Oracle Fusion Cloud Financials

Using Financials for Asia/Pacific

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Contents

Get Help i

1 Receivables 1

Manage Golden Tax Transactions 1

2 Country Specific 7

Bangladesh 7
China 18
India 80
Japan 161
Korea 170
Singapore 202
Taiwan 209
Thailand 211

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1 Receivables

Manage Golden Tax Transactions

Overview of the Golden Tax Adaptor

Golden Tax, or VAT invoicing software, is an integrated nationwide value-added tax (VAT) monitoring service in China.

All businesses operating in Mainland China are required to use government-certified VAT invoicing software to generate VAT invoices, VAT calculations, and statutory tax reporting. Chinese government policies require all businesses to issue all VAT invoices through the Golden Tax service.

The Golden Tax Adaptor provides integration between Oracle Fusion Receivables and the Aisino Golden Tax VAT printing system. The Golden Tax Adaptor manages the conversion of Receivables transactions to VAT invoices for China.

The Golden Tax Adaptor and the Aisino Golden Tax system together manage the processing of Receivables transactions for Golden Tax for China.

The key steps in the Golden Tax process are:

- Create or import transactions in Oracle Fusion Receivables.
- Transfer Receivables transactions to the Golden Tax Adaptor as Golden Tax transactions.
- Modify the Golden Tax transactions to conform to the requirements of VAT invoices for China.
- Generate a flat file of VAT invoices for import into the Aisino Golden Tax system

After the Aisino Golden Tax system generates VAT invoices from the Golden Tax Adaptor data:

- Import VAT invoice data from the VAT invoicing software.
- Review and compare the imported VAT invoice data with the original Receivables transaction.
- Correct any discrepancies between the VAT invoice and the original Receivables transaction.

How You Manage Golden Tax Transactions

When you transfer receivables transactions to the Golden Tax Adaptor, this creates Golden Tax transactions (child VAT invoices) according to the transfer rule and Golden Tax system options that you have defined.

Before you generate a flat file and export Golden Tax transactions to the Aisino Golden Tax system, review the transactions and make any necessary updates.

> **Note:** The Golden Tax Adaptor feature supports the Aisino HQ flat file interface for the integration of Oracle Fusion Receivables and the Aisino Golden Tax VAT printing system.

Update Golden Tax Transactions

You can make these updates to Golden Tax transactions:

- Update this header-level information:
  - Status
  - Customer Name
  - Invoice Description

    > **Tip:** If a credit memo transferred from receivables is applied to a split transaction, you can enter the appropriate invoice category and VAT invoice number in the credit memo description.

  - Customer Address and Telephone Number
  - Bank Name
  - Bank Account Number

    > **CAUTION:** If bank account numbers are masked, then you don't have the user permission to generate a flat file and export Golden Tax transactions.

- Update this line-level information:
  - Item Name
  - Item Description
  - Item Model
  - Tax Denomination
- Delete an invoice: Deleting an invoice only removes it from the Golden Tax Adaptor. You can transfer the same receivables transaction the next time you run the transfer process.

  Deleting an invoice also deletes all child invoices belonging to the same receivables transaction.
- Disable an invoice line: Use the **Disable** option to exclude a transaction line from export.
- Consolidate transactions.

Export Golden Tax Transactions

When you're satisfied with your Golden Tax transactions, you can generate the flat file to use to export data to the VAT invoicing software. You can export data either from the Manage Golden Tax Transactions for China page or from the Export Golden Tax Transactions for China program.

To export Golden Tax transactions from the Manage Golden Tax Transactions for China page, select the transactions you want and click the **Generate File** button. If necessary, number the batch for the file generation.

Use the Export Golden Tax Transactions for China program to export transactions for the specified business unit, tax registration number, and invoice type, along with any other parameter values you specify. If necessary, number the batch for the file generation.

Related Topics

- How You Consolidate Golden Tax Transactions
- Why didn't the transactions transfer to the Golden Tax Adaptor?
- Golden Tax Profile Options

Golden Tax Statuses

The Golden Tax statuses reflect the modifications to Golden Tax transactions throughout the export and import process.

Here are the Golden Tax statuses:

- Draft:

  Initial status when the Golden Tax transaction is transferred from Receivables.
- Generated:

  The Golden Tax transaction is successfully exported to the data file.
- Completed:

  The corresponding VAT invoice created in the VAT invoicing software is successfully imported into the Golden Tax Adaptor.
- Canceled:

  The corresponding VAT invoice created in the VAT invoicing software was canceled.

  You can enter this status against the Golden Tax transaction manually. In addition, the Golden Tax transaction is updated to this status automatically during import from the VAT invoicing software.

  If you update the status to Draft, a new version of the Golden Tax transaction is created in the Golden Tax Adaptor, if the current version is already associated with a VAT invoice.
- Failed:

  The Golden Tax transaction wasn't successfully imported into the VAT invoicing software.

  Enter this status manually for applicable Golden Tax transactions with the status Generated.

  If you resolve the import error, you can change the status to Draft and try the import again.
- Consolidated:

  The Golden Tax transaction is part of a consolidated transaction.

  The Golden Tax transaction is updated to this status automatically during consolidation. If the Golden Tax transaction is later deleted or unconsolidated, the status reverts to Draft.

You can use the **Change Status** window to select and update the status of multiple Golden Tax transactions. All the transactions you select must be in the same status.

How You Consolidate Golden Tax Transactions

After transferring receivables transactions to the Golden Tax Adaptor and creating Golden Tax transactions (child VAT invoices), it's often necessary to consolidate separate transactions created by the transfer process into a single transaction.

For example, the transfer process can include both invoices and credit memos that are applied to these invoices or, a customer may prefer to receive one invoice with a larger consolidated amount than a number of smaller invoices.

Managing Consolidation

You can consolidate Golden Tax transactions into a single transaction that share these attributes:

- Header Level:
  - Tax Registration Number
  - Customer
  - Customer Address
  - Customer Telephone Number
  - Bank Name
  - Bank Account Number
  - Invoice Type
- Line Level:
  - Item Name
  - Item Description
  - Item Model
  - UOM
  - Tax Rate Code

These restrictions apply to consolidated transactions:

- You can create only one consolidated transaction that shares all of these attributes.
- You can create a consolidated transaction from transactions in multiple accounting periods, but the Golden Tax Adaptor issues a warning for this type of consolidation in case this was done in error.
- Consolidated transactions must conform to the limits defined on Golden Tax system options.

Use the **Consolidate** window to select the rules to use to consolidate transaction lines into a single line:

- **Enable sales list**: Enable this option to use a sales list. If the consolidated transaction uses a sales list, then there is no limit on the number of lines.
- **Enable line consolidation**: Enable this option to allow the consolidation of transaction lines.
- **Same price**: Enable this option to consolidate transaction lines with the same item and price into a single line.

- **Same discount rate**: Enable this option to consolidate transaction lines with the same item and discount rate into a single line.

Reviewing Consolidated Invoices

After you consolidate Golden Tax transactions, you must still review and, if necessary, update information before generating the flat file for export.

If you have many consolidated transactions to review, you can use the Golden Tax Transaction Consolidation Detail Report for China program to generate a report of parent consolidation transactions and their consolidated child transactions.

If necessary, select Unconsolidate from the Actions menu to separate transactions that you previously consolidated.

How You Review Discrepancies in Golden Tax Transactions

Use the Golden Tax Discrepancy Report for China to review discrepancies in your Golden Tax Adaptor data.

The Golden Tax Adaptor uses and maintains three types of data:

- Receivables transactions.
- Golden Tax transactions created during the transfer process.
- Completed VAT invoices imported from the VAT invoicing software.

The data in all three of these records must match. You must identify and correct any discrepancies in the data in these three records. VAT invoices are legal documents and the data in the original receivables transactions, especially VAT calculations, should match the data in the VAT invoicing software.

This data may contain discrepancies for one or more of these reasons:

- Original receivables transactions were modified after transfer to the Golden Tax Adaptor.
- Data in the Golden Tax Adaptor was modified before export to the VAT invoicing software.
- Data was modified in the VAT invoicing software before the VAT invoices were generated.
- VAT calculations in the VAT invoicing software may differ from the Golden Tax Adaptor and may contain small rounding errors.
- Data was modified manually in the flat files exported from the Golden Tax Adaptor or the VAT invoicing software.

The report displays in separate columns the values from the receivables transactions, the Golden Tax Adaptor, and the VAT invoicing software. For consolidated transactions with discrepancies, the report separately displays the values for the original receivables transactions, the consolidated Golden Tax Adaptor transaction, and the VAT invoice created in the VAT invoicing software.

FAQs for Manage Golden Tax Transactions

How can I review Golden Tax transactions?

During the transfer, the Golden Tax Adaptor splits receivables transactions into individual Golden Tax transactions. Each transaction is assigned a unique number called Golden Tax Transaction Number.

Here's how a Golden Tax Transaction Number looks:

```
(Receivables Transaction ID) (Group Number) (Version)
```

where `(Version)` numbers each split transaction.

The VAT invoicing software creates a separate invoice for each Golden Tax transaction.

Use the link in the **Receivables Transaction Number** column to view the original receivables transaction.

How can I review imported VAT invoices?

Use the Import VAT Invoices for China program to import VAT invoice information from the VAT invoicing software.

After the import, you can review the VAT invoices. You can also compare them to the original receivables transactions and the Golden Tax transactions (VAT child invoices).

Select the VAT invoice you want to review. Next, select Actions > View Golden Tax Transaction to get the Golden Tax transaction from which the VAT invoice was created.

Similarly, you can view the original receivables transaction. Just use the link in the Receivables Transaction Number column.

Why do multiple VAT invoices map to a Golden Tax transaction?

The original transaction had one or more items with a long item description.

When you export Golden Tax transactions, the item descriptions in any invoice line can't be more than 14 characters long (Chinese characters). The VAT invoicing application considers this limit to split invoice lines. If the description exceeds this limit, the invoice line is split into two or more lines. Sometimes, the number of these new lines exceeds the maximum number of lines for a VAT invoice. In such cases, the invoice is split into two or more.

The entire description shows up as the item name on a split invoice. You can see this when you import the VAT invoices from the invoicing application into the Golden Tax Adaptor.

2 Country Specific

Bangladesh

Configure Withholding and Value Added Tax for Bangladesh

Overview of Configuration of Withholding & Value Added Tax for Bangladesh

Here is the broad overview of implementation considerations for configuring Bangladesh Withholding Tax (WHT) and Value Added Tax (VAT) requirements in the Procure-To-Pay (P2P) Cycle.

Withholding Tax Certificate is a report that a company issues to its suppliers as evidence that the tax was withheld from payments made to them.You'll learn how to configure the requirements of Bangladesh on WHT and VAT in P2P cycle in Oracle ERP Cloud.

This section provides different approaches for mapping requirements of Bangladesh on Withholding tax and VAT without a challan.

You must get familiarized with the solution capabilities of configuring country-specific requirements with global capabilities offered in Oracle ERP Cloud. The documents listed below help buid a broader understanding of configurable solution capabilities that the tax engine of Oracle ERP Cloud offers in mapping the tax requirements based on country-specific needs.

Follow these steps to configure Fusion Tax & troubleshooting:

- Fusion Tax Resolution Flow (Doc ID 2399874.2)
- Global Withholding Tax: Case Study: Manage Withholding tax Compliance in Oracle ERP Cloud (Doc ID 2449552.1)
- India Withholding Tax: Checklist for Configuring Withholding Tax for India (Doc ID 2450683.1)
- Legal Reporting Unit (LRU): How to Configure Legal Reporting Units as per the Business Requirement (Doc ID 2678661.1) and Reference Note: 2492641.1

Before setting up a transaction tax for Bangladesh, you must set up these entities:

- Data Security

  Assign the predefined Tax Manager Job role to the user. For more information on predefined job roles, see Oracle Applications Cloud Security Reference for Common Features guide.
- Enterprise Structure

  Model your enterprise to meet your legal and management objectives. For more information on configuring enterprise structures, see ‘Using Rapid Implementation Spreadsheets’ chapter in Getting Started with Your Financials Cloud Implementation guide.
- Common Setups for Payables, Purchasing, and Landed Cost Management

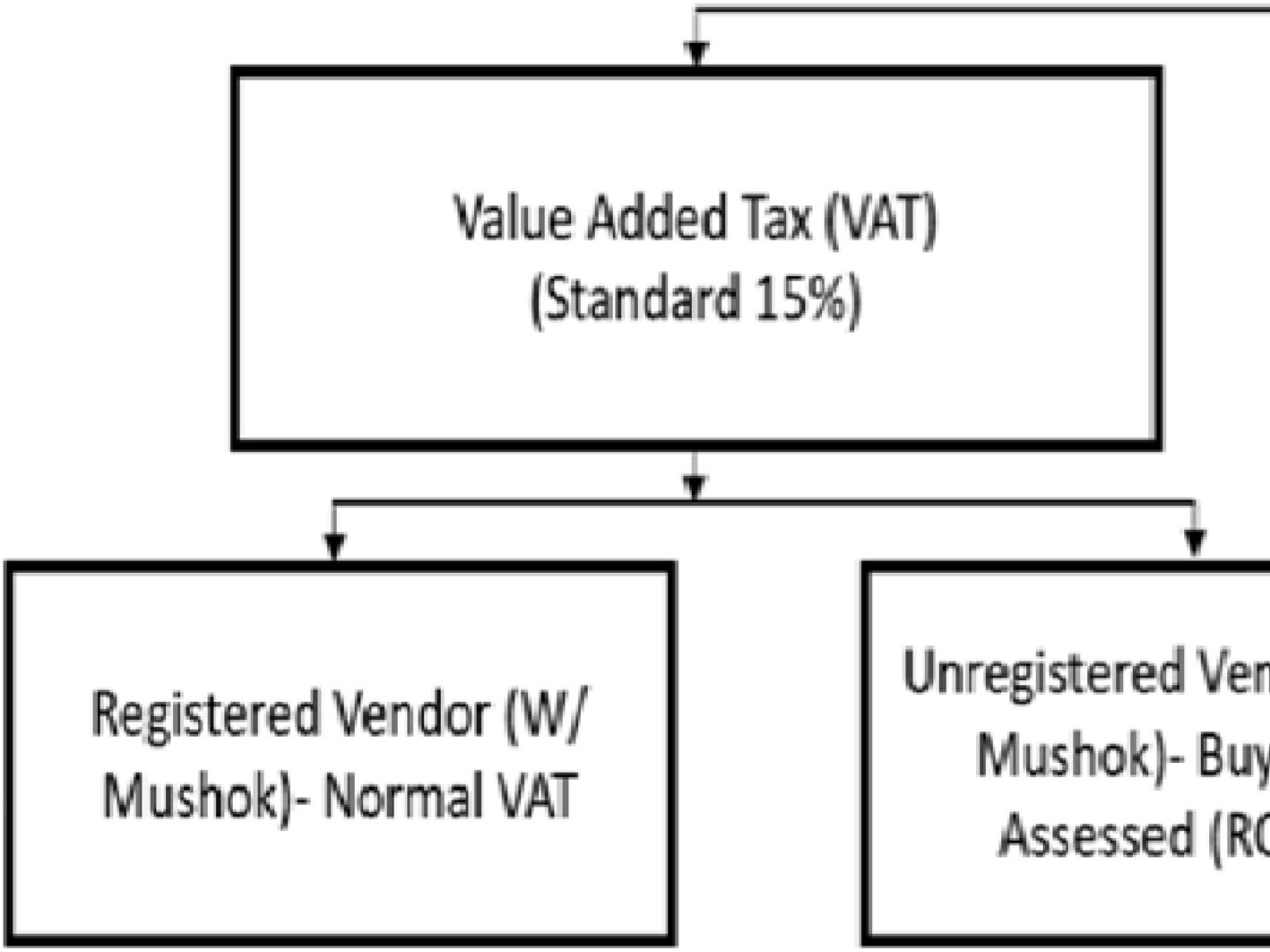
  For more information on implementing Oracle Financials Cloud, see ‘Getting Started with Your Financials Cloud Implementation’ guide and the Oracle Supply Chain Management Cloud.
- Cost Accounting Method

See Oracle Fusion Applications Procurement, Cost Accounting and Receipt Accounting Implementation guide.

Tax Compliance Requirements For Bangladesh In P2P Cycle

Here are tax compliance requirements for Bangladesh in P2P Cycle.

This image shows the tax compliance requirements for Bangladesh in P2P cycle.


Value Added Tax (VAT)
(Standard 15%)
Registered Vendor (W/
Mushok)- Normal VAT
Unregistered Ven
Mushok)- Buy
Assessed (RC

Manage Withholding Tax (WHT) on Purchases

Purchase of Goods

Withholding tax requirements are classified based on the purchase of goods, purchase of services, and the type of vendor organization. Here are the withholding tax requirements classified based on the purchase of goods.

Accounting units used across this document:

- 100k = 1 Lakh;
- 10 Lakhs = 1 Million;
- 10 Million = 1 Crore

Oil

Oil may be purchased from:

- Company;
- Dealer;
- Gas Transmission Company.

This table displays the withholding tax requirements based on purchase of oil:

Slab	Amount Threshold/FY	Company	Dealer	Gas Transmission Company
1	Less than 2 Lakhs	Nil	1%	3%
2	Above 2 Lakhs	0.60%	1%	3%

Other than Oil

All items excluding oil are classified under **Other than Oil**.

This table displays the withholding tax requirements based on purchase of goods excluding oil:

Slab	Amount	Rate
1	Less than 20 Lakhs	3%
2	Greater than 20 Lakhs - Less than 1 Crore	4%
3	Greater than 1 Crore	5%

Purchase of Services

Withholding tax requirements are classified based on the purchase of goods, purchase of services, and the type of vendor organization. Here are the withholding tax requirements classified based on the purchase of services.

Construction Contract or Subcontract

This table displays the withholding tax requirements based on purchase of services such as Construction Contract or Subcontract:

Slab	Amount	Rate
1	Up to 2 Lakhs	Nil
2	Greater than 2 Lakhs - Less than 5 Lakhs	1%
3	Greater than 5 Lakhs - Less than 10 Lakhs	2%
4	Greater than 10 Lakhs - Less than 25 Lakhs	3%
5	Greater than 25 Lakhs - Less than 1 Crore	4%
6	Greater than 1 Crore - Less than 5 Crore	5%
7	Greater than 5 Crore - Less than 10 Crore	6%
8	Above 10 Crores	7%

Services other than Construction

Services may be purchased from:

- Motor garage
- Transport or car rent
- All other services

This table displays the withholding tax requirements based on purchase of all services excluding construction contract or subcontracts.

Slab	Amount	Motor Garage & Workshop	Transport or Car Rent	Services-Others
1	Up to 25 Lakhs	6%	3%	10%
2	Above 25 Lakhs	8%	4%	12%

Set Up Withholding Tax (WHT) on Purchases

Complete the setup checklist:

1. Define Payables Special Calendar.
   a. Navigate to Tax Manager, Setup and Maintenance.
   b. Select Setup: Financials and Transaction Tax.
   c. Search for Manage Withholding Tax Calendar.
   d. Create a Payables Calendar with Type as General Purpose.

   For period-based thresholds, a special calendar is required. If the Slabs (thresholds) are for the entire financial year, then the number of calendar periods should be the one covering the full financial year.
2. Create Classification Category - Bangladesh Vendor Type.

   Give a name, for example BD VENDOR TYPE and complete the Entity Assignment. This table displays the where clause for a table name:

Table Name	Where Clause
HZ_PARTIES	WHERE PARTY_TYPE = 'ORGANIZATION'

3. Create Classification Code. Create vendor classification codes as per your business require-ments.For example Goods, OIL-Company/
4. Run the scheduled process - Classification Hierarchy Generation and make sure that the program completes successfully
5. Create Party Fiscal Classification - Bangladesh Vendor Types. Associate a Tax Regime and classification code to Party Fiscal Classification.
6. Assign appropriate classification code at the vendor site for example, Party Site Tax Profile - Classification assignment.

   > **Note:** You may assign different Fiscal Classification Codes to diferent sites of the same vendor per business requirement demands.

7. Set the Configuration Owner Tax Options (COTO) Setup default farameters.You must enable **Standard Invoices**. If required, enable **Prepayment Invoices**.
8. Set up a Withholding Tax Regime for Bangladesh.
9. Set up Tax Regime, Jurisdiction, Status, and Rate. The default value is Jurisdiction, Status and Rate.

   > **Note:** You must enable **Apply single rate on total taxable basis**. This allows tax to be calculated on the older invoices when the Period Level Threshold is exceeded.

10. Set the Tax rate for Tax, for example Setup Tax rate for Tax - (Period - Rate Schedule based).

    Define one rate schedule for each vendor type.
11. Set the tax rule so that the application can derive the tax and tax rate based on the rules.

    You must define Tax Rule - Determining Factor Set, Tax Condition Set, and Tax Applicability Rule.
12. Set the Legal Reporting Unit (LRUs). The Setup LRUs under a BU for an LE. Configure the threshold at the tax level. Map the tax to a regime and associate it to an LRU.
    a. Create Legal Reporting Unit Withholding Tax Registration by selecting Tax Registration Type as **Others** and Validation Type as **ORA_IN_TAN**.
    b. In the **Registration Number** field, enter TAN.

Use case 1: AP Invoice Transaction Flow with Automatic Withholding Tax Defaulting

This section provides a detailed view of AP invoice transaction flow with Automatic Withholding Tax (AWT) defaulting use case.

Invoice for Purchase of Service – from a Motor Garage

This table shows the invoice for purchase of service from a motor garage.

Slab	Amount	Motor Garage and Workshop	Transport or Car Rent	Services - Other
1	Up to 25 Lakhs	6%	3%	10%
2	Above 25 Lakhs	8%	4%	12%

Note: In the above table, motor garage and workshop withholding tax rate is defaulted.

Use Case for Motor Garage and Workshop

This table shows the invoice for purchase of service from a motor garage.

#	VENDOR	INVOICE NO	AMOUNT	DETAILS / TDS %	TDS DEDUCTED	NET PAID
1	Amazon Progress	1st Invoice	2,000,000	6%	120,000	1,880,000
2	Amazon Progress	2nd Invoice	500,000	6%	30,000	470,000
3	Amazon Progress	3rd Invoice	1,000	WHT amount restricted to Inv Amount	1,000	-49,080
		Total	**2,501,000**	**8%**	**200,080**	
				TDS Already Deducted (# 1+2+3)	151,000	
				Balance TDS to be De-ducted (# 4 - 5)	49,080	
7	Amazon Progress	4th Invoice	500,000	8%	40,000	410,920
				Total WHT deducted in 4th Invoice **(# 6+7)**	**89,080**	

Invoice # BD-NC-GAR-4

This table displays the amounts deducted for the invoice BD-NC-GAR-4:

Line	Rate Name	Rate	Amount	Calculation Point	Regime	Tax Name	Tax Jurisdiction
2	1099-BD-SV-MO-GARAG...	17.816	-89080.00	Invoice	WHT-Progress US Busine...	1099-BD-SV-MO-GARAGE	1099-BD-SVC-MO-GARAGE-JURI

Withholding Tax Invoices Generated on Tax Authority (IRS)

This table shows the withholding tax invoices generated on tax authority.

Invoice Number	Invoice Date	Creation Date	Supplier or Party	Supplier Site	Unpaid Amount	Invoice Amount	Applied Prepayments
Withholding tax - 30000...	5/27/20	5/27/20 5:47 AM	Internal Revenue Server	Prog US Tax	120,000.00 USD	120,000.00 USD	0.00 USD
Withholding tax - 30000...	5/27/20	5/27/20 5:50 AM	Internal Revenue Server	Prog US Tax	30,000.00 USD	30,000.00 USD	0.00 USD
Withholding tax - 30000...	5/27/20	5/27/20 5:53 AM	Internal Revenue Server	Prog US Tax	1,000.00 USD	1,000.00 USD	0.00 USD
Withholding tax - 30000...	5/27/20	5/27/20 5:57 AM	Internal Revenue Server	Prog US Tax	89080.00 USD	89080.00 USD	0.00 USD

In the above table, Invoice Type is Withholding tax type and Validation status is Not validated.

Use Case: 2 AP Invoice Transaction Flow with AWT on Purchase of Goods

This section provides a detailed view of AP invoice transaction flow with Automatic Withholding Tax (AWT) on purchase of goods use case.

Purchase of Goods – Other than Oil

This table shows the invoice for purchase of goods other than oil:

SLAB	AMOUNT	RATE
1	Less than 20 Lakhs	3%
2	Greater than 20 Lakhs - Less than 1 Crore	4%
3	Greater than 1 Crore	5%

Use Case for Goods – Other than Oil

This table shows the usecase for goods other than oil:

#	VENDOR	INVOICE NO	AMOUNT	DETAILS / TDS %	TDS DEDUCTED	NET PAID
1	Advanced Corp	1st Invoice	18,00,000	3%	54,000	17,46,000
2	Advanced Corp	2nd Invoice	2,00,000	3%	6,000	1,94,000
3	Advanced Corp	3rd Invoice	2,000	WHT restricted to the Invoice Amount	2,000	-18,080
4		Total	20,02,000	4%	80,080	
5				TDS Already Deducted (#1+2+3)	62,000	
6				Balance TDS to be Deducted (#4-5)	18,080	
7	Advanced Corp	4th Invoice	80,00,000		4,38,100	75,84,000
8		Total	########	5%	5,00,100	
9				TDS Already Deducted (#5)	62,000	
10				Balance TDS to be Deducted (#8-9)	4,38,100	

Create Invoices for Purchase of Goods Other than Oil

- Invoice # BD-NON-OIL-1
- Invoice # BD-NON-OIL-2
- Invoice # BD-NON-OIL-3
- Invoice # BD-NON-OIL-4

Withholding Tax Invoices Generated on Tax Authority (IRS)
This table shows the withholding tax invoices generated on tax authority.

