60

This table shows the journal entry to record the second appraisal:

Account	Debit	Credit
Technical Appraisal Surplus	60.00	
Technical Appraisal Revaluation		60.00

Third appraisal:

The appraisal revaluation for the third appraisal is calculated according to this formula:

Appraisal Value - Inflation-Adjusted Net Book Value

For example, 300 - 390, or - 90

The net revaluation for the third appraisal is calculated according to this formula:

Current Appraisal Revaluation - Previous Appraisal Revaluation

- 90 - 120, or - 210

This table shows the journal entry to record the third appraisal:

Account	Debit	Credit
Technical Appraisal Surplus	120.00	
Technical Appraisal Revaluation		120.00
Technical Appraisal Reserve Expense	90.00	
Technical Appraisal Reserve		90.00

Fourth appraisal:

The appraisal revaluation for the fourth appraisal is calculated according to this formula:

Appraisal Value - Inflation-Adjusted Net Book Value

For example, 330 - 350, or - 20

The net revaluation for the fourth appraisal is calculated according to this formula:

Current Appraisal Revaluation - Previous Appraisal Revaluation

For example, - 20 - (- 90), or 70

This table shows the journal entry to record the fourth appraisal:

Account	Debit	Credit
Technical Appraisal Reserve	70.00	
Technical Appraisal Reserve Recovery		70.00

Fifth appraisal:

The appraisal revaluation for the fifth appraisal is calculated according to this formula:

Appraisal Value - Inflation-Adjusted Net Book Value

For example, 410 - 350, or 60

The net revaluation for the fifth appraisal is calculated according to this formula:

Current Appraisal Revaluation - Previous Appraisal Revaluation

For example, 60 - (- 20), or 80

This table shows the journal entry to record the fifth appraisal:

Account	Debit	Credit
Technical Appraisal Reserve	20.00	
Technical Appraisal Reserve Recovery		20.00
Technical Appraisal Revaluation	60.00	
Technical Appraisal Surplus		60.00

Transferring Technical Appraisal Account Balances

Use the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program to transfer or retire technical appraisal account balances when an asset is reclassified, transferred, or retired.

The Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program is also used for inflation adjustment in Oracle Assets for Colombia. When you run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program, Oracle Assets for Colombia generates both inflation adjustment and technical appraisal journal entries. You only need to run the process once each period.

For more information, see Generating Inflation Adjustment Journal Entries, page 6-158.

Transferring Technical Appraisal Journal Entries to General Ledger

Use the Colombian Fixed Assets Transfer to General Ledger process to transfer technical appraisal journal entries to General Ledger. You transfer journal entries separately for each depreciation book.

The Colombian Fixed Assets Transfer to General Ledger process is also used for inflation adjustment in Oracle Assets for Colombia. When you run the Colombian Fixed Assets Transfer to General Ledger process, Oracle Assets for Colombia transfers both inflation adjustment and technical appraisal journal entries. You only need to run the process once each period. Ensure that you complete any inflation adjustment and depreciation procedures before you transfer technical appraisal journal entries.

For more information, see Transferring Inflation Adjustment Journal Entries to General Ledger, page 6-159.

Archiving, Purging, and Restoring Technical Appraisals

Use the Colombian Fixed Assets Technical Appraisal Purging program to archive and purge technical appraisal information supplied by appraisers in order to release disk space for current data. The Colombian Fixed Assets Technical Appraisal Purging program purges technical appraisal data for the fiscal year you specify.

If you do not need to access technical appraisal data for previous fiscal years, you can copy the data onto tape or any storage device, and then delete it from your system. If you later need these records online, you can restore them into Oracle Assets.

Archiving technical appraisal information for a fiscal year copies technical appraisal information for that year to an archive table.

Purging technical appraisal information removes rows from technical appraisal tables after the rows have been archived. You can purge technical appraisal transaction information for previous fiscal years as well as for the current year. You must purge fiscal years in chronological order. Before you purge a fiscal year, you must archive and purge all earlier fiscal years. You must also archive technical appraisal information for a fiscal year before purging the information for that fiscal year.

Restoring technical appraisal information for a fiscal year reloads technical appraisal information for that fiscal year from a storage device into Oracle Assets. You can only restore the most recently purged fiscal year, so you must restore fiscal years in reverse chronological order.

To submit the Colombian Fixed Assets Technical Appraisal Purging program, choose Purge > Technical Appraisals from the Colombian Localization menu. Use the Standard Request Submission windows to submit the Colombian Fixed Assets Technical Appraisal Purging program.

Program Parameters

Fiscal Year

Enter the fiscal year that you want to process.

Option

Enter the option that you want to perform.

Delete Unprocessed Appraisals

Enter *Yes* or *No* to indicate if you want to delete unprocessed appraisals or not. The default is *No*.

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Performing the Archive, Purge, and Restore Procedure

There are several steps to archive, purge, and restore a fiscal year. Some of these steps you can do within Oracle Assets for Colombia. Others you should ask your Database Administrator to perform.

To archive and purge a fiscal year:

1. Archive and purge all earlier fiscal years.
2. Run the Colombian Fixed Assets Technical Appraisal Purging program with the Archive option (Fixed Assets Administrator).
3. Export temporary archive tables to a storage device (Database Administrator).
4. Run the Colombian Fixed Assets Technical Appraisal Purging program with the Delete option (Fixed Assets Administrator).
5. Drop temporary archive tables (Database Administrator).
6. Export current data from tables from which you purged (Database Administrator).
7. Drop tables from which you purged (Database Administrator).
8. Recreate tables from which you purged (Database Administrator).
9. Import current data into tables from which you purged (Database Administrator).
10. Verify tables and indexes (Database Administrator).

    If you later need the inflation adjustment information online, you can restore the data.

To restore a fiscal year:

1. Restore all later fiscal years.
2. Import temporary archive tables from storage device (Database Administrator).
3. Run the Colombian Fixed Assets Technical Appraisal Purging program with the Restore option (Fixed Assets Administrator).

Archiving Data

When you run the Archive option, Oracle Assets for Colombia assigns a reference number to the archive. The Colombian Fixed Assets Technical Appraisal Purging program copies the inflation adjustment data to two temporary tables:

- JL_CO_FA_APPRAISALS_<Archive_Number>

- JL_CO_FA_ASSET_APPRS_<Archive_Number>

You can export the temporary archive tables onto tape or any storage device. If you need these records again, you can restore the records. You must archive records before you can purge them, and Oracle Assets for Colombia prevents you from running the Purge option if these tables do not exist. You should not drop these tables until after you have exported the tables and run the Delete option.

The Colombian Fixed Assets Technical Appraisal Purging program archives rows from the tables JL_CO_FA_APPRAISALS and JL_CO_FA_ASSET_APPRS. You can determine approximately how many rows the Colombian Fixed Assets Technical Appraisal Purging program will archive for a fiscal year from the table JL_CO_FA_APPRAISALS by using this SQL script:

```
select count(APPRAISAL_ID)
from JL_CO_FA_APPRAISALS
where
FISCAL_YEAR = Fiscal Year To Archive Or Delete;
```

You can determine approximately how many rows the Colombian Fixed Assets Technical Appraisal Purging program will archive for a fiscal year from the table JL_CO_FA_ ASSET_APPRS by using this SQL script:

```
select count(ASS.ASSET_NUMBER)
from JL_CO_FA_ ASSET_APPRS ASS,
JL_CO_FA_APPRAISALS APP
where
APP.FISCAL_YEAR = Fiscal Year To Archive Or Delete and
ASS.APPRAISAL_ID = APP.APPRAISAL_ID;
```

Purging Data

Oracle Assets for Colombia prevents you from running the Delete option if the temporary archive table from the archive transaction does not exist. Since the archive number is part of the temporary table name, Oracle Assets for Colombia purges only the records that were archived during the archive you specify.

After you purge your database, contact your Database Administrator to export, drop, and recreate the tables from which you purged data. By recreating these objects, you can reduce the memory each object occupies in your tablespace and perhaps increase the performance of your system.

Restoring Data

To restore records that you have purged from Oracle Assets for Colombia, you must first import the tables from your archive and then perform the restoration. You do not need to archive the records before you purge the records again.

Since the archive number is part of the temporary table name, Oracle Assets for Colombia restores only the records that were archived during the archive you specify.

Controlling Your Archive

Use this table to determine the next possible action you can perform at different stages

of the purging procedure.

Status	Definition	Possible Action
New	Newly created archive definition	Archive
Archived	Archive completed successfully	Delete
Purged	Purge completed successfully	Restore
Restored	Restoration completed successfully	Delete

Colombian Fixed Assets Technical Appraisal Additions Report

Use the Colombian Fixed Assets Technical Appraisal Additions report to verify the technical appraisal data that was added in Oracle Assets.

Oracle Assets runs the Colombian Fixed Assets Technical Appraisal Additions report automatically after you run the Colombian Fixed Assets Technical Appraisal Mass Load process. For more information, see Using Colombian Fixed Assets Technical Appraisal Mass Load, page 6-177.

You can also use the Standard Request Submission windows to submit the Colombian Fixed Assets Technical Appraisal Additions report.

Report Parameters

Appraisal Number

Enter the appraisal identification number.

All Rows

Enter *Yes* to view all rows of the appraisal. Enter *No* to view only those rows with an error status. The default for this parameter is *Yes*.

Report Headings

In this heading...	Oracle Assets prints...
<Company Name>	The company name

In this heading...	Oracle Assets prints...
<Report Title>	Colombian Fixed Assets Technical Appraisal Additions Report
Report Date	The date and time that you ran the report
Page	The current and total page numbers of the report
Appraisal Number	The appraisal identification number
Appraiser Name	The appraiser's name
Appraiser Address	The address, phone number, and city of the appraiser
Appraisal Date	The date that the appraisal was entered in Oracle Assets
Fiscal Year	The fiscal year in which the appraisal is applied
Currency Code	The currency code for values used in the appraisal
Appraisal Status	The appraisal status
Total Number of Assets for this Appraisal	The total number of assets included in the appraisal
<Section Title>	Summary of Record Status
Number of Records with Status Asset Number Not Found	The number of records with a status of *Asset Number Not Found*
Number of Records with Status Pending	The number of records with a status of *Pending*
Number of Records with Status Negative Appraised Value	The number of records with a status of *Negative Appraised Value*
Number of Records with Status Verified	The number of records with a status of *Verified*

Column Headings

In this column...	Oracle Assets prints...
Asset Number	The asset number
Description	The asset description
Tag Number	The asset tag number
Appraisal Value	The asset value calculated by the appraiser
Asset Status	The status of the appraisal for this asset

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Colombian Fixed Assets Technical Appraisal Revaluation Report

Use the Colombian Fixed Assets Technical Appraisal Revaluation report to review the asset revaluation for assets in a particular depreciation book in the current period. The report shows subtotals at the asset category, revaluation account, balancing segment, and depreciation book levels.

Use the Standard Request Submission windows to submit the Colombian Fixed Assets Technical Appraisal Revaluation report.

Report Parameters

Book

Enter the depreciation book that you want to include on the report.

Category

Enter the asset category that you want to include on the report. Leave this parameter blank to include all asset categories.

Report Headings

In this heading...	Oracle Assets prints...
<Company Name>	The company name
Book	The depreciation book
Report Title	Colombian Fixed Assets Technical Appraisal Revaluation Report
Report Date	The date and time that you ran the report
Page	The current and total page numbers of the report
Asset Category	The asset category

Column Headings

In this column...	Oracle Assets prints...
Asset Number	The asset number
Description	The asset description
Appraisal Number	The identification number of the asset's last technical appraisal
Appraisal Date	The date of the asset's last technical appraisal
Appraisal Value	The value of the asset's last technical appraisal
Inflation Adjusted Net Book Value	The asset's net book value, including inflation adjustments
Appraisal Valuation	The asset's valuation originated by the last technical appraisal
Previous Valuation	The asset's valuation originated by the technical appraisal prior to the last technical appraisal

In this column...	Oracle Assets prints...
Net Valuation	The net valuation originated by the last technical appraisal

Row Headings

In this row...	Oracle Assets prints...
Asset Category	The asset category
Category <Name> Totals	The totals for the asset category
Report Totals	The totals for the report

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

7

Mexico

Oracle Assets

Inflation Adjustment Overview

In Mexico, companies adjust the cost, accumulated depreciation, and year-to-date depreciation expense amounts of their assets for inflation. You can report historical amounts for your assets as well as inflation-adjusted amounts by choosing the historical/adjusted option in Oracle Assets. The historical/adjusted option lets you maintain and report both historical amounts and inflation-adjusted amounts by using two separate depreciation books. Keep the historical amounts in a corporate book and the inflation-adjusted amounts in a tax book.

> **Note:** You can implement the Multiple Reporting Currencies (MRC) feature while using the historical/adjusted option in Oracle Assets by using the historical book as your MRC primary book. You must not use the adjusted depreciation book as your MRC primary book because the inflation adjustment transactions must not be included when MRC converts your transactions to another currency. Using the historical book as your MRC primary book ensures that you maintain only the correct transactions in your MRC reporting book.

Inflation Adjustment Setup

This section describes how to set up Oracle Assets for Mexico for the inflation adjustment process. Use this setup list to help you complete the appropriate steps.

Step	Task
1	Enable automatic revaluation rate calculation.
2	Define inflation ratio precision, page 7-2.
3	Define price indexes.
4	Set up depreciation books, page 7-2.
5	Set up asset categories, page 7-4.
6	Define inflation start dates.
7	Set up assets in a depreciation book, page 7-5.

Define Inflation Ratio Precision

The JL: Inflation Ratio Precision profile option lets you enter the number of decimal positions that you want for the precision of the inflation rate calculation. Oracle Assets uses the JL: Inflation Ratio Precision profile option to determine the precision of the inflation rate calculation for both the inflation adjustments in your adjusted depreciation book and for the Mexican Fixed Assets ISR and IMPAC reports.

When you adjust your assets for inflation in your adjusted depreciation book, you can use inflation rates with any precision you choose. When you report inflation adjustments on the Mexican Fixed Assets ISR and IMPAC reports, calculate inflation rates with the precision that is currently required. Make sure that you accordingly set the JL: Inflation Ratio Precision profile option.

Set Up Depreciation Books

Use the Book Controls window and the globalization flexfield to set up your depreciation books for inflation adjustment. You can enable or disable inflation adjustment at depreciation book level. If you enable inflation adjustment for a depreciation book, you can choose to enable or disable inflation adjustment for individual asset categories and assets when you define them. If you disable inflation adjustment for a depreciation book, none of the assets in that book can be adjusted.

To set up depreciation books:

1. Navigate to the Book Controls window.
2. Enter a depreciation book.

3. Navigate to the globalization flexfield.

4. Enter *Yes* in the Adjust for Inflation field to enable inflation adjustment for assets in this depreciation book. Enter *No* to disable inflation adjustment for all assets in this book.

5. Enter *No* in the Middle Month Function field for your historical and adjusted depreciation books. The middle month function only applies to a depreciation book used for tax reporting. For more information, see Enable Middle Month Function for a Depreciation Book, page 7-12.

6. In the Journal Category for Depreciation Expense of Retired Assets field, enter the journal category that you want to use for the journal entries created by the Inflation Adjustment of Retired Assets process.

   After you perform inflation adjustment for this book, you can view information about the most recent inflation adjustment in the next two fields. Oracle Assets displays the period name for the most recent inflation adjustment in the Last Inflation Adjustment Period field, and the revaluation ID for the most recent inflation adjustment in the Last Inflation Adjustment field.

7. Press the OK button.

8. In the Book Controls window, navigate to the Calendar tabbed region.

9. In the GL Ledger field, select the General Ledger ledger that you want to transfer this depreciation book's journal entries to. If you are using the historical/adjusted option in both General Ledger and Oracle Assets, select the historical ledger for your historical book and the adjusted ledger for your adjusted book.

10. Complete the Allow GL Posting check box according to your depreciation book's requirements. If you are using the historical/adjusted option in both General Ledger and Oracle Assets, check the Allow GL Posting check box for both your historical book and your adjusted book.

11. Navigate to the Accounting Rules tabbed region.

12. If you want to allow revaluation in this book, check the Allow Revaluation check box.

13. If you want to revalue accumulated depreciation, check the Revalue Accumulated Depreciation check box.

14. If you want to revalue year-to-date depreciation, check the Revalue YTD Depreciation check box.

15. If you want to retire revaluation reserve, check the Retire Revaluation Reserve check box. In Mexico, you usually do not retire revaluation reserve.

16. If you want to amortize revaluation reserve, check the Amortize Revaluation Reserve check box. In Mexico, you usually do not amortize revaluation reserve.

17. If you want to revalue fully reserved assets, check the Revalue Fully Reserved Assets check box.

    If you choose to revalue fully reserved assets, enter a life extension factor in the Life Extension Factor field. To maintain the current asset life without extending it, enter *1*. You can also enter the maximum number of times an asset can be revalued as fully reserved in the Maximum Revaluations field and enter a life extension ceiling in the Life Extension Ceiling field.

18. Navigate to the Tax Rules region.

19. If you are defining a tax book and you want to include CIP assets in the tax book, check the Allow CIP Assets check box. You must include CIP assets in your adjusted tax book, if you are using the historical/adjusted option, so that you can adjust the CIP assets for inflation in the adjusted tax book.

Related Topics

Defining Depreciation Books, *Oracle Assets User Guide*

Asset Management in a Highly Inflationary Economy (Revaluation), *Oracle Assets User Guide*

Construction-in-Process (CIP) Assets, *Oracle Assets User Guide*

Set Up Asset Categories

Use the Asset Categories window with the globalization flexfield and the Default Depreciation Rules window to set up your asset categories for inflation adjustment. In the Asset Categories window, you can specify the revaluation reserve account that you want to use to offset the inflation adjustments for assets in a category in a particular depreciation book.

In the globalization flexfield of the Asset Categories window, you can enable or disable inflation adjustment for the asset category in a particular depreciation book. If you enable inflation adjustment for an asset category in a book, you can choose to enable or disable inflation adjustment for individual assets when you define them. If you disable inflation adjustment for an asset category in a book, none of the assets in that category can be adjusted in that book.

In this way, you can choose to adjust an asset category in one depreciation book while preventing the same asset category from being adjusted in another book. You can also choose to adjust some asset categories in a depreciation book for inflation while preventing other categories in the same book from being adjusted.

If inflation adjustment is disabled for an entire depreciation book, however, none of the asset categories in that book can be adjusted.

In the Default Depreciation Rules window, you can assign a price index to the asset category. The price index is used to calculate the inflation rate for all the assets in this asset category.

To set up asset categories:

1. Navigate to the Asset Categories window.
2. Enter an asset category.
3. Navigate to the General Ledger Accounts region.
4. Enter a depreciation book in the Book field.
5. In the Revaluation Reserve field, enter the revaluation reserve account used to offset inflation adjustments for assets in this category.
6. Navigate to the globalization flexfield.
7. Enter *Yes* in the Adjust for Inflation field to enable inflation adjustment for assets in this asset category. Enter *No* to disable inflation adjustment for all assets in this category.

   If inflation adjustment is enabled for this depreciation book, the Adjust for Inflation field defaults to *Yes*. Otherwise, the Adjust for Inflation field defaults to *No*.
8. Press the OK button.
9. In the Asset Categories window, press the Default Rules button. The Default Depreciation Rules window appears.
10. In the Price Index field, enter the price index that you want to use to calculate the inflation rate for this asset category.
11. Enter appropriate information in the remaining fields.

Related Topics

Setting Up Asset Categories, *Oracle Assets User Guide*

Asset Management in a Highly Inflationary Economy (Revaluation), *Oracle Assets User Guide*

Set Up Assets in a Depreciation Book

Use the globalization flexfield in the Books window to enable or disable inflation adjustment for individual assets. You enable or disable inflation adjustment for an asset in a particular depreciation book.

In this way, you can choose to adjust an asset in one depreciation book while preventing the same asset from being adjusted in another book. You can also choose to

adjust some assets in a certain category in a depreciation book for inflation while preventing other assets in the same category and book from being adjusted.

If inflation adjustment is disabled for an entire depreciation book or an entire category in a book, however, none of the assets in that book or category can be adjusted.

To set up assets in a depreciation book:

1. Navigate to the Asset Workbench.
2. Enter or query an asset.
3. Navigate to the Books window.
4. Enter a depreciation book in the Book field.
5. Navigate to the Depreciation region.
6. Navigate to the globalization flexfield.
7. Enter *Yes* in the Adjust for Inflation field to enable inflation adjustment for the asset. Enter *No* to disable inflation adjustment for the asset.

   If inflation adjustment is enabled for this depreciation book and for this category in this book, the Adjust for Inflation field defaults to *Yes*. Otherwise, the Adjust for Inflation field defaults to *No*.
8. Press the OK button.