Invoice Number	Invoice Date	Creation Date	Supplier or Party	Supplier Site	Unpaid Amount	Invoice Amount
Withholding tax - 30000	5/27/20	5/27/20 6:01 AM	Internal Revenue Server	Prog US Tax	54,000.00 USD	54,000.00 USD
Withholding tax - 30000	5/27/20	5/27/20 6:05 AM	Internal Revenue Server	Prog US Tax	6,000.00 USD	6,000.00 USD
Withholding tax - 30000	5/27/20	5/27/20 6:07 AM	Internal Revenue Server	Prog US Tax	2,000.00 USD	2,000.00 USD
Withholding tax - 30000	5/27/20	5/27/20 6:09 AM	Internal Revenue Server	Prog US Tax	438,100.00 USD	438,100.00 USD

In the above table, Applied Prepayment is Not paid and Validation status is Not validated.

Value Added Tax on Purchases for Bangladesh

Value Added Tax (VAT) is a tax applicable on purchases in the P2P cycle. The standard VAT rate of 15% on value is applicable for all transactions other than those specifically exempted.

VAT with Mushak (Challan)

VAT must be charged by a VAT registered vendor on the sale of goods or services or both. A VAT registered vendor is responsible for collecting VAT on their sales which must be remitted to the government account at specified intervals.

VAT charged will be collected from the buyer. The buyer must account for the VAT charged by the vendor in their account books and account the same as a payable liability to the vendor.

VAT without Mushak (w/o Challan)

In cases where a VAT registered buyer makes purchases from a vendor who is not registered under the VAT regime, the responsibility of accounting the VAT liability payable will be with the buyer. This means VAT is self-assessed by a VAT registered buyer on purchases made from vendors who are not registered under the VAT regime.

The standard VAT rate is 15% and for specific transactions VAT at reduced rates could be applicable. There are cases where VAT is completely exempted.

Here is an example where a standard transaction with VAT and WHT applicable for a VAT registered vendor:

#	Particulars	Amount (TAKA)
1	Gross Amount	1000
2	VAT Amount (15%)	150
3	Total Bill Amount	1150
4	Withholding Tax (3%)	30
5	Net Payment to Vendor (Sl.3-4) = (1150-30)	1120
	Other Invoice / liability Amounts:	
6	Withholding Tax liability (Tax Authority)	30

Here is an example where standard VAT and WHT are applicable for a VAT unregistered vendor. In such cases, vendor will not apply VAT; the buyer will apply VAT as self-assessed tax. Depending on the applicability, buyer can also collect WHT.

#	Particulars	Amount (TAKA)
1	Invoice Amount as per Vendor	1000
2	VAT Amount (15%) – Self Assessed / RC Tax	150
3	Withholding Tax (3%)	30
4	Net Payment to Vendor (Sl.1-3) = (1000-30)	970

#	Particulars	Amount (TAKA)
	Other Invoice / liability Amounts:	
5	Self-Assessed (RC) VDS Tax liability (Tax Authority)	150
6	Withholding Tax liability (Tax Authority)	30

Using global tax capabilities, you can configure Bangladesh VAT requirements (Purchases with Mushak) for purchases made from registered vendors. The taxes applicable for a transaction can be defaulted to a P2P transaction by appropriately configuring the tax setups and tax rules. The user can modify taxes defaulted with manual intervention.

Requirements for configuring VAT liability to be accounted by the buyer (Purchases without Mushak) where the VAT liability must be accounted and paid to the government by the buyer can be mapped using Oracle ERP Cloud Tax 'selfassessed' functionality.

VAT on Purchases in Oracle ERP Cloud

Applicable VAT can be defaulted to the Purchase order/receipt/AP invoice by appropriately configuring the VAT defaulting rules. It is recommended to map the requirements with standard VAT 'Regime to Rate' flow configuration, using item category with exemptions for exports/deemed export and so on as needed for defaulting rules at the vendor classification level. For more details, refer to 'Advisor Webcast' sessions.

To default taxes in the P2P cycle, Tax Rules can be configured. For details, refer to MOS Doc ID 2399874.2

Customers can also account the VAT charged by the vendor in the AP invoice by manually inserting a tax line with VAT type of tax with the applicable tax rate.

Self-Assessed VAT on Purchases in Oracle ERP Cloud

In case of VAT unregistered vendors, a vendor cannot collect VAT or provide Mushak / Challan. In such a case, the buyer should account the VAT liability and pay the same to government account. This requirement can be mapped by configuring the Oracle ERP Cloud Tax self-assessed capability.

Depending on the volume and business requirement, the self-assessed or reverse charge VAT can be achieved either through manual intervention at the time of invoice entry, by checking the check box or automatic defaulting through specific setup. Setup for self-assessed or Reverse Charge of VAT is much like standard VAT setups where certain additional configurations are required.

It is recommended to go through the documentation listed below:

- MOS document 'Fusion: How to Setup Self Assessed Tax? (Doc ID 2388005.1)'
- Oracle Fusion Help – Topical Essay 'Settings That Affect Self-Assessment of Taxes'

Additional configurations required are shown below to make the VAT self-assessed and defaulted automatically at the time of AP invoice transactions.

First Party Tax Registration

Tax Manager > Setup and Maintenance > Setup: Financials > Transaction Tax > Manage Tax Registrations > Search for

LRU Tax Profiles (for example: France Legal Entity) > Create Tax Registration

Tax Manager > Setup and Maintenance > Setup: Financials > Transaction Tax > Manage Tax Rules > Search for

Transaction Tax (B) > Tax Rule type > Tax Applicability Rules> Create New Rules

5.5.2. Illustration of Self Assessed VAT Defaulting

Log in as PAYABLES SPECIALIST role > Payables > Invoices > Create Invoice

5.5.2.1. Sample Screenshot of Reverse Charged Tax on AP Invoice # BD-3

China

How You Export Enterprise Financial Data for China

You can export financial data from Oracle Fusion Applications into a national standard format developed by the National Audit Office of the People's Republic of China.

The format is based on the Financial Information Technology - Data Interface of Accounting Software (GB/T 24589-2010) standard, and approved by the Standardization Administration of the People's Republic of China.

You can export financial data from:

- Oracle Fusion Financials Common Module
- Oracle Fusion General Ledger
- Oracle Fusion Payables
- Oracle Fusion Payments
- Oracle Fusion Receivables
- Oracle Fusion Subledger Accounting
- Oracle Fusion Assets

Settings That Affect Enterprise Financial Data Export for China

Before exporting the financial data, complete these setup tasks:

- Define general information for an accounting book based on a specific legal entity. For example, book name, book number, company name and organization code.
- Export general ledger cash journals and general ledger accounts. Use the Local Use segment qualifier available in Oracle Fusion General Ledger to identify the cash flow segment. Assign one segment in the chart of accounts as Local Use.
- Specify the cash flow statement rows to use in the cash flow statement, including both the main statement and the supplementary schedule. These attributes are required with other cash flow item attributes:
  - Item source

    Identifies the reporting item source in the statutory cash flow statement, such as main statement or supplementary statement.
  - Item attribute

    Indicates the attribute of cash flow statement reporting item, for example, the direction of cash flow, like inflow or outflow.

- Define the subsidiary account sources based on the chart of accounts. These types of subsidiary account sources are available:
  - All chart of account segments, except balancing segment and natural account segment
  - Third party, such as customer, supplier, and employee supplier information
  - Project number
- Define the text formulas for the depreciation methods in Assets.
- Specify the descriptive flexfields and attributes to store additional information.
- Run the Itemize Account and Journal for China process before exporting any financial data. The process is based on a ledger and generates the itemized amount and balance for each natural account along with available subsidiary account information according to the Chinese standards.

How Financial Data Is Exported

Use these scheduled processes to export financial data into an XML format as specified by the Chinese standards. The files are exported based on the legal entities.

Scheduled Process	Purpose	XML Contents
Export Shared Information Data for China: Enterprise process	Exports shared information data for an enterprise.	• Electronic accounting book • Accounting period • Journal category • Exchange rate type • Currency • Settlement method • Supplier record • Customer record • User-defined record • User-defined record value
Export General Ledger Data for China: Enterprise process	Exports data from General Ledger for an enterprise.	• Basic general ledger information and natural account information from the chart of accounts • Subsidiary items of the account • Cash flow items • General ledger account balance and period amount • General ledger journals and journals related to cash flow item segment • Report set and report item information from balance sheet, income statement, cash flow statement, and statement of change in equity reports available in Oracle Hyperion
Export Payables and Receivables Data for China: Enterprise process	Exports data from Payables and Receivables for an enterprise.	• Document type • Transaction type • Payables balance detail

Scheduled Process	Purpose	XML Contents
		• Receivables balance detail
Export Fixed Assets Data for China: Enterprise process	Exports data from Assets for an enterprise.	• Basic fixed asset information • Fixed asset category setting • Modification method • Depreciation method • Asset usage, asset card, asset card real asset information, and asset card usage information • Asset decrease information and asset decrease information real asset information • Asset modification information

Related Topics

- How You Export Payables and Receivables Data for China
- How You Export Fixed Assets Data for China
- How You Export General Ledger Data for China
- How You Export Shared Information Data for China

How You Export General Ledger Data for China

The Export General Ledger Data for China: Enterprise process exports data from Oracle Fusion General Ledger for an enterprise. On successful execution of the process, data is exported in an XML file.

Run the process from the **Scheduled Processes Overview** page from the **Navigator > Tools**.

Settings That Affect Data Export

Set these parameters before running the process:

Parameter	Description
Data Access Set	Specify the data access set associated with your data role.
Ledger	Specify the ledger from which you want to export data. The ledger must be associated with the selected data access set.
Legal Entity	When the selected ledger is a primary ledger, specify the legal entities assigned to it. When the selected ledger is a secondary ledger, specify the legal entities that are assigned to the corresponding primary ledger.
Accounting Year	Specify the accounting years associated with the accounting calendar of the selected ledger.

Parameter	Description
From Period	Specify the beginning of a range of general ledger periods to be included for exporting data.
To Period	Specify the end of a range of general ledger periods to be included for exporting data.
Oracle Hyperion Reports	Specify these Oracle Hyperion reports: • Cash Flow Statement Report • Balance Sheet Report • Profit Statement Report • Statement of Changes in Owner's Equity Report

How Data Is Exported

The XML file includes these sections:

- Basic General Ledger information: Displays information, such as separator, account structure, cash flow item rule. The other basic information, such as journal header flexfield, corresponding records of journal header flexfield, journal line flexfield, and corresponding records of journal line flexfield are displayed as blank values.
- Natural account information in General Ledger chart of accounts: Displays information, such as:
  - Account number and name: The chart of account natural account numbers and description in the current ledger. It also includes account numbers and descriptions of disabled accounts.
  - Account level: The hierarchy of the natural account definition.
  - Account type: The account type of each natural account defined in the General Ledger chart of account segment qualifier.
  - Balance side for China: The balance side of each natural account defined in the General Ledger chart of account segment qualifier. For asset and expense accounts, the debit amount is displayed. For liability, ownership or stockholder's equity, and revenue accounts, the credit amount is displayed.
  - Cash-related account for China: For cash-related accounts, such as Cash or Bank.
- Subsidiary item information: Displays accounting-related subsidiary item information for the specified accounting year. No data is exported when there are no journals or transactions during the specified accounting year. The section includes:
  - Account number: The natural account number from the itemized table.
  - Subsidiary item number: The serial number of the segment. For example, when the segment name is Segment 1, it displays 1 as the subsidiary item number.
  - Subsidiary item name: The chart of account segment name for the chart of accounts. It's based on the data source. For Oracle Fusion Project Foundation, the description corresponding to the project number is displayed.

    For subledger application, one of these records is displayed: customer record, supplier record, or employee.
- Cash flow item information: Displays information on the cash flow items defined. It includes cash flow item number, cash flow item name and description, cash flow item source, and cash flow item attribute. The information is obtained from the Cash Flow Item Attribute Assignments tab on the Manage Enterprise Financial Data Export Options for China page.

- General Ledger account balance and period amount information: Displays these values from the itemized balance table:
  - Subsidiary item number: The serial number of the subsidiary segments on the Manage Enterprise Financial Data Export Options for China page.
  - Subsidiary value number: The value number depends on the subsidiary item sources.
  - Account balance: The balance is obtained after the itemize account and journal for China process and is summarized based on the entered currency.
  - Account number: The natural account numbers from the specified ledger.
  - Beginning balance side: The Chinese characters indicate debit or credit. The balance side of the account and the beginning balance is compared to assign an appropriate Chinese character to the account.
  - Ending balance side: The Chinese characters indicate debit or credit. The balance side of the account and the ending balance is compared to assign the appropriate Chinese character to the account.
  - Beginning balance: The period beginning balance of the subsidiary account in entered currency and ledger currency.
  - Ending balance: The period ending balance of the subsidiary account in entered currency and ledger currency.
  - Debit amount: The total debit amount of the subsidiary accounts in entered currency and ledger currency within the specified period.
  - Credit amount: The total credit amount of the subsidiary accounts in entered currency and ledger currency within the specified period.
- General Ledger journals information: Displays these values after itemization:
  - General Ledger journal date: The effective date defined for the journal.
  - Journal category number: The category defined for the journal.
  - Journal number: The journal sequence number.
  - Journal line number: The line number of each journal line.
  - Journal source: The source defined for the journal.
  - Account number: The natural account number of the journal line.
  - Entered Currency: The code of the entered currency.
  - Conversion rate type number: The conversion rate type defined for the journal.
  - Conversion rate: The conversion rate between entered currency and ledger currency. It's calculated as Rate = Ledger Currency/Entered Currency.
  - Debit amount: The debit amount of the account in entered currency and ledger currency.
  - Credit amount: The credit amount of the account in entered currency and ledger currency.
  - Settlement method number: The settlement method used.
  - Creator, reviewer, and poster: The name of the creator, reviewer, and poster is the employee name of the user. If there is no employee name for this user, it displays the user name.

    The creator is the person who created the journal. The reviewer is the person who approved the journal and the poster is the person who posted the journal.

    > **Note:** When a journal doesn't need to be approved, the name of the poster is displayed in the reviewer.

- Information on journals related to cash flow item segment: Displays these values:
  - Journal number: The journal numbers based on the legal entity and journal header identifier.
  - Cash flow line number: The line number of the journal.
  - Cash flow description: The description of the journal line.
  - Cash flow item: The value of the cash flow segment in the chart of accounts.
  - Journal category number: The category of the journal.
  - Entered currency: The entered currency is obtained from the journal header.
  - Cash flow item attribute: The information on the cash flow item attribute on the Cash Flow Item Attributes Assignment tab on the Manage Enterprise Financial Data Export Options for China page.
  - Entered amount: The entered amount of the journal line.
  - Accounted amount: The accounted amount of the journal line.
- Report set and report item information: Displays the report set and report item information on these reports:
  - Balance Sheet
  - Income Statement
  - Cash Flow Statement
  - Statement of Change in Equity

Note: These reports are exported from Oracle Hyperion.

The report set includes report number, name, and date. It also includes enterprise name and currency unit.

Report item information includes report item name, number, formula, and value.

How You Export Payables and Receivables Data for China

The Export Payables and Receivables Data for China: Enterprise process exports data from Oracle Fusion Payables, Oracle Fusion Payments, and Oracle Fusion Receivables for an enterprise. On successful execution of the process, data is exported in an XML file.

Run the process from the **Scheduled Processes Overview** page from the **Navigator > Tools**.

Settings That Affect Data Export

Set these parameters before running the process:

Parameters	Description
Data Access Set	Specify the data access set associated with your data role.
Ledger	Specify the ledger from which you want to export data. The ledger must be associated with the selected data access set.

Parameters	Description
Legal Entity	When the selected ledger is a primary ledger, specify the legal entities assigned to it. When the selected ledger is a secondary ledger, specify the legal entities that are assigned to the corresponding primary ledger.
Accounting Year	Specify the accounting years associated with the accounting calendar of the selected ledger.
From Period	Specify the beginning of a range of general ledger periods to be included for exporting data.
To Period	Specify the end of a range of general ledger periods to be included for exporting data.

How Data Is Exported

The XML file includes these sections:

- Document type: Specifies the document type number and document type. Document type can be payable note, payment note, receivable note, or receipt note.
- Transaction type: Specifies the transaction type and transaction number based on the document type.
  - For a payable note, the transaction type is the invoice type of the Payables invoice.
  - For a payment note, the transaction type is the payment type of the Payables payment. The transaction number is the payment type indicator.
  - For a receivables note, the transaction type is the transaction type of the Receivables transaction.
  - For a receipt note, the transaction type is the receipt type of the Receivables receipt. The transaction number is cash for standard receipt type.
- Payables account details: Specifies payables account related information, such as account payable, prepayment, and other payable details based on the supplier.

  The process only exports liability or prepaid lines that are transferred and posted to Oracle Fusion General Ledger.

  When there are multiple lines with the liability accounting class for each invoice, only the summarized amount with the same accounting date for each invoice is exported.
- Receivables account details: Specifies receivables account related information based on the customer.

  The process only exports receivables accounting lines that are transferred and posted in General Ledger.

  It exports only receivables accounts with the receivables accounting class for each accounting line in Oracle Fusion Subledger Accounting.

These common details are exported to the XML file and are part of both the Payables and Receivables sections:

- Account number: The natural account number.
- Journal created date: The General Ledger date from the journal header.
- Accounting year: The accounting years associated with the accounting calendar of the selected ledger as specified while executing the process.

- Accounting period number: The periods from the first period to the end period of the accounting year.
- Journal category number: The category defined for the journal.
- Journal number: The journal number derived from the journal itemization table.
- Ledger currency: The ledger currency of the transaction.
- Conversion rate: The currency conversion rate on the transaction. When it's the ledger currency, the value is one.
- Balance side: The Chinese characters indicate debit or credit. The balance side of the account and the ending balance is compared to assign an appropriate Chinese character to the account.
- Entered currency: The entered currency amount.
- Transaction type number: The number of the transaction type.

This table lists the details that are specific to the Payables and Receivables sections:

	Payables	**Receivables**
Supplier or customer number	Only suppliers with a balance greater than zero or suppliers with valid transactions during the period are exported. The file doesn't include suppliers of type employee.	Only customers with a customer balance greater than zero or customers with valid transactions during the period are exported and displayed.
Journal date	Displays the General Ledger date of the Payables transaction line.	Displays the General Ledger date of the Receivables transaction line.
Accounted amount balance	Displays the ending accounted amount balance as per account and supplier in the current period.	Displays the ending accounted amount balance as per account and customer in the current period.
Entered balance	Displays the ending entered balance as per account and supplier in the current period by the currency.	Displays the ending entered balance as per account and customer in the current period by the currency.
Accounted amount	Displays the ledger currency amount on the Payables accounting line.	Displays the ledger currency amount on the Receivables accounting line.
Entered amount	Displays the entered currency amount on the Payables transaction line.	Displays the entered currency amount on the Receivables transaction line.
Description	Displays the description from the Payables invoice header and the payment description.	Displays the description from the Receivables transaction and the receipt description.
Due date	Displays the date when the invoice is due for payment. The date is calculated based on the invoice terms date and the invoice payment terms. For example, when the invoice terms date is January 1, 2012, and the invoice payment term is 30, the due date is calculated as January 30, 2012.	For receivables line, displays the due date of the transaction. For receipt line, displays the maturity date of the receipt.

	Payables	Receivables
Applied journal number	The data is exported for payment and prepayment accounting lines. The value is blank for invoice lines. For payment accounting lines, the applied journal number is the journal number of the invoice paid. When the journal number is different for each invoice, the applied journal number is displayed in different lines. For prepayment accounting lines, the applied journal number is the journal number of prepayment. **Note:** The applied journal number for invoices is displayed only when the invoice is applied to the prepayment.	The data is exported for receipts and credit memo accounting line. The value is blank for transaction lines. When the receipt is applied to more than one transaction, the process displays the receipt as separate lines in each transaction. When more than one receipt is applied to one transaction, the process displays the receipts in each transaction.
Applied date	For payments, the applied date is the payment date. For invoices, the date is the date on which the invoice was applied to the prepayment. When the invoice isn't applied to the prepayment, the date remains blank.	For receipt lines, it's the General Ledger date of the applied transaction. For transaction lines, the date remains blank.
Document type number	Displays the number on the payable note for an invoice and displays the number on the payment note for the payment.	Displays the number on the receivables note for transactions and displays the number on the receipt note for receipts.
Transaction number	Displays the voucher number for each invoice line and displays the document number for payment.	Displays the Receivables transaction number for each transaction line and displays the receipt number for receipt line.
Invoice number	Displays the invoice number for invoices. The value is blank for payments.	Displays the value-added tax (VAT) invoice number on the golden tax invoice. When there are multiple VAT invoices for a transaction, the process appends the VAT invoice number with a comma.
Contract number	Displays the purchase order (PO) number when the invoice matches the PO.	Displays the sales order number of the transaction, when the transaction is imported from Oracle Fusion Order Management.
Project number	Displays the project number from the invoice header.	Displays the project number from the Oracle Fusion Project Foundation invoice transaction flexfield.
Settlement method number	Displays the payment method used for invoice and payments.	Displays the receipt method used for transactions and receipts.
Payment date	Displays the payment date of the payment. The value is blank, when it's an invoice line.	For receipts, it's the receipt date and for transaction lines, the value is blank.

	Payables	Receivables
Clear identifier	When the invoice is fully paid or applied, the process displays **1** for the invoice and payment line. When the invoice is unpaid or applied, it displays **0**. When the prepayment is fully applied, it displays **1**. When the prepayment isn't paid or applied, it displays **0**.	When the transaction or receipt is fully applied during a period, the clear indicator is **1**. When the transaction or receipt has never been applied, the clear indicator is **0**.
Remittance bill number	Displays the global descriptive flexfield from the payment header.	Displays the global descriptive flexfield from the receipt header.

How You Export Fixed Assets Data for China

The Export Fixed Assets Data for China: Enterprise process exports data from Oracle Fusion Assets for an enterprise. Data is exported in an XML file after successful execution of the process.

Run the process from the **Scheduled Processes Overview** page from the **Navigator > Tools**.

Settings That Affect Data Export

Set these parameters before running the process:

Parameter	Description
Data Access Set	Specify the data access set associated with your data role.
Ledger	Specify the ledger from which you want to export data. The ledger must be associated with the selected data access set.
Legal Entity	When the selected ledger is a primary ledger, specify the legal entities assigned to it. When the selected ledger is a secondary ledger, specify the legal entities that are assigned to the corresponding primary ledger.
Accounting Year	Specify the accounting years associated with the accounting calendar of the selected ledger.
From Period	Specify the beginning of a range of general ledger periods to be included for exporting data.
To Period	Specify the end of a range of general ledger periods to be included for exporting data.

How Data Is Exported

The XML file includes these sections:

- Basic fixed asset information

  This section provides basic information for assets that exist during the specified period and owned by the specified legal entity and ledger. The basic information includes: fixed asset account, accumulated impairment account, and accumulated depreciation account.

- Fixed asset category setting

  This section provides information for assets that exist during the specified period and owned by the specified legal entity and ledger. It includes information, such as fixed asset category code convention, fixed asset category code, and fixed asset category name.

  Determine the fixed asset category convention as the maximum size value of every category segment and use **-** to link these maximum size values. For example, 20-10-20 indicates the category has three segments, the maximum size value for the first segment is 20, the second is 10, and the last is 20.

- Modification method

  This section exports transaction types that had transactions during the specified period range. Only assets of these transaction types are exported: addition, adjustment, reclassification, reinstatement, transfer, unit adjustment, and reverse adjustment. The section includes information, such as modification method code and modification method name.

- Fixed asset depreciation method

  This section exports depreciation methods that are assigned to the assets in the selected period range. It includes information, such as depreciation method code, depreciation method name, and depreciation formula.

- Fixed asset usage

  This section only exports the usage status which is assigned to the eligible assets. It includes information, such as usage status code and usage status name.

  Oracle Fusion uses global descriptive flexfield to maintain the asset usage status code.

- Fixed asset card

  This section exports assets that exist during the specified period range. When multiple periods are specified, the asset card exports multiple times against the specified period. Fully retired assets during the specified period aren't included during export.

  When an asset is reinstated during the export period, the asset card is exported for this period and the periods afterward. This section displays information such as reinstated assets: unit, original value, accumulated depreciation value, net book value, accumulate impairment value, salvage value, and monthly depreciation amount.

  When you assign an asset to multiple balance segment values, this information along with product capacity and life to date production is displayed in a percent based on the total unit assignment for all balance segment values of the legal entity.

- Fixed asset card - real asset information

  This section only provides information on assets that exist during the specified period range. When multiple periods are specified, the asset card exports multiple times against the specified period.

The location information is obtained from the location field on the Asset Assignment region on the Inquire Assets page. When an asset is assigned to multiple legal entities, only the locations associated with the specified legal entity are displayed.

When an asset is assigned to multiple asset books with the same legal entity and ledger, the asset is exported multiple times.

The section includes information, such as fixed asset card number, accounting period, fixed asset tag number, fixed asset location, and fixed asset model.

- Fixed asset card usage information

  This section only exports the usage information for assets that are associated with the specified period range. When you specify multiple periods, the asset card exports multiple times against every period.

  The location information is obtained from the location field on the Asset Assignment region on the Inquire Assets page. When an asset is assigned to multiple legal entities, only the locations associated with the specified legal entity are displayed.

  Obtain the department information from the employee assigned to the asset and derive the human resource organization from employee record as the asset department. When the asset is assigned to multiple departments, the asset card appears repeatedly with different departments in the report.

  When an asset is assigned to multiple asset books with the same legal entity and ledger, the asset is exported multiple times.

  The section includes information, such as fixed asset card number, fixed asset tag number, accounting period, fixed asset department, and depreciation prorate.

- Fixed asset decreasing information

  This section provides asset decreasing information that occurred during the specified period range. The decreasing transaction information is extracted from the Asset Transaction Inquiry page. Only fully retirement transaction type and partial retirement transaction type are considered as decreasing transactions.