Related Topics

Asset Setup Processes (Additions), *Oracle Assets User Guide*

Revaluing Assets

Example for adjusting an asset for inflation

This example shows how inflation rates and adjustment amounts are calculated to adjust a capitalized asset for inflation in Mexico. Assume that the price index values for the given periods are as shown in this table:

Period	Price Index Value
February	208.995
March	211.596

The inflation rate in this example is calculated with a precision of nine decimal

positions. The inflation rate is calculated according to this formula:

(Index Value for Current Period / Index Value for Previous Period) - 1

For example, the March Inflation Rate is (211.596 / 208.995) - 1, or 0.012445273

Assume that a company has an asset with the values shown in this table at the beginning of March:

Cost	Accumulated Depreciation	Year-to-Date Depreciation Expense
311,749,901	201,338,477	4,329,860

Assume also that there are no cost adjustments other than the inflation adjustment in March.

The inflation adjustment amount for cost in the current period is calculated on the current cost of the asset, including any cost adjustments made in the period before inflation adjustment is performed.

> **Note:** If you want to adjust current period cost adjustment amounts for inflation, make the cost adjustments before you perform inflation adjustment for the current period. Otherwise, make the cost adjustments after you perform inflation adjustment for the current period.

The current cost for an asset is calculated according to this formula:

Beginning Cost + Current Period Cost Adjustments

For example, the March Current Cost is 311,749,901 + 0, or 311,749,901

The current period cost inflation adjustment is calculated according to this formula:

*Current Cost * Inflation Rate*

For example, the March Inflation Adjustment is 311,749,901 * 0.012445273, or 3,879,813

The adjusted cost at the end of the period is calculated according to this formula:

Current Cost + Inflation Adjustment

For example, the March Adjusted Cost is 311,749,901 + 3,879,813, or 315,629,714

The inflation adjustment amounts for accumulated depreciation and year-to-date depreciation expense in the current period are calculated on the current accumulated depreciation and current year-to-date depreciation expense of the asset, before the asset is depreciated for the period.

The current period accumulated depreciation inflation adjustment is calculated according to this formula:

*Current Accumulated Depreciation * Inflation Rate*

For example, the March Inflation Adjustment is 201,338,477 * 0.012445273, or 2,505,712

The adjusted accumulated depreciation at the end of the period, but before depreciation is run for the period, is calculated according to this formula:

Current Accumulated Depreciation + Inflation Adjustment

For example, the March Adjusted Accumulated Depreciation is 201,338,477 + 2,505,712, or 203,844,189

The current period year-to-date depreciation expense inflation adjustment is calculated according to this formula:

*Current Depreciation Expense * Inflation Rate*

For example, March Inflation Adjustment is 4,329,860 * 0.012445273, or 53,886

The adjusted year-to-date depreciation expense at the end of the period, but before depreciation is run for the period, is calculated according to this formula:

Current Depreciation Expense + Inflation Adjustment

For example, the March Adjusted Depreciation Expense 4,329,860 + 53,886, or 4,383,746

This table shows the journal entry to record the inflation adjustments in March:

Accounts	Debit	Credit
Cost	3,879,813	
Depreciation Expense	53,886	
Accumulated Depreciation		2,505,712
Revaluation Reserve		1,427,987

Example for adjusting a CIP asset for inflation

This example shows how inflation rates and adjustment amounts are calculated to adjust a CIP asset for inflation in Mexico.

When you build a CIP asset, you add the cost amounts resulting from invoice lines. The invoice line amounts added in the current period are never adjusted for inflation in the current period. The adjustment amount for the current period is calculated only on the asset's adjusted cost as of the beginning of the period.

Assume that the price index values for the given periods are as shown in this table:

Period	Price Index Value
March	211.596
April	213.882
May	215.834

The inflation rates in this example are calculated with a precision of nine decimal positions. The inflation rates are calculated according to this formula:

(Index Value for Current Period / Index Value for Previous Period) - 1

For example, the April Inflation Rate is (213.882 / 211.596) - 1, or 0.010803606

May Inflation Rate is (215.834 / 213.882) - 1, or 0.009126527

Assume that construction began on a CIP asset in March and that the invoice line amounts added each period are as shown in this table:

Period	Invoice Line Amount
March	1,093,827
April	347,219
May	2,460,024

The current period cost inflation adjustment is calculated according to this formula:

*Beginning Cost * Inflation Rate*

The adjusted cost at the end of the period is calculated according to this formula:

Beginning Cost + Inflation Adjustment + Invoice Line Amounts

For example, the March Adjusted Cost is 0 + 0 + 1,093,827, or 1,093,827

April Inflation Adjustment is 1,093,827 * 0.010803606, or 11,817

April Adjusted Cost is 1,093,827 + 11,817 + 347,219, or 1,452,863

This table shows the journal entry to record the inflation adjustment in April:

Accounts	Debit	Credit
Cost	11,817	
Revaluation Reserve		11,817

May Inflation Adjustment is 1,452,863 * 0.009126527, or 13,260

May Adjusted Cost is 1,452,863 + 13,260 + 2,460,024, or 3,926,147

This table shows the journal entry to record the inflation adjustment in May:

Accounts	Debit	Credit
Cost	13,260	
Revaluation Reserve		13,260

Tax Reporting Overview

In Mexico, some taxes are calculated from inflation-adjusted amounts for asset cost, accumulated depreciation, and year-to-date depreciation. These taxes include the Tax on Income (Impuesto Sobre la Renta or ISR) and the Tax on Assets (Impuesto al Activo or IMPAC).

For inflation adjustments on the tax reports, calculate the inflation rates using index values. To calculate the inflation rate:

1. Define the period of use for the asset.
2. Define the half of the period of use for the asset.
3. Define the last month for the half of the period of use for the asset.
4. Select the index value (CPI) for the month that you defined in Step 3.
5. Calculate the correction factor. Divide the CPI for half the period that you obtained in Step 4 by the CPI for the date the asset was placed in service.

When you adjust an asset for inflation at the end of the fiscal year, do not calculate the adjustment up to the end of the fiscal year itself. Instead, calculate the adjustment from the acquisition date up to a date that you determine using the process that identifies the last month of half the period of use. For assets acquired in previous fiscal years, calculate the adjustment from the acquisition date up to the period of June in the current fiscal year. For an asset acquired during the current fiscal year, calculate the

adjustment from the acquisition date up to the last month of half the period of use.

Similarly, if you retire an asset during the fiscal year, you do not calculate the adjustment from the acquisition date up to the retirement date itself. You only calculate the adjustment using half of the period of use.

When reporting inflation adjustments on the Mexican Fixed Assets ISR and IMPAC reports, calculate inflation rates with the precision that is currently required. Make sure that you accordingly set the JL: Inflation Ratio Precision profile option. For more information, see Define Inflation Ratio Precision, page 7-11.

The ISR and Gain and Loss reports adjust the assets amounts using the correction factor that was determined using the process that identifies the last month of half the period of use.

Because the tax reports require this process for calculating inflation adjustment, do not run these reports from the adjusted depreciation book where you maintain your ordinary inflation-adjusted asset information. Instead, you should define a separate tax depreciation book to use for Mexican tax reporting. For more information, see Enable Middle Month Function for a Depreciation Book, page 7-12.

Tax Reporting Setup

This section describes how to set up Oracle Assets for Mexico for tax reporting. Use this setup list to help you complete the appropriate steps.

Step	Task
1	Define inflation ratio precision, page 7-11.
2	Define price indexes.
3	Enable middle month function for a depreciation book, page 7-12.
4	Define the date placed in service for assets.

Related Topics

Depreciation Rules (Books), *Oracle Assets User Guide*

Define Inflation Ratio Precision

The JL: Inflation Ratio Precision profile option lets you enter the number of decimal positions that you want for the precision of the inflation rate calculation. Oracle Assets uses the JL: Inflation Ratio Precision profile option to determine the precision of the inflation rate calculation for both the inflation adjustments in your adjusted

depreciation book and for the Mexican Fixed Assets ISR and IMPAC reports.

When you report inflation adjustments on the Mexican Fixed Assets ISR and IMPAC reports, calculate inflation rates with the precision that is currently required. You must accordingly set the JL: Inflation Ratio Precision profile option in the System Profile Values window before you run these reports. Assign this profile option the value that is currently required.

Enable Middle Month Function for a Depreciation Book

Use the globalization flexfield in the Book Controls window to enable the middle month function for the depreciation book that you want to use for tax reporting. If you enable the middle month function for a depreciation book, the Mexican Fixed Assets ISR and IMPAC reports calculate inflation rates for all the assets in that book using the process that determines the correction factor for assets. For more information, see Tax Reporting Overview, page 7-10.

To enable the middle month function for a depreciation book:

1. Navigate to the Book Controls window.
2. Enter a depreciation book.
3. Navigate to the globalization flexfield.
4. Enter *No* in the Adjust for Inflation field to disable the ordinary inflation adjustment process for assets in this book. Oracle Assets does not use this process for the Mexican Fixed Assets ISR and IMPAC reports.
5. Enter *Yes* in the Middle Month Function field to enable the middle month function for the tax reporting depreciation book.
6. Enter a journal category as a placeholder in the Journal Category for Depreciation Expense of Retired Assets field. Oracle Assets for Mexico does not use this field for tax reporting, but you must enter a value. You can select any valid journal category from the list of values.
7. Leave the Last Inflation Adjustment Period field and the Last Inflation Adjustment field blank. These fields are only used for adjusted depreciation books with the ordinary inflation adjustment process. For more information, see Set Up Depreciation Books, page 7-2.
8. Press the OK button.
9. Save your work.

Related Topics

Defining Depreciation Books, *Oracle Assets User Guide*

Mexican Fixed Assets ISR Report

In Mexico, the Tax on Income (Impuesto Sobre la Renta or ISR) is calculated on the inflation-adjusted value of a company's assets. Use the Mexican Fixed Assets ISR report to show the adjusted depreciation for assets that were adjusted for inflation using the middle month function. You can use this information to help you calculate your income tax.

The Mexican Fixed Assets ISR report shows every asset that had a depreciation charge during the current fiscal year, including retired assets. The report groups assets by asset category and shows the subtotal for each category.

The Mexican Fixed Assets ISR report complements the Mexican Fixed Assets IMPAC report. These two reports are submitted together in the Mexican ISR-IMPAC Reports request set.

Use the Standard Request Submission windows to submit the Mexican ISR-IMPAC Reports request set.

Report Parameters

Book Type Code

Enter the depreciation book that you want to report on. Choose a depreciation book with middle month function enabled for tax reporting.