  When a retired or partially retired asset is assigned to multiple legal entities with different balance segment values, the decreasing value and quantity are calculated as follows:

  - Full retirement:

    Decreasing Quantity = Unit assigned to the Legal Entity

    Decreasing Information Value = Cost Retired * Unit Assigned to the Legal Entity/Total Unit of Asset
  - Partial retirement: For cost retirement, retired unit isn't entered.

    Decreasing Quantity = Unit Assigned to the Legal Entity * Cost Retired/Current Cost

    Decreasing Information Value = Cost Retired * Unit Assigned to the Legal Entity/Total Unit of Asset

  When there are multiple partial retirement transactions during a period, the transactions are displayed repeatedly in the report.

  The section includes information, such as transaction number and date, accounting period, modification method code, fixed asset card number, fixed asset name, fixed asset number, decreased quantity, decreased

original value, decreased accumulated depreciation, decreased accumulated impairment, decreased salvage value, proceeds of sale, cost of removal, and decrease reason.

- Fixed asset decreasing information - real asset information

  This section includes information such as transaction number, fixed asset card number, fixed asset tag number, and accounting period.

- Fixed asset modification information

  This section provides the asset modification information that occurred during the specified period range. The modification transaction information is extracted from the Asset Transaction Inquiry page.

  Assets with these transaction types are exported: addition, adjustment, reclassification, reinstatement, transfer, unit adjustment, and reverse adjustment.

  When the asset was assigned to multiple legal entities, the premodification value and post-modification value must be distributed within legal entities per assignment rate.

  When multiple fields are modified in one transaction, split the transaction into multiple records (one record for one change). The transaction number is displayed as Transaction Number-1, Transaction Number-2, and so on.

  These modification transactions are excluded from the export report: original cost, recoverable cost, prorate date, and salvage rate.

  The modification information export section includes information, such as transaction number, modification date, accounting period, fixed asset card number, fixed asset number, fixed asset name, modification method code, fixed asset tag number, content and amount before and after modification, and modification reason.

How You Export Shared Information Data for China

The Export Shared Information Data for China: Enterprise process exports shared information data for an enterprise. On successful execution of the process, data is exported in an XML file.

Note: To export shared information data, you must have the duty role, Enterprise Financial and Employee Data Export for China Duty.

Settings That Affect Data Export

Run the process from the **Scheduled Processes Overview** page by clicking **Navigator**, **Tools**. This table describes selected process parameters:

Parameters	Description
Data Access Set	Specify the data access set that is associated with your data role.
Ledger	Specify the ledger from which you want to export data. The ledger must be associated with the selected data access set.
Legal Entity	When the selected ledger is a primary ledger, specify the legal entities assigned to it.

Parameters	Description
	When the selected ledger is a secondary ledger, specify the legal entities that are assigned to the corresponding primary ledger.
Accounting Year	Specify the accounting year associated with the accounting calendar of the selected ledger.
Department Tree	Specify the name of the department tree from which you want to export data.
Department Version	Specify the name of the department tree version from which you want to export data.
Department Node	Specify the name of the department tree node from which you want to export data.
Include Top Node	Specify whether the top node in the department tree structure must be exported.

What Shared Information Data Is Exported

The XML file displays the shared information data that is exported. It includes these sections:

- Electronic accounting book: Displays data related to the accounting book and is exported from the Manage Enterprise Financial Data Export Options for China page for the selected legal entity.
- Accounting period: Displays all the periods, including both the normal and adjustment periods within the specified accounting year.
- Journal category: Displays the journal categories that are associated with the journals during the specified accounting years. No data is exported when there is no journal associated with the current legal entity during the specified accounting year.
- Conversion rate type: Displays the conversion rate types that are associated with the journals during the selected accounting years. No data is exported when no conversion rate type is used for the current legal entity during the specified accounting year.
- Currency: Displays the currencies that are associated with the journals during the specified accounting years. No data is exported when there is no journal associated with the current legal entity during the specified accounting year.
- Settlement method: Displays the settlement methods that are used during the selected accounting years. No data is exported when there is no settlement method used in the current legal entity during the specified accounting year.
  The settlement method number is extracted from the itemized records for the specified accounting year, legal entity, and ledger. When the settlement method number is obtained, the settlement method name is extracted.
- Department records: Displays department information based on the parameter values that are passed while running the process. Information such as department number, department name, and parent department number, if any are displayed.
- Employee records: Displays information about employees that are associated with a legal employer that is attached to the legal entity. Displays information only for those employees in the legal employers that are attached to the legal entity that is passed as a parameter while running the process. Information such as personal number, name, national identification number, date of birth, date of hire, and so on.
- Supplier records: Displays the suppliers with actual payables transactions during the selected accounting years. No data is exported when there is no supplier in the current legal entity during the selected accounting year.

> **Note:** The Export Shared Information Data for China: Enterprise process exports only the supplier type of **Standard Supplier**.

The supplier number is extracted from the itemized records for the specified accounting year, legal entity, and ledger.

- Customer records: Displays the customers with actual receivables transactions and receipts during the selected accounting years. No data is exported when there is no customer in the current legal entity during the selected accounting year.

  The customer number is extracted from the itemized records for the specified accounting year, legal entity, and ledger.

- User-defined records: Displays the subsidiary account used during the specified accounting year. No data is exported when there is no subsidiary account used in the current legal entity during the specified accounting year.

  Data is extracted from the Subsidiary Account Mapping region on the Manage Enterprise Financial Data Export Options for China page. Only subsidiary accounts from the relevant chart of accounts and project source are exported.

- User-defined record value: Displays the report value used during the selected accounting years. No data is exported when no report value is used in the current legal entity during the specified accounting year.

  The user-defined record value is displayed only for the subsidiary accounts from the relevant chart of accounts and project source.

  The record value number is extracted from itemized records for the specified accounting year, legal entity, and ledger. When the record value number is obtained, the required record value name and record value description are extracted.

Cash Flow Statement for China

Cash Flow Statement

The cash flow statement is a financial report required by the China Ministry of Finance. It reflects the sources and uses of money in an accounting period for an enterprise.

The cash flow statement analyzes the financial status of an enterprise in cash or the corresponding equivalent as follows:

- Operating activities
- Investing activities
- Financing activities

The cash flow statement is defined in Oracle Hyperion and includes two parts: the main statement and the supplemental statement. The main statement includes information about the cash inflow and outflow generated by the operating activities, investing activities, and financing activities. In the supplementary statement, you define the account assignments for the corresponding lines and the formulas to calculate the values in the rows and columns.

The cash flow statement functionality lets you define and export the Cash Flow Statement and is based on balance segment values. It covers the related cash flow businesses, including general ledger and subledgers.

In the primary ledger, the cash flow statement solution adds a new cash flow segment for the chart of accounts. The cash flow items are collected by the amount of the accounting lines.

Before collecting and generating the cash flow statement, define cash flow item segment in the chart of accounts. Use the **Local Use** segment qualifier available in Oracle Fusion General Ledger. This segment qualifier is used to identify the cash flow segment. Assign one segment in the chart of account as Local Use. In addition, use the Standard Accrual for China subledger accounting method defined in Oracle Fusion Subledger Accounting.

> **Note:** Country-specific rules and standards may apply to accounting methods. The Standard Accrual for China accounting method contains subledger journal entry rule sets specific to accrual accounting in China.

Complete these daily transactions before generating the cash flow statement:

- General Ledger transactions
- Intercompany transactions
- Subledger transactions
- Receivables Transactions
- Payables Transactions

Related Topics

- CNAO Reporting for China Topical Essay

General Ledger Transactions

Create additional account attributes for balance side and cash-related account for China under the chart of accounts.

Enter the journals in General Ledger using these segment qualifiers in the chart of accounts:

Account	Chart of Accounts Segment
Noncash-related journal line accounts	Local Use segment
Cash-related journal line accounts	Cash flow segment

After defining the segment qualifier and posting the journal, run the General Ledger and Subledger Transactions Mapping process. It validates that the journal line accounts are cash-related and correspond to the relevant cash flow items. For cash-related journals, use the default cash flow item in the cash-related accounts.

Related Topics

- CNAO Reporting for China Topical Essay

Intercompany Transactions

You can transfer intercompany transactions to the General Ledger or create invoices in subledgers.

While entering transactions in Oracle Fusion Intercompany, use the Local Use segment qualifier in chart of accounts. Enter the cash flow segment on the opposite side of the cash-related account of the distribution line. The General

Ledger and Subledger Transactions Mapping process collects all the posted accounts from subledgers. Validate that the transaction line accounts are cash-related and correspond to the relevant cash flow items.

Related Topics

- CNAO Reporting for China Topical Essay

Subledger Transactions

You must assign a new subledger accounting method for Standard Accrual for China for the ledger before you can use the cash flow statement.

Use this subledger accounting method to collect the cash flow segment for each subledger transaction. If you're using Procurement Cloud, you may need these additional setups:

- Create a mapping set for cash flow segment items.
- Create a new account derivation rule.

The cash flow statement functionality collects subledger cash-related activities from subledger journal entry tables. The Local Use segment qualifier in the chart of accounts is used for this purpose.

Related Topics

- CNAO Reporting for China Topical Essay

Receivables Transactions

All cash-related Receivables transactions are collected based on the Local Use segment qualifier in the chart of accounts.

These rules apply to Receivables transactions:

- For unapplied or unidentified cash receipts, obtain the default cash flow segment from the receipt method.
- For applied cash receipts, use the accounting rule to override the cash flow segment from the receivable account in transactions.
- For bank charges, gain or loss, and discounted accounts, use the accounting rule to override the cash flow segment from the receivable account in transactions.
- For miscellaneous receipts, obtain the default cash flow segment from the receivable activity account.
- For receivable transactions, all the accounting lines must have the cash flow segment obtained from the definition of the transaction type by automatic accounting.

This table shows you the cash flow segment source for each accounting class. You must define the cash flow segment source correctly so that you generate an accurate cash flow statement.

Accounting Class	Cash Flow Segment Source	Notes
Receipt Bank Charges	Bank charge account	Define the bank charges account using the bank account definition page and the receipt classes setup page.
Receipt On Account Application	On account	Define the on-account receipts account using the receipt classes setup page.

Accounting Class	Cash Flow Segment Source	Notes
Receipt Refund Application	Refund account	Define the refund type account using the receivables activities definition page.
Receipt Unapplied Cash	Unapplied account	Define the unapplied receipts account using the receipt classes setup page.
Receipt Unidentified Cash	Unidentified account	Define the unidentified receipts account using the receipt classes setup page.
Receipt Write-Off Application	Write-off account	Define the receipt write-off type account using the receivables activities definition page.
Receivable or Revenue or Tax	Transaction type	Define the receivable, revenue, or tax accounts based on the receivables transaction type. Define automatic accounting rules for these accounting classes based on the transaction type.
Miscellaneous Receipt Miscellaneous Cash	Miscellaneous receipt account	Define the miscellaneous cash type account using the receivables activities definition page.

Related Topics

- CNAO Reporting for China Topical Essay

Payables Transactions

All cash-related Payables transactions are collected based on the Local Use segment qualifier in the chart of accounts.

The cash flow statement solution supports invoices that are imported and manually entered. The source of imported invoice can be:

- Expenses report
- Internet expenses
- Evaluated receipt settlement invoice

Here are the rules that apply to Payables transactions:

- For the manual invoices, the cash flow segment is indicated manually.
- For the invoices matched purchase order (PO) and from ERS, the cash flow segment is defined in the item or purchase categories.
- For the invoice created by Expenses, the cash flow segment is defined in the expense report items.
- For the payment request invoice which is created by receivables refund, the cash flow segment is from the refund account.
- For the liability account in a Payables invoice, the cash flow segment is the same as the cash flow segment of an item expense account. Other segments of the chart of accounts must follow their own accounting rules.

This table shows you the cash flow segment source for each accounting class. You must define the cash flow segment source correctly so that you generate an accurate cash flow statement.

Accounting Class	Cash Flow Segment Source	Notes
Item expense-for ERS and PO matched invoices	PO category or item category accrual account and the expense account	
Item expense-for expense report and Expenses invoices	Expense report item account	Define the expense report item account in the expense report template.
Refund invoice from Receivables	Refund account	Define the refund type account using the receivables activities definition page.
Intercompany invoice	Intercompany account	Define the cash flow segment source using the intercompany account definition page.
Prepayment	Supplier site	When there are two cash flow segments for one supplier, separate by the supplier site.

Related Topics

- CNAO Reporting for China Topical Essay

Examples of Cash Flow Statement

The cash flow statement is defined in Oracle Hyperion and includes two parts: the main statement and the supplementary statement.

The main statement includes information about the cash inflow and outflow generated by the operating activities, investing activities, and financing activities. In the supplementary statement, you define the account assignments for the corresponding lines and the formulas to calculate the values in the rows and columns.

Cash flow statements use the balance amount of the cash flow segment, which is the Local Use segment qualifier in the chart of accounts.

Main Statement

Consider an expense of CNY 100.

- Debit: Expense.1230 100
- Credit: Cash.0000 100

During the period, the balance amount of the cash flow item (1230) should be CNY 100.

In the cash flow statement, 100 should be the amount of the cash flow item 1230.

Line Number	Line Item	Calculation Lines	Cash Flow Item Assignment
10	1. Cash flows from operating activities:		

Line Number	Line Item	Calculation Lines	Cash Flow Item Assignment
20	Cash received from sales of goods or rendering of services		1110, 1120
30	Refund of taxes and levies		1130
40	Other cash received relating to operating activities		1140
50	Subtotal of cash inflows	20+30+40	
60	Cash paid for goods and services		1210, 1220
70	Cash paid to and on behalf of employees		1230
80	Payments of all types of taxes		1240
90	Other cash paid relating to operating activities		1250
100	Subtotal of cash outflows	60+70+80+90	
110	Net cash flows from operating activities	50+100	
120	2. Cash flows from investing activities:		
130	Cash received from return of investments		2110
140	Cash received from return on investments		2120
150	Net cash received from disposal of fixed assets, intangible assets and other long-term assets		2130, 2140, 2150
160	Other cash received relating to investing activities		2160
170	Subtotal of cash inflows	130+140+150+160	
180	Cash paid to acquire fixed assets, intangible assets and other long term assets		2210, 2220, 2230
190	Cash paid to acquire investments		2240
200	Other cash paid relating to investing activities		2250

Line Number	Line Item	Calculation Lines	Cash Flow Item Assignment
210	Subtotal of cash outflows	180+190+200	
220	Net cash flows from investing activities	170+210	
230	3. Cash flows from financing activities:		
240	Cash received from investments by others		3110
250	Cash received from borrowings		3120
260	Other proceeds relating to financing activities		3130
270	Subtotal of cash inflows	240+250+260	
280	Cash repayments of amounts borrowed		3210
290	Cash payments for distribution of dividends or profits		3220
300	Other cash payments relating to financing activities		3230
310	Subtotal of cash outflows	280+290+300	
320	Net cash flows from financing activities	270+310	
330	4. Effect of foreign conversion rate changes on cash	620-110-220-320	
340	5. Net increase in cash and cash equivalents	620	

Supplementary Statement

The values in the supplementary statement are derived as follows:

- Increase in amount from the first column
- Balance at the beginning of the year from the second column
- Balance at the end of the year from the third column

The supplementary report uses the balance amount of each natural account. The column sequence, of the column names for this cash flow statement, is as follows:

Column Name	Column Sequence
30-20	10
YTD-Actual (Offset-1)	20
YTD-Actual	30

This table shows an example of a cash flow statement-supplementary report.

Column Definition	Line Number	30-20	YTD-Actual (Offset -1)	YTD-Actual
Supplemental information				
1. Adjust net profit to operating activity cash flows				
Net profit	57	Amount		
Add: Provision for property depreciation	58	Amount		
Depreciation of fixed assets	59	Amount		
Amortization of intangible assets	60	Amount		
Amortization of other long-term deferred expense	61	Amount		
Decrease of deferred expense (deduct: increase)	64	Amount		
Increase of accrued expense (deduct: decrease)	65	Amount		
Losses on disposal of fixed assets, intangible assets, and other long-term assets	66	Amount		
Losses on scrapping of fixed assets	67	Amount		
Financial expense	68	Amount		

Column Definition	Line Number	30-20	YTD-Actual (Offset -1)	YTD-Actual
Losses from investments (deduct: gains)	69	Amount		
Deferred tax credit (deduct: debit)	70	Amount		
Decrease in inventories (deduct: increase)	71	Amount		
Decrease in operating receivables (deduct: increase)	72	Amount		
Increase in operating payables (deduct: decrease)	73	Amount		
Other	74	Amount		
Net cash flows from operating activities	75	Amount		
2. 1. Investing and financing activities that don't involve cash receipt and payment				
Capitals converted from debts	76	Amount		
Current maturity of convertible bonds	77			
Current maturity of convertible bonds	78			
3. Net increase in cash and cash equivalents				
Cash balance at the end of the period	79			Amount
Deduct: Cash balance at the beginning of the period	80		Amount	
Add: Cash equivalents balance at the end of the period	81			Amount

Column Definition	Line Number	30-20	YTD-Actual (Offset -1)	YTD-Actual
Deduct: Cash equivalents balance at the beginning of the period	82		Amount	
Net increase in cash and cash equivalents	83			

Note: Define cash flow statement items in Chinese.

Golden Tax Adaptor for China

Iimplement Golden Tax Adaptor

Enable Regional Localization for China

Enable the Regional Localization for China feature before using China-related tasks in the implementation projects.

1. Click Navigator, Others, Setup and Maintenance work area.
2. On the Setup page, select Financials offering.
3. Click Change Feature Opt In.
4. On the Opt In page, search for Financials.
5. In the Features column, click the Features icon.
6. On the Edit Features page, search for Regional Localization and select the checkbox in the Enable column.
7. From the Feature Name: Regional Localization dialog box, select the China check box.
8. Click Save and Close.

Assign a Role for Golden Tax Adaptor

Assign a role configured for GTA so that the user has data access to all business units that you intend to use in the GTA process.

1. Click Navigator, Tools, Security Console.
2. Add the GTA privileges to the job role.
3. Modify the data security policy to include the GTA actions.
4. Add the Golden Tax Management for China duty roles.
5. Click Submit.

Modify the Data Security Policies

GTA tasks are based on business unit (BU) or data set. Modify the policy and add GTA actions so that GTA tasks can access specified BU or data set.

Follow these steps:

1. On the Data Security Policies page, search for Business Unit on the Data Resource column and edit the Data Security Policy for the Manage Receivables Transactions privilege:

2. Add these GTA actions: Manage Golden Tax System Option for China, Manage Golden Tax Transaction for China, and View VAT Invoice for China:
3. Search for SetID on the Data Resource column and edit the Data Security Policy for the View Customer Account Relationship privilege:
4. Add the GTA action, Manage Golden Tax Transfer Rule for China:

Assign Golden Tax Adaptor Duty Role

You need the Golden Tax Management for China duty role to perform GTA tasks and generate GTA scheduled processes.

Follow these steps:

1. On the Role Hierarchy page, click Add Role.
2. Search for the “Golden Tax Management for China” duty roles and add these duty roles to your Billing Manager role.
3. Assign your Billing Manager role to the preferred user.
4. Click Submit.

Add Golden Tax Adaptor Privileges

Add the Golden Tax Management for China privileges to a job role. The job role must have privileges to process receivable transactions, for example, Billing Manager Segregated Role.

1. Copy a job role that can process receivables transactions, for example Billing Manager Segregated Role. Add the GTA privileges, for example Run Billing History Report.
2. On the Function Security Policies page, add the privileges by selecting the Golden Tax Management for China duty role.

Modify the Profile Values for Mask Internal Bank Account Numbers

Use Manage Administrator Profile Values task to mask bank account numbers on Golden Tax invoice workbench and Golden Tax Discrepancy report. If you want to use the Golden Tax Invoice Export process to export data, Mask Internal Bank Account Numbers profile option must be set to No Masking.

To configure the Mask Internal Bank Account Numbers profile, follow these steps:

1. Click Navigator, Setup and Maintenance, and Manage Administrator Profile Values
2. Search for the profile code, CE_MASK_INTERNAL_BANK_ACCT_NUM then set the appropriate profile value:

   You can update this profile option at all levels.

Item Model and Tax Denomination Setup

You may optionally set up the Item Model and Tax Denomination attributes if you want.

The Chinese VAT regime classifies items by these attributes:

- Item Model
- Tax Denomination

For creating the VAT invoice, these attributes are optional. If tax denomination is not entered on receivable transaction line or inventory item, then 0 is defaulted during the transfer. If needed, you can also update tax denomination and item model using the Golden Tax Invoices workbench.

You may maintain Item Model and Tax Denomination in Receivables Invoice Line fields or inventory master item GDF.

Maintain Item Model and Tax Denomination – Invoice Level

Initially, item model and tax denomination will be retrieved from invoice line fields, if there is no value at transaction line level field, and then they will be retrieved from GDF in master item.

These Receivables Invoice Line fields are used to maintain Item Model and Tax Denomination:

- Product Fiscal Classification

  This field is used for Item Model of inventory items. Values maintained under the product fiscal classification code, which category set is assigned to the functional area VAT Invoices for China, will be considered as valid item model for inventory items.
- Product Category
- Transaction Business Category

To create the inventory catalog for GTA, follow these steps:

1. Click Navigator, Setup and Maintenance, Manage Functional Area Catalogs.
2. Click Create to enter the required information, and assign to the functional area, VAT Invoices for China.
   - Assign items to leaf level categories only
   - Enable duplicate category names
   - Allow multiple item category assignments
   - Enable deletion of item category assignments
   - Enable hierarchy for catalog
   - Enable date level control for item category assignments
   - Default Category Required
3. Create the category hierarchy:
   a. Enter **Category Name**.
   b. Enter **Category Code**.
   c. Provide a description of the category in the **Description** field.
   d. Select the **Start Date** and **End Date** for the category hierarchy.
   e. Check the **Restrict category to item assignment only** box, if needed.
   f. Click OK to save your changes.
   g. In the Edit Functional Area Catalog page, select the category hierarchy.
4. Create a Product Fiscal Classification within Tax functionality and associate the Inventory Catalog to this Product Fiscal Classification.
   a. Click Navigator, Setup and Maintenance, Manage Product-Based Fiscal Classifications.
   b. On the Search For field, select Product Fiscal Classification Types and click Create.
   c. Enter the necessary information and then click Save.
5. Set the default Product Fiscal Classification using the Country Default Controls. To set up the default country, click Navigator, Setup and Maintenance, Manage Country Default Controls and then click Create.

   The user can see the categories of item model in the Product Fiscal Classification field from the Invoice line. Make sure that the Taxation Country is set to China (General Information, Miscellaneous tab).

6. Configure the product category for GTA.

   Product Category field is leveraged for Item Model of non-inventory items. Values maintained under the product category JA_CN_NON_INV_ITEM_MODEL are considered as valid item models for non-inventory items.

   a. Click Navigator, Setup and Maintenance, Manage Product-Based Fiscal Classification.
   b. On the Search For field, select Product Category Fiscal Classification Codes. Search for the fiscal classification code, JA_CN_NON_INV_ITEM_MODEL:
   c. Click Create Child Node.

      The user can see the category codes of item model in the Product Category field from the Invoice line:

7. Configure the product category for GTA.

   Transaction Business Category will be used for Tax Denomination. Values maintained under the transaction business category code JA_CN_TAX_DENOM will be considered as valid tax denomination.

   a. Click Navigator, Setup and Maintenance, Manage Transaction-Based Fiscal Classifications.
   b. , select Transaction Business Category Codes. Search for the fiscal classification code, JA_CN_TAX_DENOM.
   c. Click Create Child Node.

      The user can see the category codes of tax denomination in the Transaction Business Category field from the Invoice line:

Maintain Item Model and Tax Denomination – Inventory Master Level

Use global descriptive flexfields (GDF) at the inventory master level to maintain item model and tax denomination information.

Follow these steps:

1. Click Navigator, Product Management, Product Information Management.
2. Click Manage Items in the Item Management panel tab.
3. Search and edit an item, for example GTATest001.
4. Switch to Specifications tab and click Additional Attributes in the Item section.
5. Select Items for China in the Regional Information field in the Global Attributes section.
6. Enter the value for Item Model and Tax Denomination.
7. Click Save.

Set Up Golden Tax System Options for China

Use Manage Golden Tax System Options for China task to define setup information for each legal reporting unit. The Chinese VAT regime enforces limitations for maximum amounts and maximum memo lines for all VAT invoices.

If an AR invoice exceeds these limits, then it must be split into multiple VAT invoices. You can define these limitations in the System Options task.
Follow these steps:

1. Navigate to Setup and Maintenance and select Manage Golden Tax System Options for China.
2. Select the VAT Related Options tab. Complete these fields:
   - **Tax Registration Number**

     This is the transaction tax registration number of the legal reporting unit that is issuing the VAT invoice. In Legal Reporting Unit Tax Profile, you can define the tax registration number for a legal reporting unit.

A legal reporting unit can be a legal entity, an operating unit, an inventory organization (warehouse), or a location.

- **Invoice Type**. Select one of these VAT invoice types:
  - Special VAT Invoice: When a sale is made to a General Taxpayer, the Special VAT Invoice is issued.
  - Common VAT Invoice: If the sale is made to a Small-Scale Taxpayer, the Common VAT Invoice is issued.
- **Maximum Invoice Amount (CNY)**: The maximum CNY amount allowed on a single VAT invoice. This limit is specified by the Chinese VAT regime for the legal reporting unit with the specified tax registration number.
- **Maximum Invoice Lines**: The maximum lines allowed on a single VAT invoice. This limit is specified by the Chinese VAT regime for the legal reporting unit with the specified tax registration number.
- **Tax Type**: This value indicates the Chinese VAT tax type. In China, VAT invoices must be created only when VAT is applicable; VAT invoices are not generated for other tax types. Receivables invoices with tax lines belonging only to this tax type are transferred to the Golden Tax Adaptor.
- **Descriptive Flexfield Assignments:** In this region, define the contexts and attributes of the Inventory Item Descriptive flexfield that are configured for capturing and storing these additional Golden Tax attributes:
  - Item Model
  - Tax Denomination

Note: These attributes are optional for generating VAT invoices. You can set up these flexfields as needed.