Ledger Currency

Enter the currency to use for the report. The default value is the default currency of the primary ledger. If the primary and reporting ledger both use the same default currency, choose either primary or reporting ledger from the list of values. You can also choose any other currency defined for the reporting ledger.

Fiscal Year

Enter the fiscal year that you want to report on.

Include DPIS Month for Periods of Use Calculation

Enter *Yes* to include the month that the asset was placed in service for the periods of use calculation. Enter *No* to not include that month.

Include Retirement Month for Periods of Use Calculation

Enter *Yes* to include the month that the asset was retired for the periods of use calculation. Enter *No* to not include that month.

Include Zero NBV Assets

Enter *Yes* to show assets with a net book value of zero. Enter *No* to not show those assets.

Report Headings

This table shows the report headings.

In this heading…	Oracle Assets prints…
<Organization Name>	The name of your organization
Book	The name of the tax depreciation book
Fiscal Year	The fiscal year
Include DPIS Month for Periods of Use Calculation	*Yes* or *No* to indicate if the month that the asset was placed in service is included for the periods of use calculation
Include Retirement Month for Periods of Use Calculation	*Yes* or *No* to indicate if the month that the asset was retired is included for the periods of use calculation
Include zero NBV Assets	*Yes* or *No* indicates if assets with a net book value of zero are included
<Report Title>	*Mexican Fixed Assets ISR Report*
Report Date	The date and time that you ran the report
Page	The page number

Column Headings

This table shows the column headings.

In this column…	Oracle Assets prints…
Asset Number	The asset number.
Description	A description of the asset.
Date Retired	The date the asset was retired.
Date in Service	The date placed in service.

In this column…	Oracle Assets prints…
Original Cost	The original cost.
Accumulated Depreciation - Previous Fiscal Years	The historical amount of accumulated depreciation for previous fiscal years.
Accumulated Depreciation - Current Fiscal Year	The historical amount of accumulated depreciation for the current fiscal year.
Accumulated Depreciation - Life To Date	The historical amount of the accumulated depreciation for the asset's life to date, calculated by adding the accumulated depreciation for the previous fiscal years to the accumulated depreciation for the current fiscal year.
CPI for Date in Service	The index value (CPI) for the date placed in service.
CPI for Half Period	The index value (CPI) for the period halfway through the time of use. For assets that were in use throughout the entire fiscal year, the halfway period is June. For assets that were added or retired during the current fiscal year, the halfway period is determined by the process for determining the correction factor for assets.
Correction Factor	The correction factor, calculated by dividing the index value for the period halfway through the time of use by the index value for the date placed in service.
Adjusted Depreciation	The adjusted depreciation for the current fiscal year, calculated by multiplying the historical depreciation for the current fiscal year by the correction factor.

Row Headings

This table shows the row headings.

In this row…	Oracle Assets prints…
Asset Category	The asset category
Asset Category Total	The totals for the asset category
Report Total	The totals for all categories on the report

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Mexican Fixed Assets IMPAC Report

In Mexico, the Tax on Assets (Impuesto al Activo or IMPAC) is calculated on the inflation-adjusted value of a company's assets. Use the Mexican Fixed Assets IMPAC report to show the value of your assets, including the results of inflation adjustment. You can use this information to help you calculate your tax on assets.

The Mexican Fixed Assets IMPAC report complements the Mexican Fixed Assets ISR report. These two reports are submitted together in the Mexican ISR-IMPAC Reports request set.

Use the Standard Request Submission windows to submit the Mexican ISR-IMPAC Reports request set.

Report Parameters

Book Type Code

Enter the depreciation book that you want to report on. You should choose a depreciation book with the middle month function enabled for tax reporting.

Fiscal Year

Enter the fiscal year that you want to report on.

Include DPIS Month for Periods of Use Calculation

Enter *Yes* to include the month that the asset was placed in service for the periods of use calculation. Enter *No* to not include that month.

Include Retirement Month for Periods of Use Calculation

Enter *Yes* to include the month that the asset was retired for the periods of use calculation. Enter *No* to not include that month.

Include Zero NBV Assets

Enter *Yes* to show assets with a net book value of zero. Enter *No* to not show those assets

Fully Depreciated Assets

Enter *In Use* to calculate the period of use for fully depreciated assets until the end of the year. Enter *Retired* to calculate the period of use for fully depreciated assets until the date that they are fully depreciated.

Report Headings

This table shows the report headings.

In this heading…	Oracle Assets prints…
<Organization Name>	The name of your organization.
Book	The name of the tax depreciation book.
Fiscal Year	The fiscal year.
Include DPIS Month for Periods of Use Calculation	*Yes* or *No* to indicate if the month that the asset was placed in service is included for the periods of use calculation.
Include Retirement Month for Periods of Use Calculation	*Yes* or *No* to indicate if the month that the asset was retired is included for the periods of use calculation.
Include zero NBV Assets	*Yes* or *No* to indicate if assets with a net book value of zero are included.
Fully Depreciated Assets	*In Use* shows that assets are treated as if they are in use. *Retired* shows that the middle month function is applied to retired assets.
<Report Title>	*Mexican Fixed Assets IMPAC Report.*
Report Date	The date and time that you ran the report.
Page	The page number.

Column Headings

This table shows the column headings.

In this column…	Oracle Assets prints…
Asset Number	The asset number
Description	A description of the asset
Date Retired	The date the asset was retired
Date in Service	The date placed in service
CPI for Date in Service	The index value (CPI) for the date placed in service
CPI for June	The index value (CPI) for June
Correction Factor	The correction factor, calculated by dividing the index value for June by the index value for the date placed in service
NBV at End of Previous Fiscal Year - Historical	The historical net book value at the end of the previous fiscal year, calculated by subtracting the historical accumulated depreciation of previous fiscal years from the original cost
NBV at End of Previous Fiscal Year - Adjusted	The adjusted net book value at the end of the previous fiscal year, calculated by multiplying the historical net book value at the end of the previous fiscal year by the correction factor
50% Adjusted Depreciation	Half of the amount of the adjusted depreciation for the current fiscal year
Adjusted NBV Less 50%	An amount calculated by subtracting half of the adjusted depreciation for the current fiscal year from the adjusted net book value at the end of the previous fiscal year
IMPAC Value	The IMPAC base value, calculated by dividing the value for the Adjusted NBV Less 50% by 12 and multiplying the result by the number of months of use

Row Headings

This table shows the row headings.

In this row…	Oracle Assets prints…
Asset Category	The asset category
Asset Category Total	The totals for the asset category
Report Total	The totals for all categories on the report

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

Mexican Fixed Assets Fiscal Gain and Loss on Assets Retirements Report

The Mexican Fixed Assets Fiscal Gain and Loss on Assets Retirements report displays the gain or loss generated for an asset when it is no longer in use. You should run the Mexican Fixed Assets Fiscal Gain and Loss on Assets Retirements report after you close a period by running depreciation.

Use the Standard Request Submission windows to submit Mexican Fixed Assets Fiscal Gain and Loss on Assets Retirements report.

Report Parameters

Book Type Code

Enter the depreciation book that you want to report on.

Ledger Currency

Enter the currency to use for the report. The default value is the default currency of the primary ledger. If the primary and reporting ledger both use the same default currency, choose either primary or reporting ledger from the list of values. You can also choose any other currency defined for the reporting ledger.

Fiscal Year

Enter the fiscal year that you want to report on.

Include DPIS Month for Periods of Use Calculation

Enter *Yes* to include the month that the asset was placed in service for the periods of use calculation. Enter *No* to not include that month.

Include Retirement Month for Periods of Use Calculation

Enter *Yes* to include the month that the asset was retired for the periods of use calculation. Enter *No* not to include that month.

Report Headings

This table shows the report headings.

In this heading…	Oracle Assets prints…
<Organization Name>	The name of your organization
Book	The name of the tax depreciation book
Fiscal Year	The fiscal year
Include DPIS Month for Periods of Use Calculation	*Yes* or *No* to indicate if the month that the asset was placed in service is included for the periods of use calculation
Include Retirement Month for Periods of Use Calculation	*Yes* or *No* to indicate if the month that the asset was retired is included for the periods of use calculation
<Report Title>	*Mexican Fixed Assets Fiscal Gain and Loss on Assets Retirements Report*
Report Date	The date and time that you ran the report
Page	The page number

Column Headings

This table shows the column headings.

In this column…	Oracle Assets prints…
Asset Number - Description	The asset number and description of the asset
Date in Service	The date placed in service
Original Cost	The original cost

In this column…	Oracle Assets prints…
Depreciation Reserve - Previous Fiscal Years	The historical amount of accumulated depreciation for previous fiscal years
Depreciation Reserve - Current Fiscal Years	The historical amount of accumulated depreciation for the current fiscal year
Depreciation Reserve - Total	The sum of the historical accumulated depreciation from the previous fiscal year and the historical accumulated depreciation from the current fiscal year
CPI for Date in Service	The index value (CPI) for the date placed in service
CPI for Half Period	The index value (CPI) for half of the period of use
Adjusting Factor	The correction factor, calculated by dividing the index value for half of the period of use by the index value for the date placed in service
Adjusted NBV	The adjusted NBV depreciation, calculated by multiplying the difference between the original cost and the total depreciation by the adjusting factor.
Date Retired	The retirement date
Proceeds of Sale	The proceeds of the sale
Gain/Loss	The net gain or loss, calculated by subtracting the adjusted accumulated depreciation from the proceeds of sale and then adding the current cost

Row Headings

This table shows the row headings.

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

Related Topics

Using Standard Request Submission, *Oracle Applications User Guide*

A

Withholding Tax Setup Examples for Argentina

Setting Up Argentine Withholding Tax

Use this list to help you complete the appropriate steps to set up withholding tax for Argentina. For more information about setting up withholding tax in Argentina, see Setting Up Oracle Payables for Withholding Tax, page 3-18.

Step	Setup Task
1	Define Payables Options, page A-2
2	Define Special Calendar, page A-2
3	Define Zones, page A-3
4	Define Legal Transaction Categories, page A-4
5	Define DGI Transaction Types, page A-4
6	Define Province Jurisdiction, page A-5
7	Define Locations, page A-6
8	Define Tax Authority Categories, page A-8
9	Define Tax Authority Types, page A-9

Step	Setup Task
10	Define Tax Authorities, page A-10
11	Define Provincial Inscription Numbers, page A-10
12	Define Withholding Tax Types, page A-11
13	Define Withholding Tax Codes, page A-15
14	Define Company Withholding Applicability, page A-24
15	Define Supplier Withholding Applicability, page A-25

1. Define Payables Options

For Argentine withholding tax, you need to set the options in the Withholding Tax tabbed region in the Payables Options window. For more information see Step 2 Define Payables Options, page 3-19.