3. Select VAT Related Options tab. Complete these fields:
   - **Split Rules:** Specify how to split when transfer AR transaction to Golden Tax Adaptor if invoice amount is more than maximum amount limit.
   - **Split Transaction Line**: This attribute indicates how a receivables invoice should be split when the invoice amount exceeds the maximum amount limit. If the attribute is selected, then an invoice line is split and distributed between two child invoices. Otherwise, the entire invoice line is moved to the next child invoice. This example shows a receivables invoice with two lines:

Line No.	Line Amount (CNY)
1	6000
2	7000

The maximum amount limit is 10000 CNY. In this example, if the attribute is selected, then the invoice is split into two child invoices as shown by these examples:

1st Invoice:

Line No.	Line Amount (CNY)
1	6000
2	4000

2nd Invoice:

Line No.	Line Amount (CNY)

1	3000

If the attribute is not selected, then the entire line amount (7000 CNY) is shifted to the second child invoice. However, if the invoice line amount itself exceeds the maximum amount limit, then it is always split.

- **Allow Unit Price Exceeding VAT Invoice Amount Limit:** This attribute indicates whether a transaction line should be split when its unit price exceeds the maximum amount limit. If the attribute is selected, then a transaction line is split to several invoices with decimal item quantity. This example shows a receivables invoice with two lines:

Line No.	Item Quantity	Line Amount (CNY)
1	1	6000
2	1	12000

The maximum amount limit is 10000 CNY. In this example, if the attribute is selected, then the invoice is split into two invoices as shown by these examples:

1st Invoice:

Line No.	Item Quantity	Line Amount (CNY)
1	1	6000
2	.33333333	4000

2nd Invoice:

Line No.	Item Quantity	Line Amount (CNY)
1	.66666667	8000

If the attribute is not selected, then the invoice is not transferred, and an exception is generated.

- **Item Description Source**: In this region, define whether the item cross reference functionality is applicable, and indicate how the item description that prints on the VAT invoice is derived. If you select Receivables Transaction, then the item description on the receivables transaction line is transferred to the Golden Tax Adaptor; if you select Item Cross Reference, the item cross reference functionality is applicable, you need to select the cross reference type to specify which item description is to be printed on the VAT invoices.
- **Use item description if no reference exists**: This is applicable if you have selected that Item Cross Reference should be used, but you have not defined the cross reference for an item. Select this check box if you want to transfer the item description on the master item. If a cross reference is not defined for an item and this attribute is not selected, then that receivables invoice is not transferred to the Golden Tax Adaptor, and an exception message displays on the report that is created when you submit Transfer Transactions to Golden Tax Adaptor for China process. You can then define a cross reference for the specific item and run the transfer.
- **Use latest reference if multiple references exist**: This is applicable when you have selected Item Cross Reference, but a specific item has multiple cross references defined against it under the cross-reference type indicated on this page. If this check box is selected, then the most recent cross reference is transferred to the Golden Tax Adaptor. When multiple cross references exist for an item and this check box is not selected, then that receivables transaction is not transferred to the Golden Tax Adaptor, and an exception

message displays on the report that is created when you when you submit Transfer Transactions to Golden Tax Adaptor for China process. You can resolve the exception by deleting the invalid cross references and run the transfer.

- **Batch Numbering**: Select Automatic or Manual for batch number entry. This batch numbering refers to the batches created when the Golden Tax Adaptor data is exported to a data file from the workbench or when using the Golden Tax Invoice Export process. When automatic, specify Staring Batch Number.

4. Click Save to save your changes.

Set Up Golden Tax Transfer Rules for China

You can set up transfer rules to define the filter criteria for your transfer of receivables invoices to the Golden Tax Adaptor. You can define multiple transfer rules for one business unit.

Follow these steps:

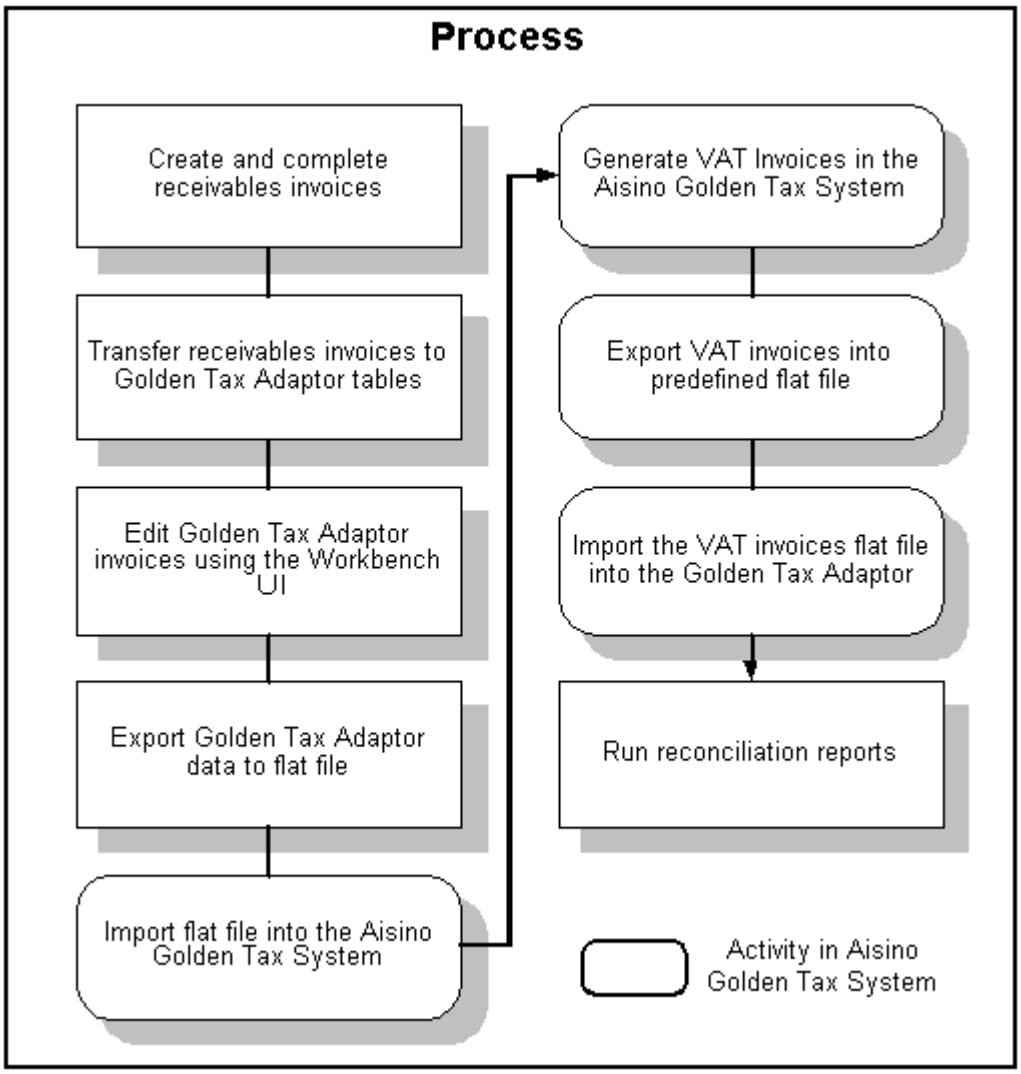
1. Click Navigator, Setup and Maintenance, Manage Golden Tax Transfer Rules for China:
2. Enter a rule name.
3. Enter a description.
4. Select the VAT invoice type. You can define a transfer rule for all invoice types or a specific invoice type.
5. Define Receivables Transaction Currency. You can opt to transfer invoices that are created in a specific currency or in all currencies. For example, if you are working with a foreign currency and you set this to Non-Golden Tax Currencies, then only foreign currency invoices using this rule are transferred
6. Select the Sales List Enabled check box to create sales list VAT invoices. If you select this check box, then you are not required to split the receivables transaction according to the maximum lines limit.
7. Exclude or include specific receivables transaction types. If you include a specific transaction type, then only the receivables transactions with that transaction type are transferred to the Golden Tax Adaptor. If you exclude a specific transaction type, then all receivables transactions except those that belong to this transaction type are transferred.
8. Exclude or include specific transaction Descriptive Flexfield. Set transfer rules to use the Receivables Transaction Information Flexfield attributes. Similarly, you can exclude or include specific flexfield contexts and attributes.

Golden Tax Adaptor Process

Golden Tax Adaptor Process

Completing the additional setups discussed in this section before you use Golden Tax Adaptor.

This flowchart shows the key processes of the Golden Tax system:



The Golden Tax Adaptor process workflow introduces these key processes for a typical workflow:

- Create or import transactions in Oracle ERP Cloud Receivables.
- Transfer receivables transactions to the Golden Tax Adaptor as Golden Tax transactions.
- Modify the Golden Tax transactions to conform to the requirements of VAT invoices for China.
- Generate a flat file of VAT invoice data for import by the Aisino Golden Tax System.

After the Aisino Golden Tax System generates VAT invoices from the Golden Tax Adaptor data:

- Import VAT invoice data from the Aisino Golden Tax System.
- Review and compare the imported VAT invoice data with the flat file exported to the Aisino Golden Tax System.
- Correct any discrepancies between the two data files.

Create and Complete Receivables Invoices

You can manually create receivables invoices, debit memos, and credit memos, or you can create them using AutoInvoice. Invoices must be in a complete status before you can transfer them to the Golden Tax Adaptor.

To create receivable invoices, navigate to Billing and search for Create Transaction.

Create an invoice and pay special attention to the status.

Transfer Receivables Invoices to Golden Tax Adaptor Tables

Transfer Transactions to Golden Tax Adaptor for China process transfers the receivables invoices, debit memos, and credit memos that are in complete status to the Golden Tax Adaptor.

You can set up transfer rules that identify specific invoices so that only the desired invoices are transferred. Transfer rules eliminate the need to specify different parameters each time you submit the transfer process.

The Transfer Transactions to Golden Tax Adaptor for China process:

- Identifies the receivables invoices, debit memos, and credit memos that are at complete status based on the transfer rules for the current operating unit.
- Invoice Type: The available invoice types are Special VAT Invoice, Common VAT Invoice. ₀ The Customer Tax Registration Number, Address, Phone Number and Bank Account are optional fields for Common VAT Invoice but required fields for Special VAT Invoice.
- Examines invoice-splitting limits and criteria, and splits receivables invoices into multiple child Golden Tax Adaptor invoices, accordingly. The program creates one VAT invoice for each Golden Tax Adaptor invoice. The criteria for invoice splitting are as follows:
  - **Tax Registration Number:** This value refers to the tax registration number of the legal reporting unit that is creating the invoice. When a single receivables invoice has invoice lines pertaining to different tax registration numbers, then it is split into multiple child invoices in the Golden Tax Adaptor so that one child invoice pertains to a single tax registration number. One VAT invoice cannot be issued for more than one tax registration number.
  - **Tax Rate**: A single VAT invoice cannot have more than one tax rate. Therefore, if different invoice lines of a receivables invoice have different tax rates, then it is split into multiple child invoices in the Golden Tax Adaptor so that one child invoice only has lines belonging to the same tax rate.
  - **Maximum Amount Limit**: This value is specified for each combination of tax registration number and invoice type in the System Options page. If this amount limit is exceeded, then the receivables invoice is split into multiple child invoices in the Golden Tax Adaptor.
  - **Maximum Memo Lines Limit**: This value is specified for each combination of tax registration number and invoice type in the System Options page. If this limit is exceeded, then the receivables invoice is split into multiple child invoices in the Golden Tax Adaptor. However, if the transfer rule indicates that sales list is applicable, then this limit is ignored, and the receivables invoices are not split according to this limit.

- **Splitting Hierarchy**: The application enforces the splitting criteria described previously as follows:
  - The receivables invoice is split by tax registration number.
  - For each tax registration number, the lines are further split by tax code.
  - Lines are further split based on the limits for maximum amount and maximum memo lines. If sales list is applicable, then the maximum memo lines limit is not applied and only the maximum amount limit is applied:
    - **Item Model and Tax Denomination**: For receivables transactions that are transferred to the Golden Tax Adaptor, transfers Item Model and Tax Denomination values for each line to the Golden Tax Adaptor. These values can be defined in the item descriptive flexfield when you create the master items or in the transaction line field when you create receivables transactions. The program first looks at the receivables transaction line fields. If no values are available, then it refers to the inventory item flexfield for that item.

- **Item Description**: Retrieves the item description from the appropriate cross-reference type rather than from the item master when item cross-reference functionality is used.

To transfer AR transactions to the Golden Tax Adaptor, follow these steps:

1. Click Navigator, Tools, and Scheduled Processes.
2. Click Schedule New Process to submit the process, Transfer Transactions to Golden Tax Adaptor for China.
3. Enter the necessary parameters and click Submit:
4. Open the Transactions Transfer Report for China BIP report after the process ends successfully and review the result.

   You can review the values for Transactions Transferred Successfully and Golden Tax Transactions Generated Successfully.

Manage Data Using Golden Tax Invoice Workbench

Use the Golden Tax Invoice Workbench to review the receivables invoices transferred from Oracle Receivables, and to make slight modifications to the data before exporting.

To access the Golden Tax Invoice Workbench, follow these steps:

1. Click Navigator, Receivables, Billing, and Manage Golden Tax Transactions for China.
2. Enter the search parameter and review the transaction transferred from Receivables.
3. Optionally, make a slight modification to conform to the requirements of VAT invoices for China.

   You can also use the Golden Tax Invoice Workbench to track the VAT invoices and to manage invoice status, consolidate Golden Tax Transactions with small amount. For more details, see Oracle Fusion Applications Documentation (Financials).

Golden Tax Invoice Export

Export the data using the Export Golden Tax Transactions for China process directly when data modifications are not required in the workbench before the invoice data is exported to a data file.

To export the invoice data, follow these steps:

click Navigator > Tools > Scheduled Processes > Export Golden Tax Transactions for China. Enter the necessary parameters and click Submit:

You can also export the invoice from the Golden Tax Invoice Workbench:

The application runs the same process in the same ways as explained earlier. Only the invoices that are of same invoice type can be exported to a flat file. Note: In order to export the data, using the Export Golden Tax Transactions for China process, the Mask Internal Bank Account Numbers profile option must be set to No Masking.

After you export invoices to a data file, the status of the selected invoices is updated to Generated:

The output of Export Golden Tax Transactions for China process is a data file, which you can save to any location:

You can import the data file into the Aisino Golden Tax system.

1. Click Navigator, Tools, Scheduled Processes, and Export Golden Tax Transactions for China..
2. Enter the necessary parameters and click Submit:.

3. You can also export the invoice from the Golden Tax Invoice Workbench.

   The application runs the same process in the same ways as explained earlier. Only the invoices that are of same invoice type can be exported to a flat file. Note: In order to export the data, using the Export Golden Tax Transactions for China process, the Mask Internal Bank Account Numbers profile option must be set to No Masking.

   After you export invoices to a data file, the status of the selected invoices is updated to Generated.

4. Save the output of Export Golden Tax Transactions for China process, a data file, to any location.

Golden Tax Invoice Import by File Based Data Import (FBDI)

Import VAT invoice information into the Golden Tax Adaptor using FBDI after you have successfully created and printed VAT invoices from the Aisino Golden Tax System.

When you import this data, the invoices data in the Golden Tax Adaptor is updated with the corresponding VAT invoice information, such as VAT invoice number, date, and VAT amount.

To import VAT invoice to the Golden Tax Adaptor, follow these steps:

1. Save the file generated from the Aisino Golden Tax System and make sure that there is no blank space in the file name.
2. Compress it to a Zip file.
3. Click Navigator, Tools, and File Import and Export.
4. Open File Import and Export task, click Upload and specify the file that you want to upload and select fin/receivables/import in the Account field.
5. Import the file to the GTA application table. Click Navigator, Tools, Scheduled Processes, and Load Interface File for Import:
6. Select Import VAT Invoices for China as the Import Process and select the zip file you want to upload.
7. Click Submit. The process will trigger thee other sub processes, including Transfer File, Load File to Interface, Import VAT Invoices for China. Moreover, output one BIP report VAT Invoices Import Report for China.
8. Review the VAT invoice.
9. Check the output by the BIP report VAT Invoices Import Report for China after the process ends successfully.

   When the VAT invoice data is successfully imported against an invoice in the Golden Tax Adaptor, the status of the invoice is changed to Completed.
10. Drill down to VAT invoice by clicking Actions menu in Golden Tax Workbench if needed.
11. Drill down to original AR transactions in Golden Tax Workbench if needed.

View VAT Invoices

Use Review VAT Invoices for China page to view the VAT invoices imported from the Aisino Golden Tax system and the corresponding receivables Invoice.

To access the Review VAT Invoices for China page, follow these steps:

1. Click Navigator, Receivables, Billing, and Review VAT Invoices for China.
2. Enter VAT invoice search parameter as required to review the VAT invoice.
3. On this page, all fields are read-only, and you cannot create new records.
4. Select a VAT invoice and click View Golden Tax transaction. The Golden Tax Invoice Workbench dialog box appears and displays the related Golden Tax Adaptor invoice information.
5. Review original Receivables transactions from Review VAT Invoices for China page when you click the Receivables transaction number.
6. Drill down VAT invoice from original AR transaction if needed.

Reports

Golden Tax Discrepancy Report for China

Use the Golden Tax Discrepancy Report for China to review discrepancies in your Golden Tax Adaptor data.

The Golden Tax Adaptor uses and maintains these types of data:

- Receivables transactions.
- Golden Tax transactions created during the transfer process.
- Completed VAT invoices imported from the Aisino Golden Tax System.

This data may contain discrepancies for one or more of these reasons:

- Original receivables transactions were modified after transfer to the Golden Tax Adaptor.
- Data in the Golden Tax Adaptor was modified before export to the Aisino Golden Tax System.
- Data was modified in the Aisino Golden Tax System before the VAT invoices were generated.
- VAT calculations in the Aisino Golden Tax System may differ from the Golden Tax Adaptor and may contain small rounding errors.

To run the report, follow these steps:

1. Click Navigator, Tools, and Scheduled Processes.
2. Click Schedule New Process and schedule a new process.
3. In the Name field, select Golden Tax Discrepancy Report for China
4. Enter the necessary parameters and click Submit:
5. Check the report output.

Results:

This image shows the Golden Tax Discrepancy Report for China report.

ORACLE

VAT Invoices Mapping Report for China

Report Date 2/28/20 1:56 AM
Page 1 of 1

Report Parameters			
Business Unit	Vision China 0101		
Tax Registration Number	VC01000001		
Customer Name			
VAT Invoice Number		-	
VAT Invoice Date		-	
Receivables Transaction Source			
Receivables Transaction Number	21000	-	21000
Receivables Transaction Date		-	

Summary	
VAT Invoices	1
Receivables Transactions	1

Number	Source	Class	Date	Customer Name	Amount	Tax Amount	Total Amount
VAT Invoices							
12345678	-	-	1/31/13	GTA_Account_General	2,600.00	442.00	3,042.00
				Total	2,600.00	442.00	3,042.00
Receivables Transactions							
21000	VC_OATS	Invoice	1/31/13	GTA_Account_General	2,600.00	442.00	3,042.00
				Total	2,600.00	442.00	3,042.00

The report displays the discrepancies within different sections for each receivables invoice:

- **Header**: In this section, the discrepancies in the header attributes, such as VAT Invoice Type, Address, Bank Name, Bank Account Number, and Amounts, appear.
- **Lines**: In this section, discrepancies in the line attributes, such as Item Description and Model, appear.
- **Missing AR lines**: In this section, AR lines that are present in receivables but not in the Golden Tax Adaptor, or vice versa, appear. This discrepancy arises when a new line is added, or an existing line is deleted from a receivables invoice after it is transferred to the Golden Tax Adaptor.
- **Unmatched lines**: When the VAT invoice lines do not match the lines of the corresponding invoices in the Golden Tax Adaptor, then both lines appear separately.

VAT Invoices Mapping Report for China

VAT Invoices Mapping Report for China prints the receivables invoices information and the corresponding VAT invoice information.

Here are the mapping relations between AR transactions and VAT invoices because of invoice split and consolidation:

- one to one
- one to multiple

- multiple to one
- multiple to multiple

This report lists the mapping data between the receivables invoices information and the corresponding VAT invoice. It groups all of the VAT invoices and all relevant Receivables transactions and displays the amounts.

To run the report, follow these steps:

1. Click the Navigator, Tools, Scheduled Processes task, and schedule a new process.
2. In the Name field, select VAT Invoices Mapping Report for China.
3. Enter the report parameters and click Submit.
4. Check the report output:
   This image shows the VAT Invoices Mapping Report for China report.

ORACLE

VAT Invoices Mapping Report for China

Report Date 2/28/20 1:56 AM
Page 1 of 1

Report Parameters			
Business Unit	Vision China 0101		
Tax Registration Number	VC01000001		
Customer Name			
VAT Invoice Number		-	
VAT Invoice Date		-	
Receivables Transaction Source			
Receivables Transaction Number	21000	-	21000
Receivables Transaction Date		-	

Summary	
VAT Invoices	1
Receivables Transactions	1

Number	Source	Class	Date	Customer Name	Amount	Tax Amount	Total Amount
VAT Invoices							
12345678	-	-	1/31/13	GTA_Account_General	2,600.00	442.00	3,042.00
				Total	2,600.00	442.00	3,042.00
Receivables Transactions							
21000	VC_OATS	Invoice	1/31/13	GTA_Account_General	2,600.00	442.00	3,042.00
				Total	2,600.00	442.00	3,042.00

Golden Tax Transaction Consolidation Detail Report for China

Golden Tax Transaction Consolidation Detail Report for China provides the mappings between parent consolidation Golden Tax Adaptor invoices and child consolidated Golden Tax Adaptor invoice.

The report can show the data only when you consolidate Golden Tax Transactions. You can refer to Oracle Fusion Applications Documentation (Financials) for more details regarding consolidation. The report groups all of the consolidation Golden Tax Adaptor invoices for a single consolidated Golden Tax Adaptor invoice.

To run the report, follow these steps:

1. Click the Navigator, Tools, Scheduled Processes task, and schedule a new process.
2. In the Name field, select Golden Tax Transaction Consolidation Detail Report for China.
3. Enter the report parameters and click Submit.
4. Check the report output:
   This image shows the Golden Tax Transaction Consolidation Detail Report for China report.

ORACLE

VAT Invoices Mapping Report for China

Report Date 2/28/20 1:56 AM
Page 1 of 1

Report Parameters			
Business Unit	Vision China 0101		
Tax Registration Number	VC01000001		
Customer Name			
VAT Invoice Number		-	
VAT Invoice Date		-	
Receivables Transaction Source			
Receivables Transaction Number	21000	-	21000
Receivables Transaction Date		-	

Summary	
VAT Invoices	1
Receivables Transactions	1

Number	Source	Class	Date	Customer Name	Amount	Tax Amount	Total Amount
VAT Invoices							
12345678	-	-	1/31/13	GTA_Account_General	2,600.00	442.00	3,042.00
				Total	2,600.00	442.00	3,042.00
Receivables Transactions							
21000	VC_OATS	Invoice	1/31/13	GTA_Account_General	2,600.00	442.00	3,042.00
				Total	2,600.00	442.00	3,042.00

China National Audit Office Reports

About China National Audit Office CNAO Reports

You can implement and use China National Audit Office CNAO reports:

- Financial Data Export for China

  This allows you to export financial data by specific format required by China National Audit Office.
- Cash Flow Statement for China

  This allows you to create cash flow statement by Hyperion Financial Reports and leverages the Local Use segment of the chart of accounts to help you collecting cash flow.

China National Audit Office issued the GB/T 24589.1-2010 (for enterprise) standard where information such as Shared Information data, General Ledger data, Payable and Receivable data, and Fixed Assets data must be reported by a required XML format. China state-owned enterprises must report the required data in a standard XML format to the China National Audit Office.

Report Cash Flow Statement by direct method according to China Accounting standard.

Prerequisites for Common Entities

You must have set up these common entities before you proceed to the implementation steps:

- Data Security
- Geographies
- Enterprise Structure
- Tax Regime to Rate setup
- Tax Party Profiles
- Tax Rules
- Suppliers
- Customers
- Procurement Business Function

Note: You must complete the implementation project for your organization before you proceed to feature-specific setup.

Feature Specific Setup

Complete these common setups for features before using China related tasks in the implementation Projects.

Configure Offerings

Enable the Regional Localization for China before using China related tasks in the implementation Projects.

Follow these steps:

1. Navigate to Setup and Maintenance.

2. Search for and select Configure Offerings.
3. In the Configure Offerings window, enable China under the Financials section.

Set Up Security

Complete the setup for necessary security settings.

Follow these steps:

1. Assign the duty role to the related job role to set up security.
2. For the duty roles for financial data export are all orphan duty roles.

   This table lists the duty roles for financial data export with examples.

Duty Role Name	Duty Role Description	Associated Job Role (Example)
Enterprise Financial and Employee Data Export for China Duty	Exports financial and employee data in an XML format for an enterprise.	General Accounting Manager
Enterprise Financial Data Export Management for China Duty	Manages setup tasks that are required to generate XML files with financial data for an enterprise.	General Accounting Manager Financial Application Administrator

Set Enterprise Financial Data Export Options for China

You must complete these mandatory security settings:

Follow these steps:

1. Navigate to Setup and Maintenance.
2. Search for and select Enterprise Financial Data Export Options for China.
3. Select each of these tabs and complete the setup as needed:
   - Financial Information Options: Accounting information
   - Financial Information Options: Flexfield Assignment
   - Financial Information Options: Cash Flow Item Attribute Assignments
   - Accounting Book Information
   - Depreciation Method Formula
4. Click Done.

Financial Information Options:

Complete the setup under Financial Information Options tab: This is the main setup task for financial data export for china. It has three parts: financial information options, accounting book information, and Depreciation Method Formula.