2. Define Special Calendar

Set up a Special Calendar to associate with Income tax period-based tax codes. For more information see Step 11. Define Withholding Tax Codes and Rates, page 3-29. These tables provide an example.

Name	Type	Periods Per Year	Description
Income Tax 2001	Withholding Tax	12	Calendar for Income tax withholding 2001

Period	Year	Sequence	Start	End	System Name
1	2001	1	01-JAN-2001	31-JAN-2001	1-01

Period	Year	Sequence	Start	End	System Name
2	2001	2	01-FEB-2001	28-FEB-2001	2-01
3	2001	3	01-MAR-2001	31-MAR-2001	3-01
4	2001	4	01-APR-2001	30-APR -2001	4-01
5	2001	5	01-MAY-2001	31-MAY-2001	5-01
6	2001	6	01-JUN-2001	30-JUN-2001	6-01
7	2001	7	01-JUL-2001	31-JUL-2001	7-01
8	2001	8	01-AUG-2001	31-AUG-2001	8-01
9	2001	9	01-SEP-2001	30-SEP-2001	9-01
10	2001	10	01-OCT-2001	31-OCT-2001	10-01
11	2001	11	01-NOV-2001	30-NOV-2001	11-01
12	2001	12	01-DEC-2001	31-DEC-2001	12-01

3. Define Zones

Set up all zones as required. For more information see Step 4. Define Zones, page 3-21. This table includes examples of six zones:

Code	Meaning	Effective Date
ZONE FEDERAL	Country Zone (for SUSS General WHTX)	01-DEC-2001
ZONE 1	Zone 1	01-DEC-2001
ZONE 2	Zone 2	01-DEC-2001
ZONE 3	Zone 3	01-DEC-2001

Code	Meaning	Effective Date
ZONE 4	Zone 4	01-DEC-2001
ZONE 5	Zone 5	01-DEC-2001
ZONE 6	Zone 6	01-DEC-2001

4. Define Legal Transaction Categories

Set up all legal transaction categories as required. For more information see Step 14 Define Legal Transaction Categories, page 3-36. This table includes eight examples.

Code	Meaning	Effective Date
CI	Cash Invoice	01-DEC-2001
CM	Credit Memo	01-DEC-2001
DM	Debit Memo	01-DEC-2001
IF	Foreign Invoice	01-DEC-2001
IN	Invoice	01-DEC-2001
PI	Prepayment Invoice	01-DEC-2001
OD	Other Documents	01-DEC-2001
RE	Receipt	01-DEC-2001

5. Define DGI Transaction Types

Set up all transaction type codes. For more information see Step 17. Define DGI Transaction Types, page 3-38. This table illustrates some examples.

Transaction Letter	Legal Transaction Category	Transaction Type
A	Invoice	01
A	Debit Memo	02
A	Credit Memo	03
A	Receipt	04
A	Cash Invoice	05
B	Invoice	06
B	Debit Memo	07
B	Credit Memo	08
B	Receipt	09
B	Cash Invoice	10
C	Invoice	11
C	Debit Memo	12
C	Credit Memo	13
C	Receipt	15
C	Cash Invoice (or other specified name)	16

6. Define Provinces

Set up all provinces as required. For more information see Step 3. Define Province Jurisdiction, page 3-20. This table includes examples of nine provinces.

Province Code	Province Name	Territorial
BSAS	Buenos Aires	Yes
CDBA	Cordoba	No
CHUB	Chubut	Yes
CHAC	Chaco	Yes
CORR	Corrientes	Yes
FORM	Formosa	Yes
JUJY	Jujuy	No
MEND	Mendoza	Yes
ERIO	Entre Rios	Yes

7. Define Locations

Set up all locations as required. For more information see Step 6. Define Locations, page 3-23. These tables include examples of a primary location and two other locations.

Primary Location

In this field...	Enter these details...
Name	Oracle Argentina - HQ
Address Style	Argentina
Address Line 1	Madero 900 Pisa 16 Torre Catal
Address Line 2	
Address Line 3	

In this field...	Enter these details...
City	Buenos Aires
Postal Code	1003
Province	Buenos Aires
Zone	Zone Federal
Site Check Boxes	Check all

Other Location 1

In this field...	Enter these details...
Name	Oracle Argentina - Cordoba
Address Style	Argentina
Address Line 1	Dean Funes 1020
Address Line 2	
Address Line 3	
City	Cordoba
Postal Code	1004
Province	Cordoba
Zone	Zone 2
Site Check Boxes	Check all

Other Location 2

In this field...	Enter these details...
Name	Oracle Argentina - Chaco
Address Style	Argentina
Address Line 1	Reconquista 1020 - Resistencia
Address Line 2	
Address Line 3	
City	Chaco
Postal Code	1005
Province	Chaco
Zone	Zone 3
Site Check Boxes	Check all

8. Define Tax Authority Categories

Set up tax authority categories as required. For more information see Step 5. Define Tax Authority Categories, page 3-22. This table gives examples of 12 categories.

Code	Meaning	Effective Date
248	VAT Withholding	01-DEC-2001
078	Inc-Goods	01-DEC-2001
094	Inc-Services	01-DEC-2001
116	Inc-Profesiones Liberales and Honorarios	01-DEC-2001
027	Inc-Rent	01-DEC-2001

Code	Meaning	Effective Date
240	Inc-Petty-Cash	01-DEC-2001
167	Inc-For-General 1	01-DEC-2001
075	SUSS Engineering	01-DEC-2001
076	SUSS Architecture	01-DEC-2001
755	SUSS Gral Wht Regime	01-MAR-05
754	SUSS Private Security Companies Wht Regime	01-FEB-05
001	TURN BSAS Goods	01-DEC-2001
002	TURN BSAS Services	01-DEC-2001
003	TURN CDBA Goods	01-DEC-2001
004	TURN CDBA Services	01-DEC-2001

9. Define Tax Authority Types

Set up tax authority types as required. For more information see Step 8. Define Tax Authority ID Types, page 3-25. This table gives examples of eight types.

Code	Meaning	Effective Date
001	Province_BSAS	01-DEC-2001
002	Province_CDBA	01-DEC-2001
003	Province_CORR	01-DEC-2001
004	Province_ERIO	01-DEC-2001
005	Province_CHAC	01-DEC-2001

Code	Meaning	Effective Date
006	Province_FORM	01-DEC-2001
007	Province_MEND	01-DEC-2001
008	Province_JUJY	01-DEC-2001

10. Define Tax Authorities

Create a distinct tax authority supplier for each jurisdiction.

For example: DGI, TA-Buenos Aires.

For more information see Step 7. Define Suppliers, page 3-24.

11. Define Provincial Inscription Numbers

Set up provincial inscription numbers that apply for each supplier and company. For more information see Step 9. Define Supplier Provincial Inscription Numbers, page 3-26 . This table provides some examples.

Primary ID Number	Entity Name	Name	ID Type	ID Number
20-21831385-0	ABC1	TA Buenos Aires	Province_BSAS	91001
20-21831385-0	ABC1	TA Cordoba	Province_CDBA	91002
20-21831385-0	ABC1	TA Chaco	Province_CHAC	91003
20-21831385-0	ABC1	TA Chubut	Province_CHUB	91004
20-21831385-0	ABC1	TA Jujuy	Province_JUJY	91005
20-16855124-0	SUPP2	TA Buenos Aires	Province_BSAS	92001
20-16855124-0	SUPP2	TA Cordoba	Province_CDBA	92002
20-16855124-0	SUPP2	TA Chaco	Province_CHAC	92003

Primary ID Number	Entity Name	Name	ID Type	ID Number
20-16855124-0	SUPP2	TA Chubut	Province_CHUB	92004
20-16855124-0	SUPP2	TA Jujuy	Province_JUJY	92005
20-16855124-0	Oracle Argentina - HQ	TA Buenos Aires	Province_BSAS	82001
20-16855124-0	Oracle Argentina - HQ	TA Cordoba	Province_CDBA	82002
20-16855124-0	Oracle Argentina - HQ	TA Chaco	Province_CHAC	82003
20-16855124-0	Oracle Argentina - HQ	TA Chubut	Province_CHUB	82004
20-16855124-0	Oracle Argentina - HQ	TA Jujuy	Province_JUJY	82005

12. Define Withholding Tax Types

Set up withholding types for Income tax, VAT, Turnover (for each province that levies tax), and SUSS (for each zone). For more information see Step 10. Define Withholding Tax Types, page 3-27.

The attributes that are illustrated in these tables are intended to largely reflect the actual attributes for each tax type.

Table 1

In this field...	Enter this for INC_DOM...	Enter this for INC_FOR...	Enter this for VAT...
Code	INC_DOM	INC_FOR	VAT
Description	Income tax withholding Domestic suppliers	Income tax withholding Foreign suppliers	VAT withholding

In this field...	Enter this for INC_DOM...	Enter this for INC_FOR...	Enter this for VAT...
Applicable to Foreign Supplier	No	Yes	No
Jurisdiction Type	Federal	Federal	Federal
Taxable Amount Basis	Payment	Payment	Invoice
Minimum Tax Base Amount Level	Category	Not applicable	Not applicable
Minimum Withheld Amount Level	Type	Not applicable	Type
Minimum Amount	50		80
Tax Authority	DGI	DGI	DGI
Certificate Header	Income Tax Withholding Certificate	Income Tax Withholding Certificate	VAT Withholding Certificate
Province			
Supplier Exemption Level	Type	Not applicable	Type
Cumulative Payment Applicable	Yes	No	No
Credit Letter Allowed	No	No	No
Allow Multilateral Contributions	No	No	No
Partial Payment Paid in Full	No	No	Yes
Tax Inclusive	No	No	Yes

Table 2

In this field...	Enter this for TURN_BSAS...	Enter this for TURN_CDBA...	Enter this for SUSS Zone 1 withholding...
Code	TURN_BSAS	TURN_CDBA	SUSS_ZONE1
Description	Turnover tax - Buenos Aires	Turnover tax - Cordoba	SUSS Zone 1 withholding
App. Foreign Supplier	No	No	No
Jurisdiction Type	Provincial	Provincial	Federal
Taxable Amount Basis	Payment	Payment	Payment
Minimum Tax Base Amount Level	Category	Not applicable	Not applicable
Minimum Withheld Amount Level	Category	Not applicable	Not applicable
Minimum Amount			
Tax Authority	TA Buenos Aires	TA Cordoba	DGI
Certificate Header	Buenos Aires Turnover Tax Withholding Certificate	Cordoba Turnover Tax Withholding Certificate	SUSS Zone 1 Withholding Certificate
Province	Buenos Aires	Cordoba	
Supplier Exemption Level	Category	Type	Not applicable
Cumulative Payment Applicable	No	No	No
Credit Letter Allowed	No	No	No