- **Financial Information Options: Accounting information**

  You must define financial information options by Chart of Account level, and assign the subsidiary accounts under the chart of account. This setup is used to calculate the account entry and balance along with the subsidiary account.

  Set these source types as subsidiary accounts:

  - Chart of Account Segments: All segments except balancing segment and natural account segment
  - Third Party: Customer, supplier, and employee supplier information
  - Project Number: Project number from project.

- **Financial Information Options: Flexfield Assignment**

  You must define a descriptive flexfield to store the settlement method if they have intercompany transactions. This setup is used to collect the settlement method of the cash related intercompany transactions.

- **Financial Information Options: Cash Flow Item Attribute Assignments**

  You must specify the cash flow statement rows that are used in the cash flow statement and supplementary schedule. Both item source and item attribute are required along with the other cash flow item attributes. This setup is used to export cash flow items in shared information data export part.

Accounting Book Information:

You must define the general information for an accounting book based on a specific legal entity. This setup is used to export accounting book information in shared information data export part.

Follow these steps:

1. Select the Account Book Information tab.
2. Create or edit a selected legal entity and modify these values as needed:
   - Company Name
   - Book Name
   - Book Number
   - Organization Code
   - Enterprise Industry
   - Enterprise Quality
   - Standard Version

Depreciation Method Formula

You must define the text formula for the depreciation methods they use. This setup is used to export the asset depreciation method formula description in the fixed asset data export part.

Follow these steps:

1. Select the Depreciation Method Formula tab.
2. Create or edit a selected Depreciation method as needed:
   - Depreciation Method: Straight-Line.
   - Depreciation Method Formula: Depreciation Amount = Recoverable Amount/Life (for straight line method).
   - Start Date
   - End Date

Enterprise Additional Account Attributes

Follow these steps:

1. Navigate to Setup and Maintenance and select Creating Enterprise Additional Account Attributes.
2. Search for and select Creating Enterprise Additional Account Attributes.
3. The Create Enterprise Additional Account Attributes for China task is a process that creates two additional account attributes for natural accounts under the chart of accounts: Balance Side for China and Cash-Related Account for China:
   - The Cash-Related Account for China attribute is used for exporting cash-related journals. While exporting data from the general ledger, cash-related accounts are exported based on the value of this attribute.
   - The Balance Side for China attribute is used when exporting data from the general ledger. For some accounts the balance side is different from the balance side attribute, therefore, you need to set the balance side for these accounts to export data correctly.

Profile Options

You must define the four required financial reports like Balance Sheet, Profit Statement, Cash Flow Statement, and Statement of Changes in Owner's Equity report in Hyperion Financial Reporting. Then, save a snapshot for a specific period range into the catalog.

Follow these steps:

1. Navigate to Setup and Maintenance.
2. Search for and select Financial Report Snapshot Directory for China.
3. Select a profile to use for the location of the snapshot where it is saved. You can set it as site, product, and user level.
4. Search for and select Manage Administrator Profile Values task.
5. Define the path value in the profile and choose the report under the path you saved in the parameter for the report data export in General Ledger data export report.
6. You can find this value at the Financial Reporting Center:
   a. Navigate to General Accounting Financial Reporting Center.
   b. Search for and select Open Workspace for Financial Reports task.
   c. Browse and locate the value.

Cash Flow Statement

You must complete both common setup and Subledger Accounting setup.

Common Setup

You must define the common tasks before using the cash flow statement.

Follow these steps:

1. In Chart of Account, assign a new segment label:
   a. Navigate to Setup and Maintenance.
   b. Search for and select Manage Chart of Account Structure task.
   c. Create a segment, **Local Use Segment**.

      This segment label indicates which segment in the chart of account is the cash flow item segment.
   d. Define a specific segment in the chart of account structure for cash flow items.
2. Assign a new subledger accounting method which is 'Standard Accrual for China' for the ledger. This subledger accounting method should be used to collect the cash flow segment for each subledger transaction.

a. Navigate to Setup and Maintenance.
b. Search for and select Specify Ledger Options task.
c. Choose either **Standard Accrual for China** account method or copy a new one based on it for the ledgers.

   A set of accounting rules are available for the local use segment under Standard Accrual for China account method to collect the correct cash flow amount.
d. Create a new accounting method based on Standard Accrual for China accounting method and add some additional setup if they also use Oracle Procurement Cloud.

3. Create a mapping set for the cash flow segment items.
   a. Navigate to Setup and Maintenance and select Manage Mapping Sets.
   b. Search for and select Subledger Accounting Method task.
   c. Create a new mapping set with these settings:
      - Owner: User
      - Application: Cost Management
      - Description: PO Accrual Account Mapping Set
      - Mapping Set Code: JA_CN_CST_ACCRUAL_MAPPING_SET
      - Mapping Set Name: PO Accrual Account Mapping Set
      - Input Value Set: User defined “Local Use” segment Value
      - Chart of Accounts: User defined Chart of Accounts

   This table displays the settings to be defined for a mapping set:

Priority	Value Type	Value	Input source	Segment
10	Mapping Set	PO Accrual Account Mapping Set	Cost Management Default Account	Local Use Segment

4. Create a new account derivation rule:
   a. Navigate to Setup and Maintenance and select Manage Account Rules.
   b. Search for and select Subledger Accounting Method task.
   c. Create a new account derivation rule with these settings:
      - Owner: User
      - Application: Receipt Accounting
      - Code: JA_CN_CST_ACCRUAL
      - Name: China PO Accrual Rule
      - Description: PO Accrual Account Rule for China
      - Chart of Accounts: User defined Chart of Accounts
      - Output Type: Segment
      - Output Type Value: Local Use Segment

   This table displays the settings to be defined for the account derivation rule:

Priority	Value Type	Value	Input source	Segment
10	Mapping Set	PO Accrual Account Mapping Set	Cost Management Default Account	Local Use Segment

5. Assign the account derivation rule to the local use segment rule of the **Accrual** journal line rule under **Receipt Accounting** application **China Receipt into Inspection** journal line rule set with these settings.
   - Owner: User
   - Event Type: Receipt into Inspection
   - Code: JA_CN_ACCRUAL_RCPT_INSP
   - Name: China Receipt into Inspection
   - Description: Receipt into Inspection for China
   - Chart of Accounts: Null

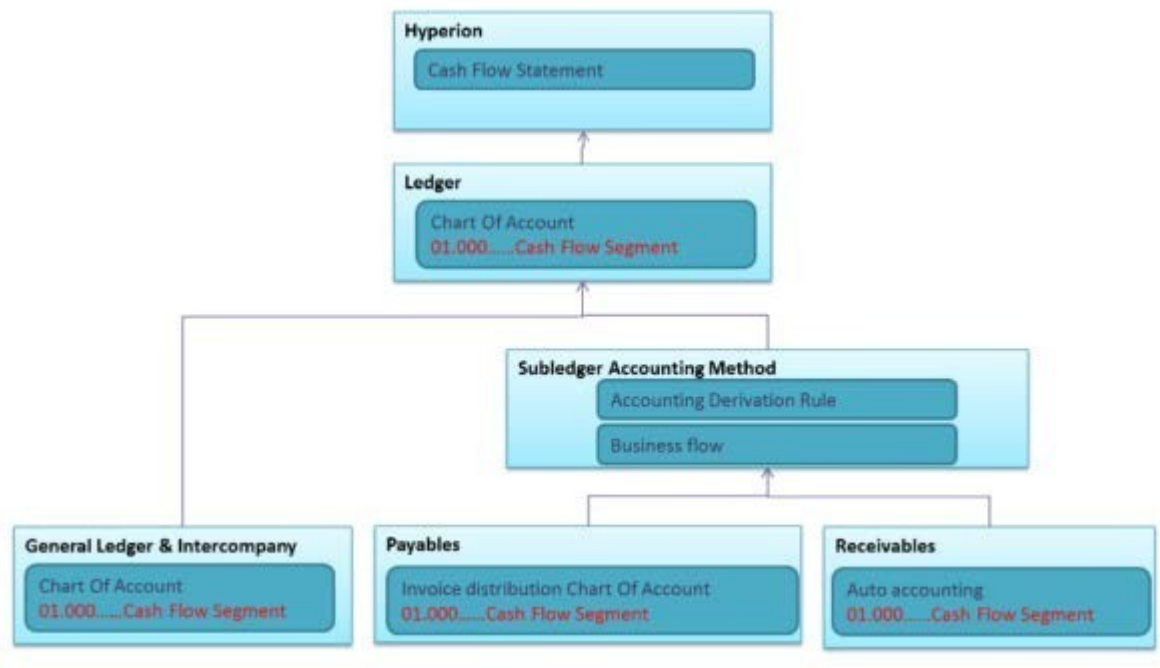
   This table displays the settings to be defined for the Accrual journal line rule set:

*Journal Line Rule	Segment	Account Derivation Rule Code	Account Derivation Rule Code Name	Account Derivation Rule Description
Accrual	Local Use	JA_CN_CST_ACCRUAL	China PO Accrual Rule	PO Accrual Account Rule for China.

Accounting Rules

The basic rule of the cash flow collection is getting the cash flow segment amount from the opposite side of the cash account. By using this way we get the amount from each cash transaction entry. And then summarize them to each cash flow rows of the cash flow statement in Hyperion Financial Report.

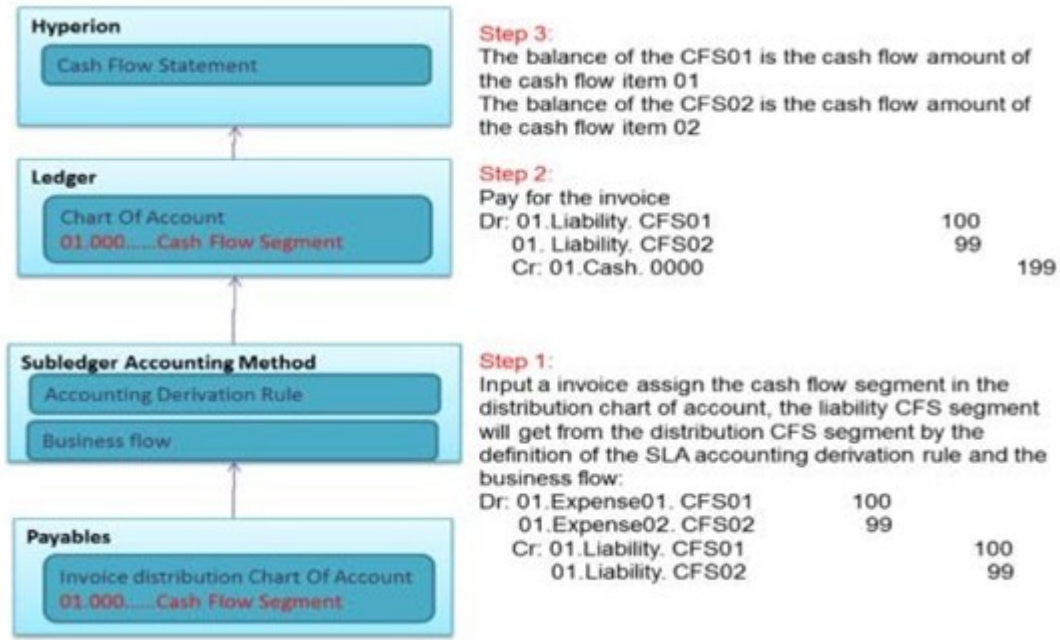
This image displays the flow diagram for Accounting Rules:



Oracle Payables

In Payables, you can get the cash flow item and amount from each payment. The source of the cash flow item will be derived from each invoice distribution line cash flow segment.

This image displays the flow diagram for Payables:



According to the rule above, apply the source default rule when you input the invoice or define the account source for cash flow segment:

- Owner: User

- Application: Payables
- Description: Default Cash Flow Segment Source for China

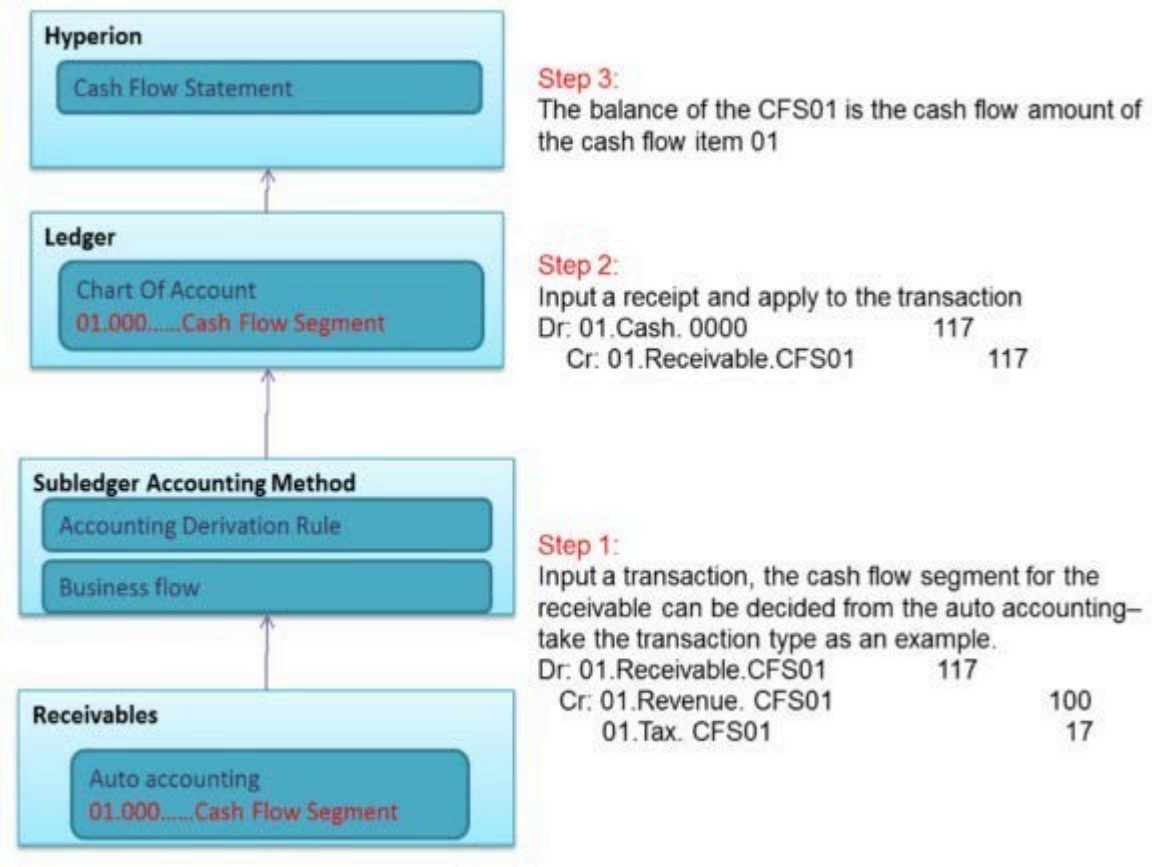
This table displays the settings to be defined for the source default rule:

Accounting Class	CFS Source	Accounting Definition
Item expense-for ERS and PO matched invoices	PO category\item category accrual account and the expense account	PO category\item category accrual account and expense account definition.
Item expense-For expense report and iExpense invoices	Expense report item account	Expense report item account definition in the expense report template.
Refund invoice from AR	Refund account	“Refund type” account in the receivables activities definition.
Intercompany invoice	Intercompany account	Intercompany account definition
Prepayment	Supplier site	If there are two CFS for one supplier, separate the supplier site.

Oracle Receivables

In Receivables, you can get the cash flow item and amount from each receipt and apply application. The source of the cash flow item will be derived from each transaction receivable account cash flow segment.

This image displays the flow diagram for Receivables:



According to the rule above, apply the source default rule when you input the transaction or define the account source for cash flow segments:

Segment 1

- Owner: User
- Application: Receivables
- Description: Default CFS Source for China

This table displays the settings to be defined for the source default rule:

Accounting Class	CFS Source	Accounting Definition
Receipt Bank Charges	Bank charge account	“Bank Charges” account in the bank account definition, and the “Bank Charges” account in the receipt method.
Receipt On Account Application	On account	“On account receipts “account in the receipt method.
Receipt Refund Application	Refund account	“Refund type” account in the receivables activities definition.
Receipt Unapplied Cash	Unapplied account	“Unapplied receipts “account in the receipt method.

Segment 2

- Owner: User
- Application: Receivables
- Description: Default CFS Source for China

This table displays the settings to be defined for the source default rule:

Accounting Class	CFS Source	Accounting Definition
Receipt Unidentified Cash	Unidentified account	“Unidentified receipts “account in the receipt method.
Receipt Write-Off Application	Write-Off account	“Receipt Write-Off type” account in the receivables activities definition.
Receivable\Revenue\Tax	Transaction type	Receivable\Revenue\Tax account definition in receivables transaction type ; and the auto accounting for these accounting class by the “Transaction Type”
Miscellaneous Receipt Miscellaneous Cash	Miscellaneous Receipt account	“Miscellaneous Cash Type” account in the receivables activities definition.

Oracle General Ledger

You must input the Cash flow segment in the chart of account in the opposite side of the cash line in the cash related journal lines. The cash line should be the default value: *0000 no cash*.

Here's an example:

```
Dr: 01.Expense.CFS01 20
 Cr: 01.Cash.0000 20
```

According to the rule above, apply this setup when you define the account cross validation rule:

- Owner: User
- Application: General Ledge
- Description: Default CFS Source for China

This table displays the settings to be defined for the account cross validation rule:

Accounting Class	CFS Source	Accounting Definition
Cash account	No cash flow segment in cash related account	Cross validation for such COA.

Invoice and Payment Entry in Oracle Payables

You must complete feature specific setup before you input the invoices and payments.

Cash Flow Segment

Enter invoices with these characteristics to ensure that they are correctly getting the cash flow item.

Follow these steps:

1. Navigate to Payables Invoices.
2. Search for and select Create Invoices task.
3. Create an invoice with these validations:
   - Cash flow segment must be assigned in the distribution line chart of account Local use segment.
   - After you input the cash flow segment in the distribution line account, the Liability cash flow segment inherited from the Item Expense cash flow segment after create accounting.

Payment Header Level GDF

Follow these steps:

1. Navigate to Payables Payments.
2. Search for and select Create Payment task.
3. Create a Payment with these validations:

   The Remittance Bill Number will record the bill number for this payment. The data entered for the value appears on the Payables and Receivables data export report output.

   Note: If you do not input data in the GDF section, the bill number doesn't appear on the report.

Validate Invoices, and Account and Post to Ledger

Validate the invoice. Account and Post to Ledger for both invoice and payment. The report only shows invoices and payment that are accounted and posted in GL.

Transaction and Receipt Entry in Oracle Receivables

Make a transaction and receipt entry in Receivables. You must complete the previous setups before you input the transactions and receipts.

Cash Flow Segment

Enter transactions with these characteristics to ensure that they get the cash flow item correctly.

Follow these steps:

1. Navigate to Receivables Billing and select Tasks.
2. Search for and select Create Transaction.
3. Create a transaction and enter the cash flow segment generation for your auto account setup correctly.

For example, the cash flow segment can be from transaction type. Ensure that all accounting classes in the transaction have the same cash flow segment.

```
Dr: 01. Receivables. CFS01 117
 Cr: 01. Tax.CFS01 17
 01. Revenue. CFS01 100
```

Receivables Transaction Settlement Method

Follow these steps:

1. Navigate to Receivables Billing and select Tasks.
2. Search for and select Create Transaction.
3. Create a transaction and select the **Receipts method**.

   This is optional. The data entered for receipt method appears on the report output if provided previously.

Receipt Header Level GDF

Follow these steps:

1. Navigate to Receivables Balances.
2. Search for and select Create Receipts.
3. Create a transaction.

   Remittance Bill Number records the bill number for this receipt. The data entered for the value appears on the Payables and Receivables data export report output.

   > **Note:** If you do not input data in the GDF section, the bill number doesn't appear on the report.

Complete Transactions, and Account and Post to Ledger

Complete the transaction, and Account and Post to Ledger for both transaction and receipt. The report only shows transactions that are accounted and posted in GL.

Asset Entry in Oracle Fixed Assets

Make an asset entry in Fixed Assets. You must complete the previous setups before you input the assets.

Asset Header Level GDF

Follow these steps:

1. Navigate to Fixed Assets Additions and select Add Asset.
2. Search for and select Create Transaction.
3. Create a new asset:
   - **Asset Usage** records the asset usage status code for the asset such as In Use, Not In Use, and Seasonal Deactivation. The data entered for the value appears on the Fixed Assets data export report output.

     > **Note:** If you do not input data in the GDF section, the asset usage doesn't appear on the report.

   - **Asset Unit of Measure** records the unit of measure for the asset, for example meter. The data entered for the value appears on the Fixed Assets data export report output.

     > **Note:** If you do not input data in the GDF section, the asset unit of measure doesn't appear on the report.

Account and Post to Ledger

All the asset transactions should be accounted and posted to GL. The report only shows transactions that are accounted and posted in GL.

Journal Entry in Oracle General Ledger

Make a journal entry in the General Ledger. You must complete the previous setups before you input the journals.

Cash Flow Segment

Enter transactions with these characteristics to ensure that they get the cash flow item correctly.

Follow these steps:

1. Navigate to General Accounting Journals.
2. Search for and select Create Journals.
3. Enter the Cash flow segment in the chart of account in the opposite side of the cash line in the cash related journal lines.

   The cash line should be the default value for example: *0000 no cash*.

Journal Header Level GDF

The Settlement Method GDF is used to record the settlement method for manually entered cash related journals like Cash, Check. The data entered for the value, will appear on the General ledger data export report output.

> **Note:** If you do not input data in the GDF section, the Settlement method doesn't appear on the report.

Post to Ledger

All the journals should be posted. The report only shows journals and accounts that are posted in GL.

Reporting

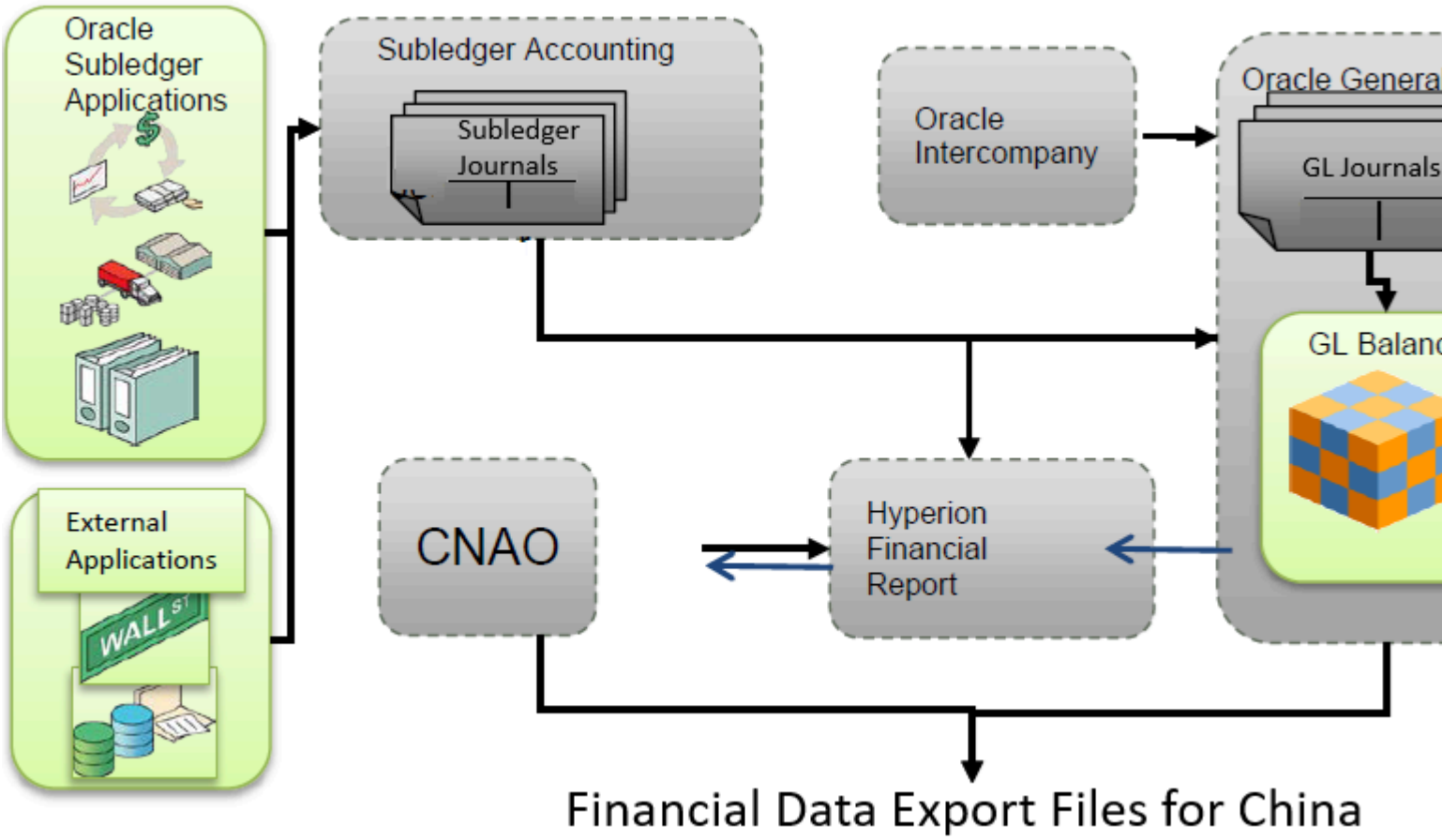
The reports are classified under Processes for the Financial Data Export for China and Hyperion Reporting for Cash Flow Statement.

Processes for the Financial Data Export for China

Enter transactions with these characteristics to ensure that they get the cash flow item correctly.

Business Flow Summary for Financial Data Export

This image shows the business flow summary for Financial Data Export:



Itemize Account and Journal for China

This is a prerequisite process that collects and calculates the detailed accounting transactions for the reporting period.

Follow these steps:

1. Navigate to Tools and select Scheduled Processes.
2. Collect the transactions that you want to report for the legal entity for a period.

> **Note:** You must run this process before you run other data export processes.

Export Shared Information Data for China: Enterprise

After you have itemized the transactions and accounts by the **Itemize Account and Journal for China** process, you can export the shared information data for China:

Follow these steps:

1. Navigate to Tools and select Scheduled Processes.
2. Run the **Itemize Account and Journal for China**' process.
3. Run the report before the period which you selected in the **Itemize Account and Journal for China**.
4. Choose **Department Tree** and **Department Tree Version** that you set up previously.

   The report output must be in XML format. The XML file includes these sections: electronic accounting book, accounting period, journal category, exchange rate type, currency, settlement method, supplier record, customer record, user-defined record, and user-defined record value.

Export General Ledger Data for China: Enterprise

After you have itemized the transactions and accounts by the **Itemize Account and Journal for China** process, you can export the General Ledger data for China:

Follow these steps:

1. Navigate to Tools and select Scheduled Processes.
2. Run the **Itemize Account and Journal for China**' process.
3. Run the report before the period which you selected in the **Itemize Account and Journal for China**.
4. Choose financial reports with suffix 'rpt' that you saved as snapshots under the path in the **Financial Report Snapshot Directory for China** profile option.

   The report output must be a XML format. The XML file includes these sections: basic general ledger information, natural account information from the chart of accounts, subsidiary items of the account, cash flow items, general ledger account balance and period amount, general ledger journals, journals related to cash flow item segment, and report set and report item information from balance sheet, income statement, cash flow statement, and statement of change in equity reports available in Oracle Hyperion.

Export Fixed Assets Data for China: Enterprise

After you have itemized the transactions and accounts by the **Itemize Account and Journal for China** process, you can export the Export Fixed Assets Data for China report:

Follow these steps:

1. Navigate to Tools and select Scheduled Processes.
2. Choose the parameter for a legal entity in the period range.

   The report output must be a XML format. The XML file includes these sections: basic fixed asset information, fixed asset category setting, modification method, depreciation method, asset usage, asset card, asset card real asset information, asset card usage information, asset decrease information, asset decrease information real asset information, and asset modification information.

Export Payables and Receivables Data for China: Enterprise

You can export the Export Payables and Receivables Data for China report:

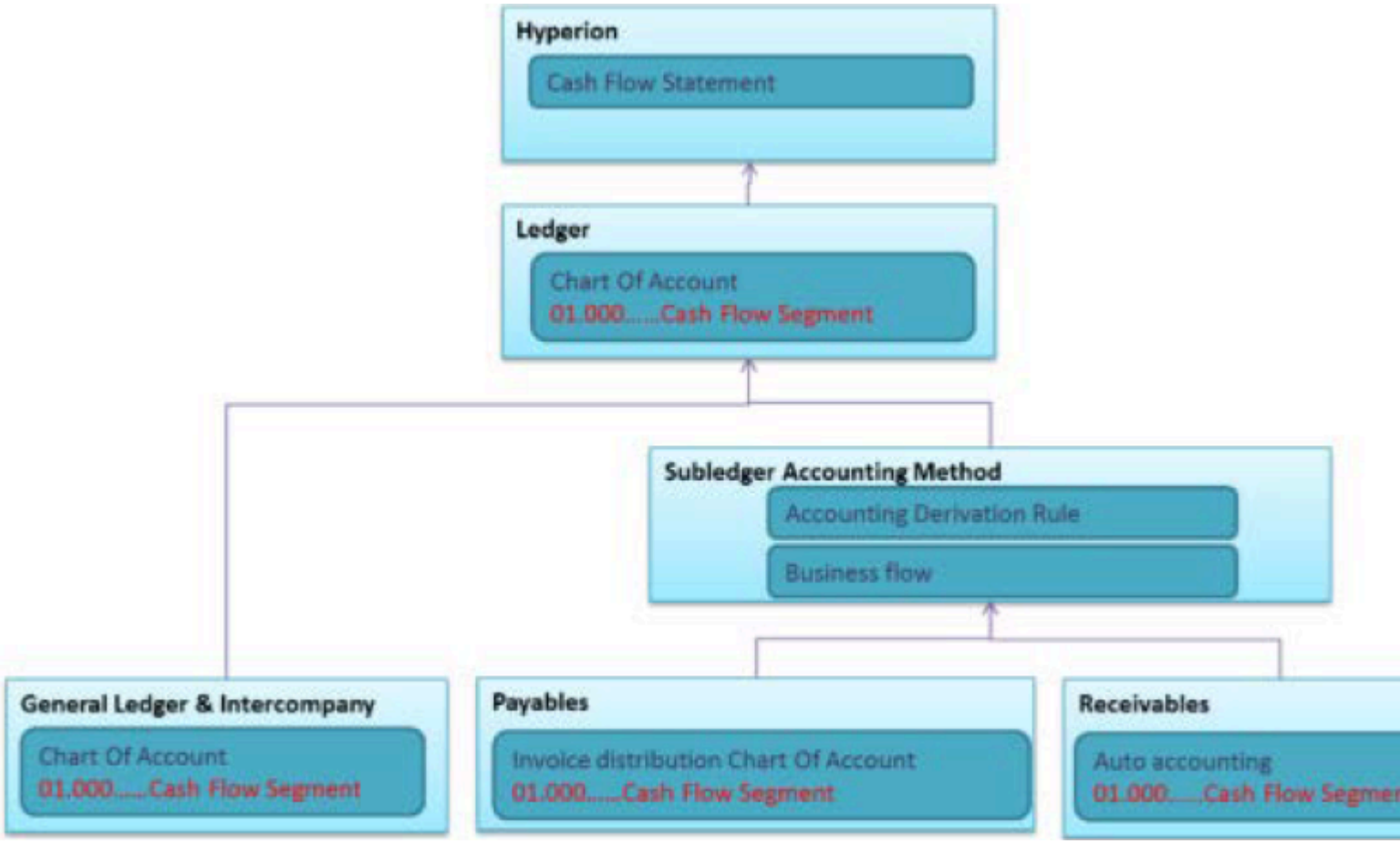
Follow these steps:

1. Navigate to Tools and select Scheduled Processes.
2. Run the **Itemize Account and Journal for China**' process.
3. Run the report before the period which you selected in the **Itemize Account and Journal for China**.
4. Choose the parameter for a legal entity in the period range.

   The report output must be a XML format. The XML file includes these sections: document type, transaction type, payables balance detail, and receivables balance detail.

Business Flow Summary for Cash Flow Statement

This image shows the business flow summary for cash flow statements:



Hyperion Financial Reporting

You can do these tasks:

1. Define the Cash Flow Statement in the Hyperion Financial Report Studio.
2. Insert a grid and assign the rows as Cash Flow Segment you defined in the Chart of Account.
3. Define each cash flow statement lines and assign the related cash flow segment for each line to get the cash flow amount.
4. In China, you can input the Chinese lines and define the Chinese reports.
5. Save the report or save the report as snapshot in a specific location for the financial data export.
6. Run the report as HTML or PDF format to review the report results.

For example, run the General Ledger Journal and Subledger Transaction Mapping report to check if all the cash flow segment booked correctly. The General Ledger Journal and Subledger Transactions Mapping report process exports the accounting entries with detailed information from subledger and journals and lists the results using an Oracle Business Intelligence Publisher report. The output of the report is in Excel format. It only supports the four subledger sources: Receivables, Payables, Cost Management and Intercompany.

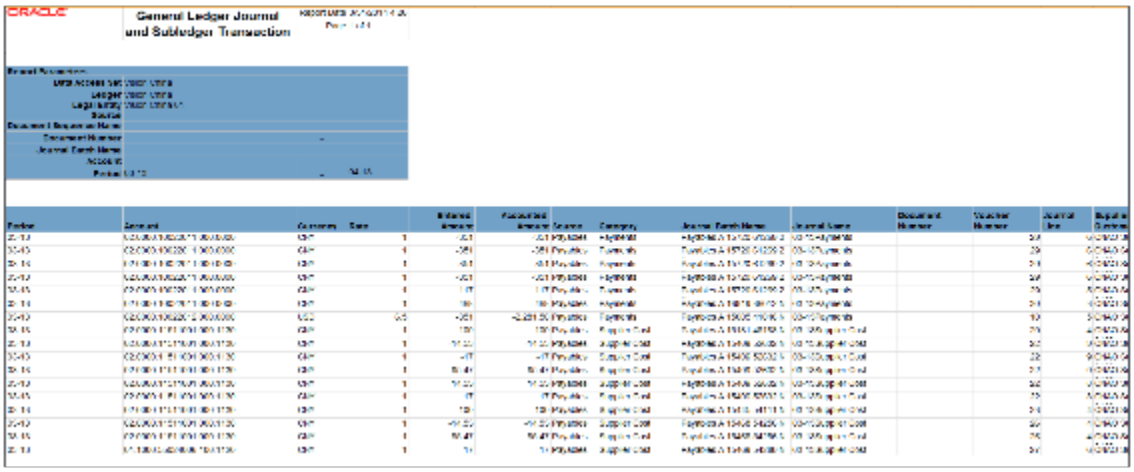
Use General Ledger Journal and Subledger Transaction Mapping Report

This topic includes details about the General Ledger Journal and Subledger Transaction Mapping Report.

Overview

Use the General Ledger Journal and Subledger Transaction Mapping Report to display the mapping relationship details between general ledger journals and the corresponding source subledger transactions for a specific data access set, ledger, and accounting period.

The following figure shows an example of the General Ledger Journal and Subledger Transaction Report. Some of the columns included on the report are period, account, currency, rate, entered amount, accounted amount, source, category, and journal batch name.



Key Insights

The following table lists the sources for which subledger information is reported, along with the information that is displayed.

Source	Subledger Information
Oracle Payables	• Supplier name • Invoice number • Document number
Oracle Receivables	• Customer name • Transaction number • Receipt number
Oracle Cost Management	• Supplier name • Purchase order number

Source	Subledger Information
	• Receipt number
Oracle Intercompany	Original intercompany batch number

Note: For other sources, the report displays only general ledger information.

For secondary ledgers, when the data conversion level is subledger, only subledger information is displayed. You can define the data conversion level during account setup. Otherwise, only general ledger information is reported.

When the subledger accounting options in the accounting setup, and the transfer to general ledger options in the journal line type setup is summary, the subledger journal lines are summarized and transferred to general ledger. In such cases, one general ledger journal line may be summarized from multiple subledger journal lines. The report displays multiple lines for every subledger journal line and the amount displayed is from the corresponding subledger journal line.

Report Parameters

The following table lists selected parameters of the report.

Parameters	Description
Data Access Set	Specify the data access set that is associated with your data role.
Ledger	Specify the ledger from which you want to export data. The ledger must be associated with the selected data access set.
Legal Entity	When the selected ledger is a primary ledger, specify the legal entities assigned to it. When the selected ledger is a secondary ledger, specify the legal entities that are assigned to the corresponding primary ledger.
Source	Specify the name of the journal source as defined in the Manage Journal Source page. When you specify the source, the general ledger journal lines from that source are extracted. All the general ledger journal lines are exported if you don't specify any source.
Batch Name	Specify the general ledger batch name to be included for exporting data.
From Document Number and To Document Number	Specify the range of general ledger sequence number to be included for exporting data.
From Period and To Period	Specify the range of general ledger periods to be included for reporting data. Only general ledger journal lines during the specified period are exported.

Frequently Asked Questions

The following table lists frequently asked questions about the General Ledger Journal and Subledger Transaction Mapping Report.

FAQ	Answer
How do I find this report?	Schedule and run this report from the Scheduled Processes work area on the Navigator menu.
Who uses this report?	• Financial Manager • Financial Accountant
When do I use this report?	Use the report to list the general ledger journal details and the corresponding subledger transaction details in each row for the selected data access set, ledger, and accounting period range. Details include account combination, accounted and entered amounts, source, category, journal batch, journal names, supplier or customer names, voucher, document, intercompany batch, payment, purchase order, and receipt numbers.
What type of reports are these?	Oracle Analytics Publisher

How You Process General Ledger Journal and Subledger Transaction Mapping Report

The General Ledger Journal and Subledger Transaction Mapping Report exports the accounting entries with detailed information from subledger and journals and lists the results using an Oracle Analytics Publisher report.

Run the process from the Scheduled Processes Overview page in **Navigator - Tools**.

Note: This report is used only for China localization.

Settings That Affect Data Export

This table lists the parameters associated with the process:

Parameters	Description
Data Access Set	Specify the data access set associated with your data role.
Ledger	Specify the ledger from which you want to export data. The ledger must be associated with the selected data access set.
Legal Entity	When the selected ledger is a primary ledger, specify the legal entities assigned to it.

Parameters	Description
	When the selected ledger is a secondary ledger, specify the legal entities that are assigned to the corresponding primary ledger.
Source	Specify the name of the journal source as defined in the Manage Journal Source page.
From Batch Name	Specify the beginning of a range of the general ledger batch name list to be included for exporting data.
To Batch Name	Specify the end of a range of the general ledger batch name list to be included for exporting data.
From Document Number	Specify the beginning of a range of general ledger sequence number to be included for exporting data.
To Document Number	Specify the end of a range of general ledger sequence number to be included for exporting data.
From Period	Specify the beginning of a range of general ledger periods to be included for exporting data.
To Period	Specify the end of a range of general ledger periods to be included for exporting data.

How Data Is Exported

The report includes these sections:

- Period
- Account
- Currency
- Rate
- Entered Amount
- Accounted Amount
- Source
- Category
- Journal Batch Name
- Journal Name
- Document Number
- Voucher Number
- Journal Line
- Customer or Supplier Name
- Receipt or Payment Number
- Receivables Transaction Number or Payables Invoice Number
- Intercompany Batch Number
- Purchase Order (PO) Number

Data is exported to the report based on these criteria:

- When a ledger is specified, only posted journal lines in the specified ledger are exported. When no legal entity is specified, the report extracts all of the journal lines in the selected ledger.
- When the source is specified, the general ledger journal lines from the specified source are extracted. When no source is specified, all the general ledger journal lines are exported.
- Only general ledger journal lines during the selected period range, including both normal period and adjustment period are extracted and exported to the report.
- Subledger information is exported only for these sources: payables, receivables, cost management, and intercompany. For other sources, only general ledger information is exported, subledger information isn't exported.
- For the journal lines with the source as Oracle Fusion Payables, subledger information, such as supplier name, Payables invoice number, and Payables document number is exported.

  When the event class in the subledger accounting journal entry belongs to the PAYMENTS event entity, only the supplier name and payment document number are extracted and exported to the report.

  When the event class in the subledger accounting journal entry belongs to the INVOICES event entity, only the supplier name, and invoice number are extracted and exported to the report.

  The supplier name is extracted from the party name field in the subledger accounting journal entry.
- For the journal lines with the source as Oracle Fusion Receivables, subledger information, such as customer name, Receivables transaction number, and Receivables receipt number is exported.

  When the event class in the subledger accounting journal entry belongs to the RECEIPTS event entity, only customer name and receipt number are extracted and exported to the report.

  When the event class in the subledger accounting journal entry belongs to the TRANSACTION and ADJUSTMENT event entity, only customer name and transaction number are extracted and exported to the report.

  The customer name is extracted from the party name field in the subledger accounting journal entry.

  For the journal lines with the source as Oracle Fusion Cost Management, the original event class of the journal line is extracted.
- For the journal lines with the source as Oracle Fusion Cost Management, the original event class of the journal line is extracted.

  When the event class in subledger accounting journal entry belongs to the RCV_ACCOUNTING_EVENTS event entity, supplier name, purchase order number, and receipt number are extracted and exported to the report.

  When the event class in subledger accounting journal entry doesn't belong to the RCV_ACCOUNTING_EVENTS event entity, the cost management subledger information isn't exported.
- For the journal lines with the source as Oracle Fusion Intercompany, the original intercompany batch number is extracted.
- For secondary ledgers, the subledger information is extracted and exported only when the data conversion level is subledger. Otherwise, only general ledger information is extracted and exported. The data conversion level is defined during accounting setup.
- For the summary report mode, when transferring subledger to general ledger, the report restores the detail level with subledger information to export on the report.

When the subledger accounting options in the accounting setup and transfer to general ledger options in journal line type set up is summary, the subledger journal lines are summarized and transferred to general ledger.

In such cases, one general ledger journal line may be summarized from multiple subledger journal lines. The report exports multiple lines for every subledger journal line and the amount displayed is from the corresponding subledger journal line.

How You Calculate Cash Flow Amount

The basic rule for calculating the cash flow amount is the period to date balance amount for each cash flow segment in the chart of accounts.

The set up tasks aim to get the cash flow amount for each cash transaction amount between the debit and credit side of the cash flow segment. For noncash-related transactions, the cash flow segment is balanced between the debit and credit side. Cash flow amount is obtained from the opposite side of the cash related account.

Here is a scenario:

Consider an invoice in Oracle Fusion Payables that is related to a noncash-related transaction. but is the source of the cash flow item. The account in the Payables invoice is:

- Debit: 01.000.5010005.1001 (CFS) CNY 100
- Credit: 01.000.2010001.1001 (CFS) CNY 100

The cash flow segment 1001 in this transaction is balanced.

The payment in Payables is a cash-related transaction. Hence, the cash flow amount is calculated as:

- Debit: 01.000.2010001.1001 (CFS) CNY 100
- Credit: 01.000.1001001.0000 (CFS) CNY 100

When 1001001 is the cash account and the cash flow segment on the credit side is null, the cash flow amount from the cash flow segment for the transaction is CNY 100.

Define Revaluation Template in Oracle Fusion General Ledger

A revaluation template is defined by currency, and is based on cash flow segment.

For cash-related accounts, the cash flow segment is the default segment. Therefore, the gain/loss account in the template must also be the default values, for example, 0000.

For noncash-related accounts, the template is defined in detail based on each cash flow segment in the chart of accounts. Noncash-related accounts include liability and receivable accounts in Oracle Fusion Payables and Oracle Fusion Receivables.

For example, when a foreign currency invoice in the period end isn't paid, you must revalue the 2010001 Liability account.

- Debit: 01.000.5010005.1001 (CFS) $100

- Credit: 01.000.2010001.1001 (CFS) $100

To balance the cash flow amount in the revaluation template, the gain/loss account must contain the same cash flow segment. Hence, the gain/loss account in the chart of accounts must be 01.000.Gain/Loss.1001.

Define Automatic Accounting Rules in Oracle Fusion Receivables

Use the automatic accounting rules in Oracle Fusion Receivables to obtain the source of the cash flow segment.

For example, when you set the transaction type for a cash flow segment in the automatic accounting rule, these account details appear:

- Debit: 01.000.Receivable.1001 (CFS) CNY 117
- Credit: 01.000.Revenue. 1001 (CFS) CNY 100
- Credit: 01.000.Tax.1001 (CFS) CNY 17

The cash flow amount is calculated as CNY 117 when you apply the receipt:

- Debit: 01.000.Cash.0000 (CFS) CNY 117
- Debit: 01.000.Receivable.1001 (CFS) CNY 117

Define your own cash flow segment source rules according to your business requirements. It can be from the transaction type, customer site.

Dummy Bank Transactions

Dummy payments are payments made from a payment bank account that isn't a real bank account.

For dummy bank transactions in Oracle Fusion Applications, manually balance the cash flow segment according to your business needs. Dummy payments are used for clearing transactions, and are classified as noncash-related transactions in Oracle Fusion Payables.

For example, consider an invoice of CNY 100 that you must pay in US dollars (USD). You must:

1. Make a dummy payment using a dummy bank account in CNY.
2. Insert a journal in the Oracle Fusion General Ledger.
3. Select a real bank account to make the payment in USD.

The cash flow amount for such dummy payments is calculated as:

Debit: 01.000.2010001.1001 (CFS) CNY 100

Credit: 01.000.9009009.0000 (CFS) CNY 100 (This is a dummy clearing account.)

When making dummy payments, manually balance the cash flow segment in General Ledger by creating an adjustment journal entry:

Debit: 01.000.9009009.0000 (CFS) CNY 100

Credit: 01.000.9009009.1001 (CFS) CNY 100

Import Value Added Tax Invoice Data for China

Import VAT invoice data from a flat file and map the data to the corresponding Golden Tax transactions at both the header level and the line level.

To access the template, complete these steps:

1. Navigate to the File-Based Data Import for Oracle Financials Cloud guide.
2. In the Table of Contents, click **File-Based Data Imports**.
3. Click **China Value Added Tax Invoice Import**.
4. In the File Links section, click the link to the control file.

Follow these guidelines when preparing your data in a flat file:

- Export data directly from a third-party system. No need to manually enter data.
- Export data in the format specified in the control file.

Settings That Affect the China Value Added Tax Invoice Import Process

The China Value Added Tax Invoice Import Control File provides the format to load VAT invoice data. This data is loaded to this table:

Table	Description
JA_CN_TRXIMP_RPT	Stores temporary data for VAT invoice import.

How China Value Added Tax Invoice Import Data Is Processed

After you export the flat file from a third-party system, you compress the file as a Zip file and then, load the Zip file to the application.

To load the Zip file to the application:

1. Navigate to the Load Interface File for Import page.
2. Select the **Import VAT Invoices for China** process.
3. In the Data File list, select **Upload a new file**.
4. Select the Zip file to upload.
5. Submit the process.
6. Monitor the import process.
7. If the Import VAT Invoices for China process ends in error or warning, review the log file for details about the rows that caused the failure.

FAQs for China

Why is the trial balance report not balanced?

The cash flow amount is obtained from the opposite side of cash-related accounts in a chart of accounts. Therefore, balance your trial balance at the natural account level instead of the chart of accounts level.

How can I define a cash flow item segment in the chart of accounts?

Use the local use segment qualifier available in Oracle Fusion General Ledger to define the segment qualifier. This segment qualifier is used to identify the cash flow segment. Assign one segment in the chart of accounts as Local Use.

Where does the cash flow segment for a purchase order matched invoice come from?

PO charge account and PO accrual account act as the cash flow source for purchase order (PO) matched invoices.

In Payables, the invoice distribution account has cash flow segment. Here, the PO charge account and the PO accrual account are listed as the sources.

For example, use the item category and PO category to define the cash flow segment.

Do this for an expense account on the Category Account Definition page. Use the workflow to get the cash flow segment. The value matches the invoice distribution account.

Why is the balance side of my account not displaying correct details?

Balance side for natural accounts needs an additional account attribute. Make sure it's set up in your chart of accounts.

> **Note:** To define additional account attributes, run the Create Enterprise Additional Account Attributes for China process.

Related Topics

- How You Create Enterprise Additional Account Attributes

Why are cash-related journals blank for my account?

You need an additional attribute for your cash-related accounts. Make sure it's set up for the natural accounts in your chart of accounts.

> **Note:** To define additional account attributes, just run the Create Enterprise Additional Account Attributes for China process.

Related Topics

- How You Create Enterprise Additional Account Attributes

India

Manage Goods and Services Tax Compliance in Oracle ERP Cloud

Overview of Managing Goods and Services Tax Compliance in Oracle ERP Cloud

A goods and services tax (GST) is a type of general consumption tax that is imposed and collected incrementally on transactions. GST is based on an increase in value of a product or service at each stage of production or distribution.

In many countries, GST is usually implemented as a destination-based tax. This means that the tax rate depends on one these conditions:

- The location of the end customer.
- The location to which goods are shipped.
- The location at which services are rendered.

For information on how to manage the fundamental global GST compliance in Oracle ERP Cloud, see the related topics.

Manage General GST Compliance in Oracle ERP Cloud

Manage GST Registration Numbers

A key legal requirement in many countries is to establish and apply the GST registration for a business with the relevant tax authorities.

A unique GST registration number is generally assigned to a taxpayer registered with the applicable GST authorities. The registration number is used as a basis for referencing and tracking the tax obligations of a taxpayer. In some cases, tax determination and its compliance administration are dependent on the type of the taxpayer registration.

Case Study:

A GST regime has two taxes that have State level jurisdictions, and require a taxpayer to register. The taxpayer has specific business operations. For a given state, the GST registration number is the same for both taxes in that GST regime.

Trader Green Corp. has business operations in two states Telangana (TS) and Tamil Nadu (TN). Therefore, Green Corp. has two GST registration numbers for the states TS and TN respectively. The customers and suppliers of Green Corp. also have GST registration numbers for compliance and administration purpose.

You can fulfill the GST registration requirement in Oracle ERP Cloud using the Manage Tax Registrations feature.

For the given case study, the first-party and legal entity is Green Corp. in Oracle ERP Cloud.

Legal Reporting Units

Legal reporting unit (LRU) is the lowest level component of a legal structure that requires tax registrations. For the legal entity Green Corp., it is necessary to configure two LRUs for the tax registration number pertaining to the two states of TS and TN. Configure tax registrations for each respective LRU on the Manage Tax Registrations page.

Configure Legal Reporting Unit

To configure legal reporting unit, follow these steps:

1. Sign in as a Tax Manager.
2. Navigate to Setup and Maintenance, Financials, Transaction Tax, and Manage Tax Registrations
3. On the **Manage Tax Registrations** page, change the page-level switcher to **Third-Party Site Tax Profiles**.
4. Navigate to Setup and Maintenance, Financials, Transaction Tax, Manage Legal Reporting Unit.

   This table displays the attributes and values defined for the legal reporting unit:

Attribute	Value	Comments
Territory	TS	The legal reporting unit representing the state of Telangana.
Name	Green Corp. TS	The name of the legal reporting unit selected by the user.
Main Legal Reporting Unit	Yes	Not applicable.
Legal Reporting Unit Addresses		
Country	India	The country of the legal reporting unit address for tax registration purposes.
Address Line 1	Operation Building	The street of the legal reporting unit address for tax registration purposes.
Address Line 2		Not applicable.
City	Hyderabad	The city of the legal reporting unit address for tax registration purposes.
State	TS	The state of the legal reporting unit address for tax registration purposes.
Postal Code	500081	The postal code of the legal reporting unit address for tax registration purposes.
Territory	TN	The legal reporting unit representing the state of Tamil Nadu.
Name	Green Corp. TN	The name of the legal reporting unit selected by the user.
Main Legal Reporting Unit	No	Flag used to designate whether this record represents a main legal reporting unit.
Legal Reporting Unit Addresses		
Country	India	The country of the legal reporting unit address for tax registration purposes.