In this field...	Enter this for TURN_BSAS...	Enter this for TURN_CDBA...	Enter this for SUSS Zone 1 withholding...
Allow Multilateral Contributions	Yes	Yes	No
Partial Payment Paid in Full	No	No	No
Tax Inclusive	No	No	No

Table 3

In this field...	Enter this for SUSS Zone 2 withholding...	Enter this for SUSS General withholding...	Enter this for SUSS Private Security Companies withholding...
Code	SUSS_ZONE2	SUSS_GRAL	SUSS_SEC
Description	SUSS Zone 2 withholding	SUSS General Withholding Regime	SUSS - Private Security Companies Withholding Regime
App. Foreign Supplier	No	No	No
Jurisdiction Type	Federal	Zonal	Zonal
Taxable Amount Basis	Payment	Invoice	Payment
Minimum Tax Base Amount Level	Not applicable	Not applicable	Category
Minimum Withheld Amount Level	Not applicable	Type	Type
Minimum Amount		40	
Tax Authority	DGI	DGI	DGI

In this field...	Enter this for SUSS Zone 2 withholding...	Enter this for SUSS General withholding...	Enter this for SUSS Private Security Companies withholding...
Certificate Header	SUSS Zone 2 Withholding Certificate	SUSS - General Withholding Regime Certificate	SUSS - Private Security Companies Withholding Regime
Province			
Supplier Exemption Level	Not applicable	Type	Type
Cumulative Payment Applicable	No	No	Yes
Credit Letter Allowed	No	No	No
Allow Multilateral Contributions	No	No	No
Partial Payment Paid in Full	No	Yes	No
Tax Inclusive	No	No	No

13. Define Withholding Tax Codes

You must set up withholding tax codes for the nine tax types. For more information see Step 11. Define Withholding Tax Codes and Rates, page 3-29.

The attributes that are illustrated in these tables are intended to largely reflect the actual attributes for each tax code. The Income tax *Profesiones* tax codes normally have a range table with different rates and also an amount to add and subtract for each range.

Withholding Tax Code	Description	Period Basis	Rate
INC_DOM_GOOD_R	Income - Goods - Registered	Period	6

Withholding Tax Code	Description	Period Basis	Rate
INC_DOM_GOOD_N	Income - Goods - Non Registered	Period	15
INC_DOM_PL_R	Income - Profesiones - Registered	Period	10
INC_DOM_PL_N	Income - Profesiones - Non Registered	Period	12
INC_DOM_PC_R	Income - Petty Cash - Registered	Invoice	6
INC_DOM_PC_N	Income - Petty Cash - Non Registered	Invoice	10
INC_FOR_GEN1	Income - General 1 - Foreign	Invoice	15
INC_FOR_GEN2	Income - General 2 - Foreign	Invoice	16
VAT_GOOD_21	VAT - Goods - 21%	Invoice	21
VAT_SERV_27	VAT - Services - 27%	Invoice	27
TURN_BSAS_GOOD	Turnover - BSAS - Goods	Invoice	5
TURN_BSAS_SERV	Turnover - BSAS - Services	Invoice	10
TURN_CDBA_GOOD	Turnover - CDBA - Goods	Invoice	4
TURN_CDBA_SERV	Turnover - CDBA - Services	Invoice	5
SUSS_ZONE1_ENG	SUSS - Zone 1 - Engineering	Invoice	5

Withholding Tax Code	Description	Period Basis	Rate
SUSS_ZONE1_ARCH	SUSS - Zone 1 - Architecture	Invoice	3
SUSS_ZONE2_ENG	SUSS - Zone 2 - Engineering	Invoice	4
SUSS_ZONE2_ARCH	SUSS - Zone 2 - Architecture	Invoice	2
SUSS_ZONE1_GEN1	SUSS - Zone 1 - General 1	Invoice	1
SUSS_ZONE2_GEN1	SUSS - Zone 2 - General 1	Invoice	2
SUSSGRAL	SUSS-zonefederal-General	Invoice	2
SUSSPSC	SUSS-zonefederal-Private Security Companies	Period	6

In this field...	Enter this for INC_DOM_GOOD_R...	Enter this for INC_DOM_GOOD_N...	Enter this for INC_DOM_PL_R...	Enter this for SUSSGRAL...
Withholding Type	INC_DOM	INC_DOM	INC_DOM	SUSS_GRAL
Tax Authority Category	Inc-Goods	Inc-Goods	Inc-Profesiones Liberales and Honorarios	SUSS Gral Wht Regime
Foreign Rate Indicator	No	No	No	No
Zone				Zone Federal
Item Line Type Applicability	Yes	Yes	Yes	Yes

In this field...	Enter this for INC_DOM_GOOD_R...	Enter this for INC_DOM_GOOD_N...	Enter this for INC_DOM_PL_R...	Enter this for SUSSGRAL...
Freight Line Type Applicability	Yes	Yes	Yes	Yes
Miscellaneous Line Type Applicability	Yes	Yes	Yes	Yes
Tax Line Type Applicability	No	No	No	No
Minimum Taxable Base Amount	11242	11242	10000	
Minimum Withheld Amount				
Adjustment Minimum Base	Subtract	Subtract	Subtract	
Cumulative Payment Applicable	Yes	Yes	Yes	No
Tax Inclusive	No	No	No	No

in this field...	Enter this for INC_DOM_PL_N...	Enter this for INC_DOM_PC_R...	Enter this for INC_DOM_PC_N...
Withholding Type	INC_DOM	INC_DOM	INC_DOM
Tax Authority Category	Inc-Profesiones Liberales and Honorarios	Inc-Petty-Cash	Inc-Petty-Cash
Foreign Rate Indicator	No	No	No

in this field...	Enter this for INC_DOM_PL_N...	Enter this for INC_DOM_PC_R...	Enter this for INC_DOM_PC_N...
Zone			
Item Line Type Applicability	Yes	Yes	Yes
Freight Line Type Applicability	Yes	Yes	Yes
Miscellaneous Line Type Applicability	Yes	Yes	Yes
Tax Line Type Applicability	No	No	No
Minimum Tax Base Amount	8000	5000	4000
Minimum Withheld Amount			
Adjustment Minimum Base	Subtract	Compare	Compare
Cumulative Payment Applicable	Yes	No	No
Tax Inclusive	No	No	No

In this field...	Enter this for INC_FOR_GEN1...	Enter this for INC_FOR_GEN2...	Enter this for VAT_GOOD_21...
Withholding Type	INC_FOR	INC_FOR	VAT
Tax Authority Category	Inc-For-General 1	Inc-For-General 2	VAT Withholding
Foreign Rate Indicator	Yes	Yes	No

In this field...	Enter this for INC_FOR_GEN1...	Enter this for INC_FOR_GEN2...	Enter this for VAT_GOOD_21...
Zone			
Item Line Type Applicability	Yes	Yes	Yes
Freight Line Type Applicability	Yes	Yes	Yes
Miscellaneous Line Type Applicability	Yes	Yes	Yes
Tax Line Type Applicability	No	No	No
Minimum Tax Base Amount			
Minimum Withheld Amount			
Adjustment Minimum Base			
Cumulative Payment Applicable	No	No	No
Tax Inclusive	No	No	Yes

In this field...	Enter this for VAT_SERV_27...	Enter this for TURN_BSAS_GOOD ...	Enter this for TURN_BSAS_SERV. ..
Withholding Type	VAT	TURN_BSAS	TURN_BSAS
Tax Authority Category	VAT Withholding	TURN BSAS Goods	TURN BSAS Services
Foreign Rate Indicator	No	No	No

In this field...	Enter this for VAT_SERV_27...	Enter this for TURN_BSAS_GOOD...	Enter this for TURN_BSAS_SERV...
Zone			
Item Line Type Applicability	Yes	Yes	Yes
Freight Line Type Applicability	Yes	Yes	Yes
Miscellaneous Line Type Applicability	Yes	Yes	Yes
Tax Line Type Applicability	No	No	No
Minimum Tax Base Amount		5000	5000
Minimum Withheld Amount		40	40
Adjustment Minimum Base		Compare	Compare
Cumulative Payment Applicable	No	No	No
Tax Inclusive	Yes	No	No

In this field...	Enter this for TURN_CDBA_GOOD...	Enter this for TURN_CDBA_SERV...	Enter this for SUSS_ZONE1_ENG...
Withholding Type	TURN_CDBA	TURN_CDBA	SUSS_ZONE1
Tax Authority Category	TURN CDBA Goods	TURN CDBA Services	SUSS Engineering
Foreign Rate Indicator	No	No	No

In this field...	Enter this for TURN_CDBA_GOOD...	Enter this for TURN_CDBA_SERV...	Enter this for SUSS_ZONE1_ENG...
Zone			Zone 1
Item Line Type Applicability	Yes	Yes	Yes
Freight Line Type Applicability	Yes	Yes	Yes
Miscellaneous Line Type Applicability	Yes	Yes	Yes
Tax Line Type Applicability	No	No	No
Minimum Tax Base Amount			
Minimum Withheld Amount			
Adjustment Minimum Base			
Cumulative Payment Applicable	No	No	No
Tax Inclusive	No	No	No

In this field...	Enter this for SUSS_ZONE1_ARCH...	Enter this for SUSS_ZONE2_ENG...	Enter this for SUSS_ZONE2_ARCH...
Withholding Type	SUSS_ZONE1	SUSS_ZONE2	SUSS_ZONE2
Tax Authority Category	SUSS Architecture	SUSS Engineering	SUSS Architecture
Foreign Rate Indicator	No	No	No

In this field...	Enter this for SUSS_ZONE1_ARCH...	Enter this for SUSS_ZONE2_ENG...	Enter this for SUSS_ZONE2_ARCH...
Zone	Zone 1	Zone 2	Zone 2
Item Line Type Applicability	Yes	Yes	Yes
Freight Line Type Applicability	Yes	Yes	Yes
Miscellaneous Line Type Applicability	Yes	Yes	Yes
Tax Line Type Applicability	No	No	No
Minimum Tax Base Amount			
Minimum Withheld Amount			
Adjustment Minimum Base			
Cumulative Payment Applicable	No	No	No
Tax Inclusive	No	No	No

In this field...	Enter this for SUSS_ZONE1_GEN1...	Enter this for SUSS_ZONE2_GEN1...	Enter this for SUSS_SEC...
Withholding Type	SUSS_ZONE1	SUSS_ZONE2	SUSS_SEC
Tax Authority Category	SUSS General 1	SUSS General 1	SUSS Private Security Companies Wht Regime

In this field...	Enter this for SUSS_ZONE1_GEN 1...	Enter this for SUSS_ZONE2_GEN 1...	Enter this for SUSS_SEC...
Foreign Rate Indicator	No	No	No
Zone	Zone 1	Zone 2	Zone Federal
Item Line Type Applicability	Yes	Yes	Yes
Freight Line Type Applicability	Yes	Yes	Yes
Miscellaneous Line Type Applicability	Yes	Yes	Yes
Tax Line Type Applicability	No	No	No
Minimum Tax Base Amount			8,000
Minimum Withheld Amount			
Adjustment Minimum Base			Compare
Cumulative Payment Applicable	No	No	Yes
Tax Inclusive	No	No	No

14. Define Company Withholding Applicability

Associate all the withholding type codes that the company is a withholding agent for by using the primary location. For more information see Step 12. Define Company Withholding Applicability, page 3-33. In the example in this table the primary location is Oracle Argentina - HQ.