Attribute	Value	Comments
Address Line 1	Services Building	The street of the legal reporting unit address for tax registration purposes.
Address Line 2		Not applicable.
City	Chennai	The city of the legal reporting unit address for tax registration purposes.
State	TN	The state of the legal reporting unit address for tax registration purposes.
Postal Code	600019	The postal code of the legal reporting unit address for tax registration purposes.

First Party Registration Numbers

To set up tax registrations for a legal reporting unit, follow these steps:

1. Navigate to Setup and Maintenance, Financials, Transaction Tax, and Manage Tax Registrations
2. On the **Manage Tax Registrations** page, change the page-level switcher to **Legal Reporting Unit Tax Profiles**.
3. In the **Tax Registrations** tab, click **Create**.
4. Create the legal reporting unit tax registrations using the following values:

Attribute	Value	Comments
Legal Reporting Unit	Green Corp. TS	Select from a list of values.
Tax Regime Code	GST	Select from a list of values.
Registration number	36AASPF6826T1ZB	Enter the first-party tax registration number.
Legal Reporting Unit	Green Corp. TN	Select from a list of values.
Tax Regime Code	GST	Select from a list of values.
Registration number	45NYSPF6826T1ZB	Enter the first-party tax registration number.

Third Party Registration Numbers

For the given case study, the suppliers and customers of Green Corp. are considered third parties in Oracle ERP Cloud. Third party registration numbers of suppliers and customers are recorded and reported from the Manage Tax Registrations page. You can create tax registrations either at The Third Party Tax Profiles level or at the Third Party Site Tax Profiles level. Oracle ERP Cloud prioritizes the tax registration number at the Third Party Site level, and if there is no existing tax registration record, the tax registration number at the Third Party level is used.

To create a Third Party Site Tax Profile, follow these steps:

1. Navigate to Setup and Maintenance, Financials, Transaction Tax, and Manage Party Tax Profiles.
2. On the **Manage Party Tax Profiles** page, change the page-level switcher to **Third-Party Site Tax Profiles**.
3. Under the **Tax Profiles** tab, click **Create**
4. Select the Party Site Number from the list of values.
5. Click Save and Close.

To set up tax registrations for a third-party site, follow these steps:

1. Navigate to Setup and Maintenance, Financials, Transaction Tax, and Manage Tax Registrations
2. On the **Manage Tax Registrations** page, change the page-level switcher to **Third-Party Site Tax Profiles**.
3. Under the **Tax Registrations** tab, click **Create**.
4. Create a Third-Party Site Tax Registration for the registered third-party using these values:

Attribute	Value	Comments
Party Site Number	XXXX	Select from a list of values.
Tax Regime Code	GST	Select from a list of values.
Tax Registration status	Registered	Select from a list of values.
Registration number	36AASPF6825M1ZB	Enter the Goods and Services Tax Identification Number of the customer or supplier.

5. Create another Third-Party Site Tax Registration for the registered third-party using these values:

Attribute	Value	Comments
Party Site Number	AAAA	Select from a list of values.
Tax Regime Code	GST	Select from a list of values.
Tax Registration status	Not Registered	Select from a list of values.
Registration number	NULL	There will not be any registration number for Not-registered suppliers.

6. Click **Save and Close**,

   Note: You should maintain tax registration records for both Registered and Not-registered third-parties.

Tax Registration Levels

You can define tax registrations at three different levels of detail:

- Tax regime level

  The tax registration is used for all taxes and tax jurisdictions within the tax regime.

- Tax level

  The tax registration is used for all tax jurisdictions where the tax regime and tax are applicable.

- Tax jurisdiction level

The tax registration is applicable for the locations covered under the tax jurisdictions defined for the tax regime, tax, and tax jurisdiction.

A tax regime is mandatory in order to define a tax registration for all three levels. In turn, a tax is mandatory to define a tax registration for the tax jurisdiction level.

In the given case study, the tax registration number is common for the two taxes under the GST regime. Hence, tax registrations defined at a tax regime level will be appropriate. In this context, you must leave the tax and tax jurisdiction columns blank. If you don't leave them blank, duplicate records will exist for the same tax registration number.

GST processing

At transaction time, Oracle ERP Cloud uses tax configuration and determines the tax applicability on each transaction line. Once tax applicability on a given transaction line is determined, applicable tax lines are created.

Each tax line displays tax regime, tax name, tax jurisdiction, tax status, tax rate, tax amount, and other information where applicable. For each tax line, the required distribution lines are created.

Case Study

An organization based in Tamil Nadu (TN) sells and dispatches two different products to one of its customers located in Telangana (TS) for INR 4,460. Assume this transaction is hypothetically subject to a GST at the rate of 18%.

The buyer enters a purchase order in Oracle ERP Cloud Purchasing with these transaction lines:

This table displays the Purchase Order (PO) Lines (Payables Invoicing Match to PO Option):

Line	Item	Unit Price	Quantity	Line Amount	Bill to/ship to State	Ship from State
1	A (Inventory Item)	INR 1.83	1,000	1,830.00	TS	TN
2	B (Inventory Item)	INR 2.63	1,000	2,630.00	TS	TN
Total in INR				4,460.00		

The GST is applied after you enter and save the purchase order. As a prerequisite, the GST regime and its required taxes, tax jurisdictions, and tax rates must be previously created either through Rapid Implementation spreadsheet upload or directly in the Tax application before GST can be applied.

Note: Each process requires completion of certain setup tasks. See The Components Used column for the relevant setup for each process.

Tax Determination Process Sequence for GST Calculation

This table displays the sequence of tax determination processes, which Oracle ERP Cloud uses to calculate and apply GST on the transaction:

Order	Process Name	Activities Performed by the Process	Components Used	Result
1.	Determine Applicable Tax Regimes	Identifies the applicable tax regimes.	Based on the location (Country = India) involved in the transaction	Applicable Regime

Order	Process Name	Activities Performed by the Process	Components Used	Result
2.	Determine Place of Supply and Tax Jurisdiction	Identifies the relevant tax jurisdiction and place of supply. Refer to **Note 1** .	Navigation: GST definition > tax rule defaults > Place of Supply = Bill to/ship to/ First party tax registration Number	Place of Supply – State TS Tax Jurisdiction – State TS
3.	Determine Tax Applicability	Evaluates taxes based on any tax applicability rule for each tax.	Tax Applicability Rules Tax conditions: • Geography If the qualifier Ship From state TS Is not equal to Bill To/Ship To/First-Party Tax Registration Number state TN, then apply Interstate tax. • Geography If the qualifier Ship From state TS is equal to Bill To/Ship To/First party tax registration state TN, then apply Intrastate tax.	GST Applicable
4.	Determine Tax Registration	Determines the party type used to derive the tax registration for each applicable tax. Refer to **Note 2** .	Navigation: GST definition > tax rule defaults > tax registration = Ship from-party	Ship from party
5.	Determine Tax Status	Considers tax statuses of the applicable taxes.	Define the tax status for GST as Standard and set it as default tax status.	Standard

Order	Process Name	Activities Performed by the Process	Components Used	Result
			Navigation: GST definition > tax rule defaults > Indirect defaults > tax status= Standard	
6.	Determine Tax Rate	Consider the tax rate(s) of each applicable tax status associated with the applicable tax.	Tax Rate Rules Tax conditions – Product Inventory Linked (Qualifier Level 1 = HSN Code)	Applicable GST rate – 18%
7.	Determine Taxable Basis	Determines the taxable basis on which the tax rate for each tax is applied.	Standard taxable basis formula = STANDARD_TB	Taxable Basis = Line Amount, the two line amounts are 1,830 and 2,630.
8.	Calculate Taxes	Identifies the tax calculation formula. Calculates taxes using the tax calculation formula.	Standard tax calculation formula = STANDARD_TC	Taxable Basis * Tax Rate 1,830*18% + 2, 630*18% = 329.40+ 473.40 = 802.80
9.	Determine Tax point Basis	Identifies the tax point basis for taxes to be recognized and accounted. Refer **Note 3** .	Invoice	Recoverable taxes and tax liability accounted on Invoice

Order	Process Name	Activities Performed by the Process	Components Used	Result
10	. Determine Recovery Rate	Determines tax recovery rates, tax recoverable amounts, and nonrecoverable tax amount amounts. Refer to **Note 4** .	For a GST input tax credit, define a 100% tax recovery rate of GST STANDARD RECOVERY and select a default tax recovery rate. Navigation: GST definition > tax rule defaults > Indirect defaults > Tax recovery rates > GST STANDARD RECOVERY	Tax Recoverable Amount = Tax Amount * 100% = (329.40*100%) + (473.40*100%) = INR 802.80

Here are some notes:

- The Determine Place of Supply process identifies the applicable place of supply, which is the location where the supply of goods or services is deemed to have taken place for a specific tax. Oracle ERP Cloud identifies the tax jurisdiction for the location that corresponds to the place of supply.

  You can also use First-Party Tax Registration Number as the determining factor assigned to legal reporting unit of supplier facing entity to default place of supply.
- Set up tax registrations for customers and suppliers.

  Navigate to the Manage Tax Registrations page to configure any required tax registrations for third parties. A tax registration contains information related to a party's transaction tax obligation with the tax authority where it conducts business. The supplier located in TN has a tax registration record against the GST regime with a current tax registration status as Registered. The supplier must maintain tax registration records for all its third parties. Regular transaction taxes are applied if the third party is registered under GST. If not registered, transaction taxes can be computed as self-assessed (Reverse charge). See Management of GST Registration Numbers and Implementation of Self-Assessed Taxes section for more details.
- Tax Point Basis (TPB) is the point where recoverable taxes can be accounted and reported.

  Oracle ERP Cloud facilities Delivery, Invoice, Accounting, and Payment as Tax Point Basis. You can use any one of these TPB as per their GST Transaction process requirements on recognition and reporting of recoverable taxes. Using the Manage Configuration Owner Tax Options task you can enable Allow Delivery Based Tax Calculation on Invoice for Oracle Payables application with TPB as Invoice and Tax Point Date (TPD) as receipt. This ensures that taxes are calculated as per tax rates prevailing on Goods receipt date and Recoverable taxes

can be recognized and accounted on Invoice for Inbound transactions. See the Tax Implementation Guide for more details on Tax Point Basis and Configuration Owner Tax Options (COTO).

This table lists sample setups for Allow Delivery Based Tax Calculation on Standard Invoice for Payables application through COTO:

Configuration Owner Tax Options (COTO)	Values
Configuration owner	Business Unit
Application name	Payables
Event Class	Standard Invoice
Allow Delivery Based Tax Calculation	YES
Report Delivery based taxes on	INVOICE
Tax Point date	Receipt
Tax point basis	INVOICE

- Tax recovery is the full or partial recovery of the tax paid on purchases by a registered LRU to offset the taxes collected from any sales transactions. GST is recoverable by the way of an input tax credit after complying with applicable regulations. In Oracle ERP Cloud, tax recovery functionality is available. The GST recovery rate on a tax may vary based on one or more transaction factors. You must set up the required tax recovery rate rules to determine the appropriate recovery rate applicable on the transaction.

PO Tax Determination

This table displays the transaction lines for a PO Tax Determination process:

Transaction Line No	Serial No	Tax Regime	Tax Name	Tax Status	Tax Jurisdiction	Tax Rate	Tax Amount	Recoverable Tax Amount
1	1	GST	GST	Standard	TS	18%	329.40	329.40
2	2	GST	GST	Standard	TS	18%	473.40	473.40
Total GST on payables invoice							802.80	80280

Note: The Non-recoverable Tax Amount column doesn't have any values:

After the Tax Determination process is complete, the application inserts tax lines at a summary level. It inserts one line for each applicable tax.

This table shows one tax line for the GST:

Tax Line	Rate Name	Rate	Tax Amount	Tax Regime	Tax Name	Tax Status	Tax Jurisdiction
1	GST_18	18	802.80	GST	GST	Standard	TS

Once the PO is approved, the buyer sends it to seller with these details:

Seller: Green Corp.

Bill to/ship to Location: TS

This table shows the details the seller receives from the buyer:

Line	Item	Unit Price	Quantity	Line Amount
1	A (Inventory Item)	INR 1.83	1,000	1,830.00
2	B (Inventory Item)	INR 2.63	1,000	2,630.00
	Total in INR		4,460.00	
	18% GST		802.80	
	Total PO Value in INR		5262.80	

The seller located in TN sends an invoice for the total amount of INR 5,262.80 (4,460 item amount plus 802.80 tax).

Buyer configures TPB as Invoice so recoverable taxes are accounted on the Payables invoice. Buyer enters the Payables invoice in ERP Cloud by matching it to PO, selects the First-Party Tax Registration Number and validates the invoice. The Tax determination process is initiated and following taxes are computed:

AP Tax Determination

This table displays the transaction lines for an AP Tax Determination process:

Transaction Line No	Serial No	Tax Regime	Tax Name	Tax Status	Tax Jurisdiction	Tax Rate	Tax Amount	Recoverable Tax Amount
1	1	GST	GST	Standard	TS	18%	329.40	329.40
2	2	GST	GST	Standard	TS	18%	473.40	473.40
Total GST on payables invoice							802.80	80280

Note: The Non-recoverable Tax Amount column doesn't have any values:

After the Tax Determination process is complete, the application inserts tax lines at a summary level. It inserts one line for each applicable tax.

This table shows one tax line for the GST:

Tax Line	Rate Name	Rate	Tax Amount	Tax Regime	Tax Name	Tax Status	Tax Jurisdiction
1	GST_18	18	802.80	GST	GST	Standard	TS

After tax lines are generated, the respective distribution lines are generated for both transaction and tax lines.

This table displays the distribution lines generated for both transaction and tax lines:

Line	Distribution Type	Amount
1	Accrual	1,830.00
2	Accrual	2,630.00
3	Recoverable Tax	329.40
3	Non Recoverable Tax	0.00
3	Recoverable Tax	473.40
3	Non Recoverable Tax	0.00
Total Balance	Total Balance	5,262.80

After Accounting, these accounting entries are created. This table displays the details of accounting entries:

Account Class	Account Type	Debit	Credit
Accrual	Accrual	4,460.00	
Tax Recoverable	Asset	802.80	
Tax Non Recoverable	Expense	0.00	
Liability	Liability		4,460.00
Liability	Liability		802.80
Total Balance		5,262.80	5,262.80

Related Topics

- Manage GST Registration Numbers
- Implement Self-Assessed Taxes

Implement Harmonized System Nomenclature Codes (HSN)

The Harmonized Commodity Description and Coding System, also known as the Harmonized System Nomenclature (HSN) is an internationally standardized system of names and numbers used to classify trade products.

In some countries, the tax legislation follows the HSN coding system to drive the GST and reporting.

Here's a case study:

Vision Corporation wholesaler sells confectionery products. The GST compliance mandate is to adopt four digit HSN codes for their commodities. The tax rate applicability is based on the HSN code.

This table shows the commodity, HSN code, and applicable tax rates for the sample HSN.

Commodity	HSN Code	Applicable GST Rate
Rusk and Toast	1905	5%
Pasta	1902	18%
Wafers	1905	18%
Baking Powder	2102	12%
Snacks	2106	12%

Implement Service Codes

In some countries, GST legislation may adopt a coding system for levying taxes on services and reporting. These service codes determine the applicable GST rates.

A taxpayer rendering services must use proper service codes to fulfill the GST compliance requirements.

Case Study Illustration of Service Codes

Vision Corporation renders the services listed in this table. Each service has a five-digit service code. The GST rate applicability is based on the service code applied.

This table displays the list of taxpayer rendering services:

Service Code	Taxable Services	Applicable GST Rate
996511	Road transport services of Goods	5%
996601	Rental services of road vehicles	5%
997133	Accident and health insurance services	18%
998321	Architectural advisory services	18%

You can use Product Fiscal Classifications to classify items for tax determination and reporting purposes. You can also use Product Category Fiscal Classifications when the Inventory is not available.

Manage Location-Based Transaction Taxes

In India, the applicability of GSTs may be based on intrastate and interstate supplies. The intrastate supply of goods or services is when the location of the supplier and the place of supply are in the same state.

The interstate supply of goods or services is when the location of the supplier and the place of supply are in different states.

Interstate and Intrastate Trade Case Study

GST1 is levied on the supply of any goods and services in the interstate trade. GST2 and GST3 are levied on the supply of any goods and services in the intrastate trade. If the supplier and the customer are located in different states, it is considered as interstate trade, and GST1 is applicable on the transaction.

If the supplier and the customer are located in same state, it is considered as intrastate trade, and GST2 and GST3 are applicable on the transaction.

Enterprise Structure

This table displays the enterprise structure details for the case study example Vision India:

Legal Entity	Management BU	Inventory Organizations and Location	Legal reporting Unit	Tax Registration Number	Comments
Vision India	Vision IND- SOUTH	Telanagana_INV	TS_LRU	36AA543786IZ	For global procurement and internal material transfers between these Inventory Organizations, you must: • Define PCBUs and assign them to respective Inventory Organizations. • Associate LRUs to PCBUs.
		Tamil Nadu_INV	TN_LRU	35AA985796AZ	

Note: If you maintain your Enterprise Structure as Management BU per Tax Jurisdiction (State), then you can assign LRUs to the Management BU.

Associate Legal reporting Units to Inventory Organizations

Here's an example to associate legal reporting units to inventory organizations:

Task	Manage Associated Business Entities
Legal Entity	Vision India

Task	Manage Associated Business Entities
Legal Reporting Unit	TS_LRU
Type	Inventory Organization
Name	Telangana_INV
Country	INDIA
Address	Hyderabad
Start date	XXX
End date	XXX

This table displays the enterprise structure details for the case study example Vision India:

Task	Manage Associated Business Entities
Legal Entity	Vision India
Legal Reporting Unit	TN_LRU
Type	Inventory Organization
Name	Tamilnadu_INV
Country	INDIA
Address	Chennai
Start date	XXX
End date	XXX

Tax Regime	Tax Jurisdiction	Tax Status	Tax	Tax Rules Defaults	Tax Rate	Tax Account Assignment
GST	Telangana (Geography Type: State Parent Geography Type: Country)	Standard	GST1	Place Of supply: First Party Tax Registration Number. Tax Applicability: NOT Applicable Tax registration: Ship from Party Tax Point Basis Delivery Refer Note 1	TS_GST1_RATE18% (Assign Tax Jurisdiction as Telangana while defining tax rate)	Rate Level 1. Tax Liability: 01.555.00.000 2. Tax recoverable Account: 01.556.00.000
			GST2		TS_GST2_RATE9%	Rate Level 1. Tax Liability: 01.666.000 2. Tax recoverable Account:01.667.00.000
			GST3		TS_GST3-RATE9%	Rate Level: 1. Tax Liability: 01.676.00.000 2.

Tax Regime	Tax Jurisdiction	Tax Status	Tax	Tax Rules Defaults	Tax Rate	Tax Account Assignment
						Tax recoverable Account: 01.668.00.000
	Tamil Nadu (Geography Type: State, Parent Geography Type: Country)	Standard	GST1		TN_GST1_ RATE18% (You must assign Tax Jurisdiction as Tamil Nadu while defining tax rate.)	Rate Level: 1. Tax Liability: 01.444.00.000 2. Tax recoverable Account: 01.445.00.000
			GST2		TN_GST2_RATE9%	Rate Level: 1. Tax Liability: 01.446.000 2. Tax recoverable Account: 01.447.00.000
			GST3		TN_GST3-RATE9%	Rate Level: 1. Tax Liability: 01.448.00.000 2. Tax recoverable Account: 01.449.00.000

You can define default tax rules to be considered at each tax level when no specific tax rules are defined. Set up the Tax Point Basis as Delivery at Tax or Tax Rate Level. You must enable Allow Delivery Based Tax Calculation on Invoice with TPB as Invoice and Tax Point Date (TPD) as Receipt Date for Payables using the Configuration Owner tax Options.

You can:

- Calculate Inbound Transactions Taxes as per the prevalent tax rates on Goods Receipt Date and account the Recoverable Taxes on the Payables invoice.
- Calculate Outbound Transactions Taxes as per the prevalent tax rates on Shipping Date and account the Tax Liability on Receivables invoice.
- Set up the default place of supply as First-Party Tax Registration Number so that respective Tax jurisdiction, Tax rates, and Tax Accounts can be derived as per the location of Legal reporting unit assigned to the Inventory Organization/management BU during transaction processing, which will be the place of supply.

Set up the default tax registration as Ship from Party. The Third-Party Tax Registration Status can be verified to compute the regular taxes and self-assessed taxes.

Tax Rules Configuration

For GST1, the tax definition has a tax rule default setting which designates the place of supply as the First-Party Tax Registration Number location. The GST1 tax applicability is based on whether or not the Ship-From location state does not equal First-Party Registration Number location state. In this case, you can define a tax applicability rule that validates the transaction line and determines the GST1 applicability.

For the GST2 and GST3 tax, the tax definitions have tax rule default settings that designate the place of supply as the First-Party Tax Registration Number location. The GST2 and GST3 tax applicability is based on an evaluation of whether or not the Ship-From location state equals the First-Party Tax Registration Number location state. In this case, you can define a tax applicability rule that validates the transaction line and determines the intrastate taxes applicability.

The tax applicability rule may be vary for inbound transactions and outbound transactions in this case users must define tax applicability rule based on event class attribute for purchase transaction and sales Transaction.

Tax rate rules must be defined based on Product Fiscal Classification to apply the tax rate as per HSN codes. These tax rate rules should define the geography specific rule as per given regime to rate structure.

Related Topics

- Implement Harmonized System Nomenclature Codes (HSN)
- Implement Self-Assessed Taxes

Geography Tax Determining Factor

A tax determining factor (TDF) can be a geographical location, Tax Registration Status, Product Fiscal Classification, or any other criteria which helps drive tax determination.

Tax Determining Factors (TDFs)

TDFs are categorized into logical groupings called tax determining factor classes. Each tax determining factor class contains determining factor names that constitute the contents of the class.

This table outlines TDF details required to fulfill the given scenario:

Attribute	Value	Comments
Tax Determining Factor Class	Geography	This determining factor allows the use of First-Party Tax Registration Number and Ship from and Bill to locations as criteria in the tax determination process for Inbound and Outbound transactions as per event class given in the tax applicability rule.
Tax Determining Factor Name	State	This determining factor name checks for the state involved in a location.

Tax Applicability Rule Creation for Inbound Transactions (Purchase Transaction)

To enable Tax Applicability Rule Creation for Inbound Transactions (Purchase Transaction), follow these steps:

1. Create Tax Determining Factor Sets
2. Create Tax Condition Sets using these attributes:

   This table displays the attributes for Tax Condition sets:

Attributes	Values	Comments
Tax Condition Set I (GST1 Applicable)		
Tax Condition Set Code	GST1_TCS_PUR	User Discretion
Tax Determining Factor Set Code	GST_TDF	Tax determining factor set that you created
Operator	Not equal to determining factor	Determining Factor
Value	Ship from	Consider Ship from state
Tax Condition Set II (GST2/GST3 Applicable)		
Tax Condition Set Code	GST2 &3_TCS_PUR	User Discretion
Tax Determining Factor Set Code	GST_TDF	Tax determining factor set that you created
Operator	Equal to determining factor	Determining Factor
Value	Ship from	Consider Ship from state

3. Create Tax Rules using these attributes:

   This table provides the tax applicability rules for GST1 and GST2.