Associate the Provincial Withholding Types to the Tax Authority type that applies.

Withholding Type Code	Withholding Agent Indicator	Tax Authority Type
INC_DOM	Yes	
INC_FOR	Yes	
VAT	Yes	
TURN_BSAS	Yes	Province_BSAS
TURN_CDBA	Yes	Province_CDBA
SUSS_ZONE1	Yes	
SUSS_ZONE2	Yes	
SUSS_ZONE1	Yes	
SUSS_ZONE2	Yes	
SUSS_GRAL	Yes	

15. Define Supplier Withholding Applicability

Associate the withholding types that each supplier is subject to withholding tax from the buyer for. For more information see Step 13. Define Supplier Withholding Applicability, page 3-34. For the purposes of the example in this table, two suppliers are set up with the following details:

Supplier Number	Name	Taxpayer ID
21831385	ABC1	20-21831385-0
16855124	SUPP2	20-16855124-0

Associate tax types and enter the exemption details in these tables that are applicable to the Type level:

Withholding Tax Type	ABC1 Subject Indicator	ABC1 Start Date	ABC1 End Date	ABC1 Rate
INC_DOM	Yes	01-JAN-1997	01-FEB-2000	10
VAT	Yes	01-JAN-1998	01-FEB-2000	5
TURN_BSAS	Yes			
TURN_CDBA	Yes	01-JAN-1998	01-JAN-2000	10
SUSS_ZONE1	Yes			
SUSS_ZONE2	Yes	01-JAN-1997	01-JUN-2000	15

Withholding Tax Type	SUPP2 Subject Indicator	SUPP2 Start Date	SUPP2 End Date	SUPP2 Rate
INC_DOM	Yes	01-JAN-1997	01-FEB-2000	20
VAT	Yes			
TURN_BSAS	Yes			
TURN_CDBA	Yes	01-JAN-1998	01-JAN-1999	10
SUSS_ZONE1	Yes			
SUSS_ZONE2	Yes			

Enter the Multilateral Exemption details in these tables for the provincial tax types:

Withholding Tax Type	ABC1 Subject Indicator	ABC1 Start Date	ABC1 End Date	ABC1 Rate
TURN_BSAS	Yes	01-JAN-1997	01-FEB-2000	60
TURN_CDBA	Yes	01-JAN-1997	01-FEB-2000	40

Withholding Tax Type	SUPP2 Subject Indicator	SUPP2 Start Date	SUPP2 End Date	SUPP2 Rate
TURN_BSAS	Yes	01-JAN-1997	01-FEB-2000	80
TURN_CDBA	Yes	01-JAN-1997	01-FEB-2000	20

1. Associate tax codes within each withholding tax type that applies.
2. Select the primary tax code.
3. Enter the exemption details that apply to the Category level.

These tables provide examples for the two suppliers.

Supplier: ABC1

Withholding Tax Code	Associate	Primary	Start Date	End Date	Rate
INC_DOM_GOOD_R	Yes	Yes			
INC_DOM_PL_R	Yes				
INC_DOM_PC_R	Yes				
VAT_GOOD_21	Yes	Yes			
VAT_SERV_27	Yes				
TURN_BSAS_GOOD	Yes	Yes			
TURN_BSAS_SERV	Yes				

Withholding Tax Code	Associate	Primary	Start Date	End Date	Rate
TURN_CDBA_GOOD	Yes	Yes			
TURN_CDBA_SERV	Yes				
SUSS_ZONE1_ENG	Yes	Yes			
SUSS_ZONE1_ARCH	Yes				
SUSS_ZONE2_ENG	Yes	Yes			
SUSS_ZONE2_ARCH	Yes				
SUSS_GRAL					

Supplier: SUPP2

Withholding Tax Code	Associate	Primary	Start Date	End Date	Rate
INC_DOM_GOOD_R	Yes	Yes	01-JAN-98	01-JAN-99	15
INC_DOM_PL_R	Yes				
INC_DOM_PC_R	Yes				
VAT_GOOD_21	Yes	Yes			
VAT_SERV_27	Yes				

Withholding Tax Code	Associate	Primary	Start Date	End Date	Rate
TURN_BSAS _GOOD	Yes	Yes	01-JAN-99	01-JAN-00	20
TURN_BSAS _SERV	Yes		01-JAN-99	01-JAN-00	25
TURN_CDB A_GOOD	Yes	Yes			
TURN_CDB A_SERV	Yes				
SUSS_ZONE 1_GEN1	Yes	Yes			
SUSS_ZONE 1_GEN2	Yes				

Example

The example in this table is for supplier ABC1. Assume that invoice 1 is the first invoice of the period for this supplier.

The withholding calculation formulas are based on the withholding type and withholding name attributes. Please refer to Step 11. Define Withholding Tax Codes and Rates, page 3-29 for more information.

Invoice 1: Supplier ABC1

Item line 1: 10,000

Ship-to location: Oracle Argentina - HQ

VAT_21: 2,100

Total: 12,100

Invoice Number	Line Number	Default Tax Codes	Final Tax Codes
1	1	INC_DOM_GOOD_R	INC_DOM_GOOD_R

Invoice Number	Line Number	Default Tax Codes	Final Tax Codes
1	1	VAT_GOOD_21	VAT_GOOD_21
1	1	TURN_BSAS_GOOD	TURN_BSAS_GOOD
1	1	TURN_CDBA_GOOD	TURN_CDBA_GOOD
1	1	SUSS_ZONE1_ENG	SUSS_GRAL

Notes:

- The primary tax codes that apply for the supplier are automatically associated with the item distribution line.
- The location Oracle Argentina - HQ is associated with the province Buenos Aires and the zone Zone Federal, which results in the primary tax codes being defaulted for this province and zone.
- The tax code TURN_CDBA_GOOD is defaulted because this province is classified as a country-wide province and the supplier is set up as being subject to this tax from the company.

The withholding calculations are performed as part of the invoice payment process.

The calculations for this invoice are:

INC_DOM_GOOD_R

- Payment taxable base amount for goods equals 10,000. Add this figure to the cumulative month-to-date taxable base amount.

  (10,000 + 0)

- Compare the cumulative month-to-date taxable base amount to the minimum tax base for the INC_DOM tax type. 10,000 is less than 11,242; there are no withholdings required to be calculated.
- The cumulative month-to-date withholdings for this tax code remain at 0.

VAT_GOOD_21

- The taxable base amount is 10,000 which is multiplied by the withholding rate for the category. The calculation must take account of the 5% exemption rate for the supplier.

  (10,000 * 0.21) * (1 - 0.05) = 1,995

- The calculated withholding of 1,995 is compared to the minimum withheld amount for the VAT tax type and because the calculated withholding is greater than 80, withholdings apply. A VAT_GOOD_21 withholding distribution line for 1,995 is created.

TURN_BSAS_GOOD

- Multiply the payment taxable base by the multilateral exemption rate before comparing to the minimum taxable base.

  10,000 * 60% = 6,000

- Compare 6,000 to the minimum taxable base for this tax code. 6,000 is greater than 5,000; withholdings must be calculated.

- The calculation is:

  6,000 * 5% = 300

- The calculated withholdings of 300 is compared to the minimum withheld amount for the tax code and because the calculated withholding is greater than 40, withholdings apply. A TURN_BSAS_GOOD withholding distribution line for 300 is created.

TURN_CDBA_GOOD

- Multiply the payment taxable base by the multilateral exemption rate.

  10,000 * 40% = 4,000

- There is no minimum taxable base for this tax type. The calculation must take account of the 10% exemption rate for the supplier.

  (4,000 * 4%) * (1 - 0.10) = 144

- There is no minimum withheld amount for this tax code. A TURN_CDBA_GOOD withholding distribution line for 144 is created.

SUSS_GRAL

- The taxable base amount is 10,000, which is multiplied by the withholding tax rate for the category. (10,000 x 0.02) = 200

- The calculated withholding tax of 200 is compared to the minimum withheld amount for the SUSS_GRAL tax type. Because the calculated amount is greater than 40, withholding tax applies.

After these calculations, the invoice will have the distribution lines shown in this table:

Invoice 1

Item 10,000.00

VAT 2,100.00

VAT_GOOD_21 -1,995.00

TURN_BSAS_GOOD -300.00

TURN_CDBA_GOOD -144.00

SUSS_GRAL -200.00

Payment to the supplier ABC1 is 12,100 - 2,639 = 9,461

B

Profile Options for the Americas

Overview

This appendix lists the profile options that affect the operation of Oracle Financials for the Americas. This appendix includes a brief description of each profile option that you or your system administrator can set at the site, application, responsibility, or user levels.

During implementation, your system administrator sets a value for each user profile option to specify how Oracle Financials for Mexico controls access to and processes data.

Profile Options Summary

The following tables indicates whether you can view or update profile options and at which levels your system administrator can update these profile options: the user, responsibility, application, or site levels.

A *Required* profile option requires you to provide a value. An *Optional* profile option already provides a default value which you can change.

The key for these tables is:

Table Header

- **Admin** - Abbreviation for *Administrator*.
- **Resp** - Abbreviation for *Responsibility*.
- **App** - Abbreviation for *Application*.

Table Values

- **Update** - You can update the profile option.
- **View Only** - You can view the profile option but cannot change it.

- **No Access** - You cannot view or change the profile option value.

Profile Options in Oracle Financials for Argentina

This section lists the profile options in Oracle Financials for Argentina that are referenced in this user guide.

Profile Option	Required	Default Value	User Access	SystemAdmin:User	SystemAdmin:Resp	SystemAdmin:App	SystemAdmin:Site
JG: Extended AWT Calculation	No	No Default	No Access	No Access	Update	Update	Update
JL AR Tax: Use Related Transactions for Threshold Checking	No	No Default	Update	Update	Update	Update	Update
JL: Copy Tax Identifier Number	Yes	*Yes*	View Only	No Access	Update	No Access	No Access
JL: Tax ID Validation Failure	Yes	No Default	View Only	No Access	Update	No Access	No Access

JG: Extended AWT Calculation

Use the JG: Extended AWT Calculation profile option to enable extended automatic withholding tax calculation.

JL AR Tax: Use Related Transactions for Threshold Checking

Set the JL AR Tax: Use Related Transactions for Threshold Checking profile option to *Yes* before you set up Oracle Receivables to calculate VAT and Turnover taxes.

JL: Copy Tax Identifier Number

Argentina uses the JL: Copy Tax Identifier Number profile option at the Responsibility level to copy the taxpayer ID concatenated with the validation digit into the Customer Number field.

JL: Tax ID Validation Failure

When taxpayer ID validations fail, error message codes are populated in the INTERFACE_STATUS field in the RA_CUSTOMERS_INTERFACE table. If the JL: Tax ID Validation Failure profile option is set to *Warning* for cross validation and algorithm failures, customer information is processed with warning messages, which are printed in the Customer Interface Transfer report. Conversely, if the JL: Tax ID Validation Failure profile option is set to *Error* for cross validation and algorithm failures, customer information is not processed and an error message appears.

Note: Oracle Applications System Administrator's Help

Profile Options in Oracle Financials for Brazil

This section lists the profile options in Oracle Financials for Brazil that are referenced in this user guide.

Profile Option	Required	Default Value	User Access	SystemAdminAccess:User	SystemAdminAccess:Resp	SystemAdminAccess:App	SystemAdminAccess:Site
JLBR Calendar Name	Yes	No Default	View Only	No Access	Update	Update	Update
JLBR Check Date Business Day Validation	Yes	No Default	View Only	No Access	Update	Update	Update

JLBR Calendar Name

The name of the business day calendar.

JLBR Check Date Business Day Validation

Business day validation for the payment date.

Profile Options in Oracle Financials for Chile

This section lists the profile options in Oracle Financials for Chile that are referenced in this user guide.

Profile Options for Chile

Profile Option	Required	Default Value	User Access	SystemAdminAccess:User	SystemAdminAccess:Resp	SystemAdminAccess:App	SystemAdminAccess:Site
JL: Copy Tax Identifier Number	Yes	*Yes*	View Only	No Access	Update	No Access	No Access
JL: Inflation Ratio Precision	Yes	No Default	View Only	No Access	Update	Update	Update
JL: Tax ID Validation Failure	Yes	No Default	View Only	No Access	Update	No Access	No Access

JL: Copy Tax Identifier Number

Chile uses the JL: Copy Tax Identifier Number profile option at the Responsibility level to copy the taxpayer ID concatenated with the validation digit into the Customer Number field.

JL: Inflation Ratio Precision

In Chile, companies are legally required to calculate inflation rates to a certain precision. Use the JL: Inflation Ratio Precision profile option to define the number of decimal positions for the precision of the inflation rate calculation. Oracle General Ledger and Oracle Assets round the rate to the number of decimal positions that you choose. Assign this profile option a value of 3.

JL: Tax ID Validation Failure

When taxpayer ID validations fail, error message codes are populated in the

INTERFACE_STATUS field in the RA_CUSTOMERS_INTERFACE table. If the JL: Tax ID Validation Failure profile option is set to *Warning* for cross validation and algorithm failures, customer information is processed with warning messages, which are printed in the Customer Interface Transfer report. Conversely, if the JL: Tax ID Validation Failure profile option is set to *Error* for cross validation and algorithm failures, customer information is not processed and an error message appears.

Profile Options for Colombia

Profile Option	Required	Default Value	User Access	SystemAdminAccess:User	SystemAdminAccess:Resp	SystemAdminAccess: App	SystemAdminAccess:Site
JG: Extended AWT Calculation	No	*Yes*	No Access	No Access	Update	Update	Update
JL AR Tax: Use Related Transactions for Threshold Checking	No	No Default	Update	Update	Update	Update	Update
JL: Copy Tax Identifier Number	No	*Yes*	View Only	No Access	Update	No Access	No Access
JL: Tax ID Validation Failure	Yes	No Default	View Only	No Access	Update	No Access	No Access

JG: Extended AWT Calculation

Use the JG: Extended AWT Calculation profile option to enable extended automatic withholding tax calculation.

JL AR Tax: Use Related Transactions for Threshold Checking

Set the JL AR Tax: Use Related Transactions for Threshold Checking profile option to *Yes* before you set up Oracle Receivables to calculate VAT and Turnover taxes.

JL: Copy Tax Identifier Number

Colombia uses the JL: Copy Tax Identifier Number profile option at the Responsibility

level to copy the taxpayer ID concatenated with the validation digit into the Customer Number field.

JL: Tax ID Validation Failure

When taxpayer ID validations fail, error message codes are populated in the INTERFACE_STATUS field in the RA_CUSTOMERS_INTERFACE table. If the JL: Tax ID Validation Failure profile option is set to *Warning* for cross validation and algorithm failures, customer information is processed with warning messages, which are printed in the Customer Interface Transfer report. Conversely, if the JL: Tax ID Validation Failure profile option is set to *Error* for cross validation and algorithm failures, customer information is not processed and an error message appears.

Profile Options for Mexico

Profile Option	Required	Default Value	User Access	SystemAdminAccess:User	SystemAdminAccess:Resp	SystemAdminAccess:App	SystemAdminAccess:Site
JL: Inflation Ratio Precision	Yes	No Default	View Only	No Access	Update	Update	Update

JL: Inflation Ratio Precision

Use the JL: Inflation Ratio Precision profile option to define the number of decimal positions for the precision of the inflation rate calculation. Oracle General Ledger and Oracle Assets round the rate to the number of decimal positions that you choose.

Related Topics

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

Overview of Setting User Profiles, *Oracle Applications System Administrator's Guide*

C

Brazil

Brazilian Import

Data Model Changes

Import content related attributes:

Column Name	Datatype	Size	Mandatory	Description
IMPORT_CONTENT	NUMBER	-	NULL	Import Content
FCI_NUMBER	VARCHAR2	150	NUL	Import Content Form Number

The above import content related attributes were added to the following tables:

- JL_BR_INTERFACE_LINES_EXTS
  - Extension for the interface table RA_INTERFACE_LINES_ALL
- JL_BR_CUST_TRX_LINES_EXTS
  - Extension for the line level table RA_CUSTOMER_TRX_LINES_ALL
- • JL_BR_INV_API_TRX_LINES_T
  - Temporary extension table used by the Create Invoice API process

Importing Additional Attributes

Auto Invoice

SQL*Loader program can be used to upload data into RA_INTERFACE_LINES_ALL interface table.

Customers must track which attribute set corresponds to which AR interface line. Also ensure their SQL*Loader program (or any other mode used to upload data) is modified so that, when single line gets inserted into RA_INTERFACE_LINES_ALL table, the loader program will read the line ROWID and corresponding attribute data and make a parallel entry in JL_BR_INTERFACE_LINES_EXTS table storing ROWID value into column JL_BR_INTERFACE_LINK_ID.

> **Note:** This activity can be performed synchronously (as records get inserted into RA_INTERFACE_LINES_ALL) or in bulk mode, after AR interface table is populated.

Create Invoice API

Similar to the Auto Invoice process, Receivables provides the Create Invoice API scripts which can be executed by users.

In case of Create Invoice API, user populates the PL/SQL header and Lines table for capturing data related to Invoice header and lines.

When Capturing Header Level Attributes:

- Any header level attributes inserted in the JL temporary table JL_BR_INV_API_TRX_LINES_T must be identified by TRX_HEADER_ID column.

When Capturing Line Level Attributes:

- The additional line level attributes (for example, Import Content, etc.) inserted in the JL temporary table JL_BR_INV_API_TRX_LINES_T must be identified by TRX_HEADER_ID and TRX_LINE_ID columns.

In summary, the columns TRX_HEADER_ID (mandatory in both cases) and TRX_LINE_ID (mandatory only for line level attributes), work as the mapping columns between Invoice API's PL/SQL table and globalization JL_BR_INV_API_TRX_LINES_T table.

Process Flows vs. Defaulting Logic of Attributes

Flow Attribute	Create Item from Item Template (Setup)	Transactions Workbench (Manual Entry)	Autoinvoice (from OM flow)	Autoinvoice (populating interface tables)	Create Inv. API (populating API tables)	Copy Invoice
Defaulted from Item Template (GDF)	Defaulted from Item Template (GDF)	Defaulted from Item	Not defaulted from Item (must be populated manually)	Defaulted from OM (Line level GDF)	Not defaulted from Item (must be populated manually)	Defaulted from Source Transaction
Import Content Related Fields	Defaulted from Item Template (GDF)	Defaulted from Item		Defaulted from Item (GDF)	Not defaulted from Item (must be populated manually)	Defaulted from Source Transaction

Defaulting Order of Precedence vs. Combination of Driver Attributes

Defaulting Order of Precedence vs. Combination of Driver Attributes

Order of Precedence	Attribute 1	Attribute 2	Attribute 3	Attribute 4	Attribute 5	Attribute 6
1	Transaction Type	Transaction Business Category	Item Origin	Product Fiscal Classification (or Product Category)	Item (or Memo Line)	Customer Ship-to Site
2	Transaction Type	Transaction Business Category	Item Origin	Product Fiscal Classification (or Product Category)	Item (or Memo Line)	-

Order of Precedence	Attribute 1	Attribute 2	Attribute 3	Attribute 4	Attribute 5	Attribute 6
3	Transaction Type	Transaction Business Category	Item Origin	Product Fiscal Classification (or Product Category)	-	-
4	Transaction Type	Transaction Business Category	Item Origin	-	-	-
5	Transaction Type	Transaction Business Category	-	-	-	-
6	Transaction Type	-	-	-	-	-

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