Attributes	Values	Comments
Tax Applicability Rule (GST1)		
Rule Code	**GST1_Purchase**	**User Discretion**
Tax Regime	GST	Select the regime from the LOV.
Tax	GST1	Select from the LOV.
Event Class	Purchase transaction	Select from the LOV. This rule applies to all purchase transactions.
Tax Determining Factor Set Code	GST_TDF	Tax determining factor set that you created.
Tax Conditions		
Tax Condition Set Code	**Result**	**Comments**

Attributes	Values	Comments
GST1_TCS_PUR	Applicable	GST1 applies if the First-Party Registration Number state <> Ship from location.
Tax Applicability Rule (GST2)		
Rule Code	**GST2_Purchase**	**User Discretion**
Tax Regime	GST	Select the regime from the LOV.
Tax	GST2	Select from the LOV.
Event Class	Purchase transaction	Select from the LOV. This rule applies to all purchase transactions.
Tax Determining Factor Set Code	GST_TDF	Tax determining factor set that you created.
Tax Conditions		
Tax Condition Set Code	**Result**	**Comments**
GST2&3_TCS_PUR	Applicable	GST2 applies if the First-Party Registration Number state = Ship from location.
Tax Applicability Rule (GST3)		
Rule Code	**GST3_Purchase**	**User Discretion**
Tax Regime	GST	Select the regime from the LOV.
Tax	GST3	Select from the LOV.
Event Class	Purchase transaction	Select from the LOV. This rule applies to all purchase transactions.
Tax Determining Factor Set Code	GST_TDF	Tax determining factor set that you created.
Tax Conditions		
Tax Condition Set Code	**Result**	**Comments**
GST2&3_TCS_PUR	Applicable	GST3 applies if the First-Party Registration Number state = Ship from location

Tax Applicability Rule Creation for Outbound Transactions (Sales Transaction),
To enable Tax Applicability Rule Creation for Outbound Transactions (Sales Transaction), follow these steps:

1. Create Tax Determining Factor Sets using these attributes:

   This table displays the attributes for Tax Determining Factor Sets:

Attributes	Values	Comments
Tax Determining Factor Set Code	GST_TDF2	User Discretion
Tax regime Code	GST	Select the GST Regime.
Tax Determining Factor Class	Geography	This factor uses the location where the transaction occurred.
Tax Class Qualifier	First Party Tax Registration Number	Compares the First-Party Tax Registration location with Ship from location.
Tax Determining Factor Name	State	Geography type as State

2. Create Tax Condition Sets using these attributes:

   This table displays the attributes for Tax Condition sets:

Attributes	Values	Comments
Tax Condition Set I (GST1 Applicable)		
Tax Condition Set Code	GST1_TCS_SAL	User Discretion
Tax Determining Factor Set Code	GST_TDF2	Tax determining factor set that you created.
Operator	Not equal to determining factor	Determining Factor
Value	Bill to	Consider Bill to State
Tax Condition Set II (GST2/GST3 Applicable)		
Tax Condition Set Code	GST2 &3_TCS_SAL	User Discretion
Tax Determining Factor Set Code	GST_TDF2	Tax determining factor set that you created.
Operator	Equal to determining factor	Determining Factor

Attributes	Values	Comments
Value	Bill to	Consider Bill to State

3. Create Tax Rules using these attributes.

   This table displays the attributes and values to create tax rules:

Attributes	Values	Comments
Tax Rate Rule I		
Rule Code	GST1_sales	User Discretion
Tax Regime	GST	Select the regime from the LOV.
Tax	GST1	Select from the LOV.
Event Class	Sales transaction	Select from the LOV. This rule applies to all sales transactions.
Tax Determining Factor Set Code	GST_TDF2	Tax determining factor set that you created.
Tax Conditions		
Tax Condition Set Code	**Result**	**Comments**
GST1_TCS_SAL	Applicable	GST1 applies if the First-Party Registration Number state<> Bill to location.
Tax Rate Rule II		
Rule Code	GST2_sales	User Discretion
Tax Regime	GST	Select the regime from the LOV.
Tax	GST2	Select from the LOV.
Event Class	Sales transaction	Select from the LOV. This rule applies to all sales transactions.
Tax Determining Factor Set Code	GST_TDF2	Tax determining factor set that you created.
Tax Conditions		
Tax Condition Set Code	**Result**	**Comments**
GST2&3_TCS_SAL	Applicable	GST2 applies if the First-Party Registration Number state=Bill to location.
Tax Applicability Rule (GST3)		
Rule Code	GST3_sales	User Discretion

Attributes	Values	Comments
Tax Regime	GST	Select the regime from the LOV.
Tax	GST3	Select from the LOV.
Event Class	Sales transaction	Select from the LOV. This rule applies to all sales transactions.
Tax Determining Factor Set Code	GST_TDF2	Tax determining factor set that you created.
Tax Conditions		
Tax Condition Set Code	**Result**	**Comments**
GST2&3_TCS_SAL	Applicable	GST3 applies if the First-Party Registration Number state=Bill to location.

Create Tax Rate Rules using Product Category Fiscal Classifications

For the given scenario, inventory categories are used as product fiscal classifications. This table outlines TDF details required to fulfill the given scenario:

Attribute	Value	Comments
Tax Determining Factor Class	Product inventory linked	This determining factor class allows the use of a product fiscal classification as a tax determining factor to create tax rules.
Tax Determining Factor Name	Product Fiscal Classification Type	This determining factor name uses the Oracle ERP Cloud inventory catalog, category, and item functionality to derive an inventory category from an item populated in a transaction line.

To create Tax Rate Rules using Product Category Fiscal Classifications, follow these steps:

1. Create Tax Determining Factor Sets using these attributes:

   This table displays the attributes for Tax Determining Factor Sets:

Attributes	Values	Comments
Tax Determining Factor Set Code	GST_PCFC	User Discretion
Tax regime Code	GST	Select the GST Regime.
Tax Determining Factor Class	Product inventory linked	This factor class allows you to use product fiscal classification as a tax determining factor to create tax rules.
Tax Class Qualifier	Level 1	Tax rate rules will be configured at level 1.

Attributes	Values	Comments
Tax Determining factor Name	GST_RATE	Define product fiscal classification.

2. Create Tax Condition Sets using these attributes:

Attributes	Values	Comments
Tax Condition Set I		
Tax Condition Set Code	GST_HSN_18	User Discretion
Tax Determining Factor Set Code	GST_RATE	Tax Determining factor set created above
Operator	Equal To	Inventory Category values matches with
Value	AA	Tax Condition Set will apply if the Level 1 PC is AA
Tax Condition Set II		
Tax Condition Set Code	GST_HSN_9	User Discretion
Tax Determining Factor Set Code	GST_RATE	Tax Determining factor set created above
Operator	Equal To	Inventory Category values matches with
Value	BB	Tax Condition Set will apply if the Level 1 PC is BB

3. Create Tax Rate Rules using these attributes.

   This table displays the attributes and values to create tax rate rule 1:

Attribute	Value	Comments
Rule Code	GST1_RATES_TS	User Discretion
Tax Determining factor Set Code	GST_RATE	The tax determining factor set code you created earlier.
Tax Regime Code	GST	Select from the LOV.
Tax	GST1	Select from the LOV.
Set as Geography specific rule	Enable	
Location Type	First-Party Tax Registration Number	Geography from the First-Party Registration Number location.

Attribute	Value	Comments
Parent Geography Type	Country	
Parent Geography name	India	
Geography Type	State	
Geography Name	Telangana	The rule is applied when the tax jurisdiction on transaction is Telangana.
	Tax Conditions	
Tax Condition Set Code	Result	Comments
GST_HSN_18	TS_GST1_RATE18%	If the first two digits of the category code are AA, then tax engine defaults tax rate as TS_GST1_RATE18%.

This table displays the attributes and values to create tax rate rule 2:

Attribute	Value	Comments
Rule Code	GST2_RATES_TS	User Discretion
Tax Determining factor Set Code	GST_RATE	The tax determining factor set code you created earlier.
Tax Regime Code	GST	Select from the LOV.
Tax	GST2	Select from the LOV.
Set as Geography specific rule	Enable	
Location Type	First-Party Tax Registration Number	Geography from the First-Party Registration Number location.
Parent Geography Type	Country	
Parent Geography name	India	
Geography Type	State	
Geography Name	Telangana	The rule is applied when the tax jurisdiction on transaction is Telangana.
	Tax Conditions	
Tax Condition Set Code	Result	Comments

Attribute	Value	Comments
GST_HSN_9	TS_GST2_RATE9%	If the first two digits of the category code are AA, then tax engine defaults tax rate as TS_GST2_RATE9%

This table displays the attributes and values to create tax rate rule 3:

Attribute	Value	Comments
Rule Code	GST1_RATES_TS	User Discretion
Rule Code	GST3_RATES_TS	User Discretion
Tax Determining factor Set Code	GST_RATE	The tax determining factor set code you created earlier.
Tax Regime Code	GST	Select from the LOV.
Tax	GST3	Select from the LOV.
Set as Geography specific rule	Enable	
Location Type	First-Party Tax Registration Number	Geography from the First-Party Registration Number location.
Parent Geography Type	Country	
Parent Geography name	India	
Geography Type	State	
Geography Name	Telangana	The rule is applied when the tax jurisdiction on transaction is Telangana.
		Tax Conditions
Tax Condition Set Code	Result	Comments
GST_HSN_9	TS_GST3_RATE9%	If the first two digits of the category code are AA, then tax engine defaults tax rate as TS_GST3_RATE9%

This table displays the attributes and values to create tax rate rule 4:

Attribute	Value	Comments
Rule Code	GST1_RATES_TN	User Discretion

Attribute	Value	Comments
Tax Determining factor Set Code	GST_RATE	The tax determining factor set code you created earlier.
Tax Regime Code	GST	Select from the LOV.
Tax	GST1	Select from the LOV.
Set as Geography specific rule	Enable	
Location Type	First-Party Tax Registration Number	Geography from the First-Party Registration Number location.
Parent Geography Type	Country	
Parent Geography name	India	
Geography Type	State	
Geography Name	Tamil Nadu	The rule is applied when Tax jurisdiction on transaction is Tamil Nadu.
	Tax Conditions	
Tax Condition Set Code	Result	Comments
GST_HSN_18	TN_GST1_RATE18%	If category code first two digits are AA then tax engine defaults tax rate as TN_GST1_RATE18%

This table displays the attributes and values to create tax rate rule 5.

Attribute	Value	Comments
Rule Code	GST2_RATES_TN	User Discretion
Tax Determining factor Set Code	GST_RATE	The tax determining factor set code you created earlier.
Tax Regime Code	GST	Select from the LOV.
Tax	GST2	Select from the LOV.
Set as Geography specific rule	Enable	
Location Type	First party tax registration Number	Geography from the First-Party Registration Number location .
Parent Geography Type	Country	
Parent Geography name	India	
Geography Type	State	
Geography Name	Tamil Nadu	The rule is applied when Tax jurisdiction on transaction is Tamil Nadu.

Attribute	Value	Comments
	Tax Conditions	
Tax Condition Set Code	Result	Comments
GST_HSN_9	TN_GST2_RATE9%	If the first two digits of the category code are AA, then tax engine defaults tax rate as TN_GST2_RATE9%

This table displays the attributes and values to create tax rate rule 6:

Attribute	Value	Comments
Rule Code	GST3_RATES_TN	User Discretion
Tax Determining factor Set Code	GST_RATE	The tax determining factor set code you created earlier.
Tax Regime Code	GST	Select from the LOV.
Tax	GST3	Select from the LOV.
Set as Geography specific rule	Enable	
Location Type	First party tax registration Number	Geography from the First-Party Registration Number location .
Parent Geography Type	Country	
Parent Geography name	India	
Geography Type	State	
Geography Name	Tamil Nadu	The rule is applied when Tax jurisdiction on transaction is Tamil Nadu.
Tax Conditions		
Tax Condition Set Code	Result	Comments
GST_HSN_9	TN_GST3_RATE9%	If the first two digits of the category code are BB, then tax engine defaults tax rate as TN_GST3_RATE9%

Transaction Simulation in the Procure-to-Pay Cycle (Inbound Transactions)

Vision India-south BU procured materials for it's Telangana INV from Vision Corporation Ltd located in Mumbai, and this transaction is subject to the GST1 based on applicable tax rules.

Line	Item	HSN (Product Fiscal Classificati	Unit Price	Quantity	Line Amount	Bill To	Ship To	First-Party Tax Registratio Number	Supplier Site / Ship From Location
1	A (Inventory Item)	AA1234	INR 1.83	1000	INR 1,830.00	Vision IndiaSouth	Telangana _INV	36AA54378	Mumbai
2	B (Inventory Item)	AA3456	INR 2.63	1000	INR 2,630.00	Vision India South	Telangana _INV	36AA54378	Mumbai
Total in INR					4,460.00				

This table outlines the tax calculation in Oracle ERP Cloud procure-to-pay flow from the perspective of the buyer Green Corp.

Activity	Tax Determination	Accounting
Create a Purchase Order (PO)	• Ship from location (Mumbai) and First party Tax Registration number (location of LRU- Telangana) is different therefore GST1 tax will be applied as per the above define applicability rules. • Tax rate will be applied as 18% since the selected product fiscal classification level 1 is equal to AA. • You can see the detail tax lines calculated on purchase order as per the defined Tax rules and default tax rules on applicable tax. • You can define Tax Recovery rate rules also with "Intended use" determining factor and recovery rate applied on calculated tax accordingly.	No Accounting Impact

Activity	Tax Determination	Accounting
	• Here we are assuming 60% is recoverable and 40% is Nonrecoverable for the case study.	
Create receipt for above Purchase Order and run Receipt Accounting Distributions	• All tax determinants flows from purchase order to receipt upon receipt creation. • As Allow Delivery Based Taxes on Invoice is enabled with TPB as Invoice and TPD as the receipt date at COTO for Payables, tax distributions for Non-recoverable tax (802.8*40%=321.12) are created and added to the item cost.	Receiving inspection DR- 4460 Non recoverable tax DR-321.12 Accrual CR- 4781.12
Create Payables Invoice Matched to a above PO Receipt		AP invoice is created with reference to PO which are receipt matched. Taxes are recalculated as TPB is Invoice with TPD as the receipt date and account recoverable taxes (802.8*60%=481.68) For users who are allowed to change the invoice price, the application considers Invoice Price Variance (IPV) and Tax Rate Variance (TRV) and account the variance to cost of the item. The application derives the tax accounts from tax rate level as we configured the Tax Account Assignment at Tax Rate level. In this approach, you can maintain the tax account per jurisdiction as tax rates and their applicability is based on tax jurisdiction. This enables you to fulfill the GST reporting requirements and track the tax account balance as per jurisdiction Payables Accrual DR- 4781.12 GST1 Recovery DR- 481.68 Supplier Liability CR- 5262.80

Tax Line	Rate Name	Rate	Tax Amount	Recoverable Tax	Nonrecoverable Tax	Tax Regime	Tax Name	Tax Status	Tax Jurisdiction	Place of supply	TPB $TPD
1	TS_ GST1 _ 18%	18	802.80	481.68	321.12	GST	GST1	Standar	Telangana	FP TRN-location (TS)	Invoice & Receipt date

Implement Self-Assessed Taxes

GST self-assessment is required in several countries for certain business situations. Hence, the purchasing organization is responsible for remitting the self-assessed GSTs directly to the local tax authority.

Such taxes calculated on the invoice are not included in the amount payable to the supplier. Hence, they are accounted as a self-assessed tax liability of the purchasing organization.

Here's a case study for self-assessment:

The supply from an unregistered dealer to a registered dealer results in the obligation of the registered dealer as the receiver of goods to self-assess GST and assume the liability to pay the tax directly to the local government.

Implement Self-Assessment Tax for Advance Payments

In some countries, taxes must be self-assessed when there is advance payment (prepayment) for supply of goods/services.

Under this self-assessment tax mechanism, the receiver of the goods/services is required self-assess the applicable taxes on advance paid for supplies.

There may be different rules, based on which taxes must be self-assessed on payment of advances. For example,

- Case 1: Taxes must be self-assessed on payment of advances for supply of goods/services from non-registered suppliers.
- Case 2: Taxes must be self-assessed on payment of advances for supply of specified goods/services.

You can use the Self-Assessed Tax feature to manage the self-assessment of taxes on advance payments for the supply of goods/services.

Follow these steps:

1. Enable Tax Calculation on Prepayments in the Configuration Owner Tax Options task for applicable Business Unit or Legal Entity.
2. Define tax registration rules for computation of taxes as self-assessed.
3. Enable the Self-Assessed Tax feature at the Legal Reporting Unit of Receiver organization.
4. Define the tax registration status of suppliers at Third-Party Tax Profile/Third-Party Site Tax Profile.
5. Define Product-Fiscal classification rules for Inventory Linked items (goods) and Product category rules for Non-inventory Linked items (services) for the computation of taxes as self-assessed for specified goods/services.

Configure Self-Assessment Taxes on Advance Paid (Prepayment)-Update Third Party/Third-Party Site Tax Profile

You can define tax registration for the supplier or supplier site for the applicable tax regime.

Follow these steps:

1. Navigate to Setup and Maintenance, Financials, Transaction Tax, and Manage Tax Registrations.
2. On the Manage Tax Registrations page, search for the respective third party/third-party site.
3. In the Tax Registrations section, click **Create** to create tax registration for LRU.
4. Select the registration status as **Not Registered** for unregistered suppliers and **Registered** for registered suppliers.
5. Enter the registration number.

Configure Self-Assessment Taxes on Advance Paid (Prepayment)-Transaction Simulation in P2P

Here's the transaction simulation to configure self-assessment taxes on advance paid prepayment.

Green Corp. Ltd located in TS, pays advance (prepayment) to PennyPack Systems Ltd located in TN for the supply of Goods (HSN: 5488864). PennyPack Systems Ltd is an unregistered supplier and therefore, the applicable tax rate is 9% for the goods.

As per the applicable tax rules, taxes must be self-assessed on payment of advance to unregistered suppliers for the supply of goods. Such business cases can be simulated as per the tax rules configuration as follows:

Create the Prepayment Invoice with these determinants to compute the self-assessed taxes on such prepayment:

This table displays the Header information:

Field	Input	Comments
Business Unit	Green Corp. Ltd BU	
Legal Entity	Green Corp. Ltd	This Legal Reporting Unit is enabled for computation of self-assessed taxes.
Supplier	PennyPack Systems Ltd	The tax registration status of PennyPack Systems Ltd is not registered and the supplier tax registration filed is blank.
Supplier Site	PennyPack Systems TN	
Invoice Type	Prepayment	Computation of taxes enabled for prepayments.

This table displays the Line-level information:

Line	Item	Unit Price	Quantity	Line Amount	Product Fiscal classification
1	A (Inventory Item)	INR 15	100	1500.00	HSN:AA5488864
	Total in INR			1500.00	

This table displays the Tax Rules simulation:

Rule	Explanation
Tax Applicability rule	The Tax Applicability rule can be defaulted from the tax applicability option at the Mange Tax Level. You can also define the Tax Applicability rule based on the Geography Determining Factor or Tax Classification Input Factor.
Tax Rate rule	The tax rate depends on the Tax Rate rule defined on the basis of Product Fiscal Classification (HSN: AA5488864) or any other rules based on your requirement.

Rule	Explanation
Tax Registration rule	Taxes computed as self-assessed per the Tax Registration rule. In the given business case, PennyPack Systems LTD is an unregistered supplier so this rule refers to the Bill to LRU setup to compute tax as self-assessed.
Tax Point Basis (TPB)	The TPB is Invoice and TPD is the date when the invoice was created.

This table displays the tax line for this simulation:

Tax Line	Rate Name	Rate	Tax Amount	Recoverabl Tax	Non-Recoverabl Tax	Tax Regime	Tax Name	Tax Status	Tax Jurisdictior	Self-Assessment
1	GST_9	9	135.00	81.00	51.00	GST	GST9	Standard	TS	#

Accounting on Prepayment

If the tax recovery rate is 60% of INR 135.00, INR 81.00 is the Recoverable tax, and INR 54.00 is the Non-recoverable tax. You configured Tax recovery rate and rules accordingly in the application.

Note: The Account CCID provided in this section is an example.

You must define tax accounts and sub ledger accounting rules as per your business requirements to account the prepayments. In some countries, as per applicable tax rules on prepayments, input tax credit can't be allowed on advance payments. In such cases, you must define tax recovery rules so that Input tax credit can't be recorded on advance payments.

This table lists the tax accounts and sub ledger accounting rules for this example:

Line	Account CCID	Class	Debit	Credit	Comments
1	01.00.1340.000.00	Prepaid expenses	1500.00		
2	01.00.2340.000.00	Self-Assessed Recoverable Tax	81.00		Recoverable taxes are accounted in this Accounting class in a separate Account Code Combination Identification number (CCID) as per your tax account configuration. This is a part of the Input Tax Credit.
3	01.00.1340.000.00	Self-Assessed Non-recoverable Tax	54.00		Non recoverable taxes are accounted in this Accounting class. These taxes are a part of the item cost and use the same CCID as the prepaid expenses.
4	01.00.2210.000.00	Liability		1500.00	Supplier liability

Line	Account CCID	Class	Debit	Credit	Comments
5	01.00.2599.000.00	Self-Assessed Tax Liability		135.00	Self-Assessed tax liability

Accounting on Standard AP Invoice

Here's an example. Vision Corporation Ltd created a standard AP invoice for supply of goods worth INR 4000 (HSN: 5488864) to PennyPack Systems Ltd and applied the earlier prepayment for this invoice.

This table lists the accounting entries for standard AP invoice creation and application of prepayment on this invoice:

Line	Account CCID	Class	Debit	Credit	Comments
1	01.00.7810.000.00	Item expenses	4000.00		Value of the supplied goods.
2	01.00.2340.000.00	Self-Assessed recoverable Tax	216.00		Recoverable taxes are accounted in this Accounting class in a separate CCID (as per your tax account configuration). This is a part of the Input Tax Credit.
3	01.00.7810.000.00	Self-Assessed Non recoverable Tax	144.00		Non recoverable taxes are accounted in this Accounting class. These taxes are a part of the item cost and use the same CCID as the prepaid expenses.
4	01.00.2210.000.00	Liability		4000.00	Supplier liability
5	01.00.2599.000.00	Self-Assessed Tax Liability		360.00	Self-Assessed tax liability

Accounting after Prepayment to Standard Invoice

This table lists the tax accounts and sub ledger accounting rules after applying prepayment to a standard invoice.

Line	Account CCID	Class	Debit	Credit	Comments
1	01.00.7810.000.00	Item expenses	4000.00		
2	01.00.2340.000.00	Self-Assessed recoverable Tax	216.00		
3	01.00.7810.000.00	Self-Assessed Non recoverable Tax	144.00		
4	01.00.2210.000.00	Liability	1500.00		Supplier liability is reversed.
5	01.00.2599.000.00	Self-Assessed Tax Liability	135.00		Self-Assessed tax liability is reversed.
6	01.00.2210.000.00	Liability		4000.00	Supplier liability
7	01.00.1340.000.00	Prepaid expenses		1500.00	

Line	Account CCID	Class	Debit	Credit	Comments
8	01.00.2340.000.00	Self-Assessed recoverable Tax		81.00	Self-Assessed recoverable tax reversed.
9	01.00.1340.000.00	Self-Assessed Non recoverable Tax		54.00	Self-Assessed Non-recoverable tax reversed.
10	01.00.2599.000.00	Self-Assessed Tax Liability		360.00	

Manage Input Tax Credit under Self-Assessed Tax Mechanism

Self-assessed taxes are accounted through separate accounting classes. These accounting classes differentiate the self-assessed tax liability and the self-assessed input tax credit from the regular taxes.

Manage Withholding Tax in Oracle ERP Cloud

Overview of Managing Withholding Tax in Oracle ERP Cloud

When a payer withholds or deducts a tax from the amount payable to the payee, then this tax is known as the Withholding Tax. You can calculate the withholding tax per the tax requirements of your country in Oracle ERP Cloud.

This section discusses how to manage withholding taxes and common scenarios where the withholding tax is applied.

Checklist for Configuring Withholding Tax for India

You must review the checklist for configuring Indian Withholding Tax document that outlines the checklist for configuring withholding tax for India using ERP Cloud before you implement Oracle ERP Cloud Financials.

1. Enable the India Localization feature.
   Navigate to Opt-in Financials, Features, Regional Localization and select the **India** check box.
2. Select a financial year for example: 01/04/2018 to 31/03/2019 to set the Withholding Tax calendar for India.
3. Set up the Configuration Owner Tax Options for Withholding Tax (COTO).
   Select the Determine Applicable Regimes in Regime Determination Set for Regime to Rate – Rule Based Approach.
4. Set the Withholding Buckets Level as **First Party Tax Registration Number** to set the tax regime for India.
5. Set up the taxes for the tax regime. For the Period Level Threshold:
   a. Select Schedule Basis, **Period**.
   b. Select Withholding Tax Calendar, **User-defined Calendar**.
   c. Enable the **Apply Single Rate on Total Taxable Basis** check box to calculate the older invoices when Period Level Threshold is exceeded.
6. Set the Tax rate for Tax.
7. Set the Tax Formula for Tax Calculation for calculating Surcharge, Education Cess, and Secondary and Higher Education Cess for foreign suppliers.

8. Set the Withholding Tax Registration. For registering Tax Deducted at Source Account Number (TAN) for first-party, follow these steps:
    a. Create Legal Reporting Unit Withholding Tax Registration by selecting Tax Registration Type as **Others** and Validation Type as **ORA_IN_TAN**.
    b. In the **Registration Number** field, enter TAN.
9. Set the Withholding Tax Classification Code. The Withholding Tax Classification code is generated automatically based on the tax rate code.
10. Create a Tax Rule based on the business and legal requirement for calculating withholding taxes.

Receivables Receipt Processing with Withholding Tax Amounts

Record and apply receipts that have been reduced by withholding tax amount as determined and calculated by the customer. Close the remaining receivables balance, and reconcile the withheld tax as an advance payment to the tax authorities in India.

Use the **Create Receipt** and **Manage Receipt** pages to manually create withholding activities. This process increases the unapplied cash on the receipt and allows you to apply the outstanding withholding balance against sales invoices, thereby reducing the outstanding amount and receivables balance.

Use the **Withholding Reconciliation** page or the **Reconcile Withheld Amounts for Receipts** process to reconcile withholding receipts with periodic Form 26AS statements in India.

Record, apply, and account for receipt withholding activities using different solution options, depending on internal business processes or customer communication scenarios for withholding confirmation.

Receipt Withholding - Header Level

Follow these steps:

1. Manually create a separate withholding activity for Receipt Withholding type to track amounts withheld on the receipt when there is no customer confirmation of the specific transactions to which the withholding balance should be applied. The withheld amount is recorded for accounting and reconciliation purposes. Both the unapplied withholding balance and the total unapplied balance of the receipt are increased accordingly.
2. Manually create withholding activity for Receivables receipt using Edit Receipt page. Apply the receipt balance to specific open receivable transactions when confirmed by the customer. In addition to the applied amount, enter the applied withholding amount on the transaction application line and ensure that the applied amount includes the applied withholding amount.
3. Manually apply withholding activity to Receivables transaction using Edit Receipt page. The outstanding withholding balance for the receipt and the amount due on the receivables transaction will be decreased accordingly. *Sample Scenario:* Use the **Receipt Withholding Header Level** option to account for and reconcile receipts in India that have only a withholding balance.

Receipt Withholding - Transaction Level

Follow these steps:

1. Create withholding activity for receipts when both the withheld amounts and the specific open receivable transactions to which the withholding balance must be applied are confirmed by the customer.
2. Use the standard open receivable transaction application process, and in addition to entering the applied amount on the application line, also enter the applied withholding amount. Ensure that the applied amount includes the applied withholding amount.
3. Enter applied withholding amount for a transaction application line using the Edit Receipt page. The withholding activity for the receipt is created automatically, linked to the transaction application line, and the receipt's applied withholding balance is increased.

4. Review automatically created withholding activity for transaction application line. *Sample scenario:* Use the **Receipt Withholding Transaction Level** option for receipts that were applied to transactions before the withholding balance was confirmed by customer.

Upload of Form 26AS

Use the **Upload Tax Credit Statement** process to upload Form 26AS entries. Download Form 26AS from the income tax portal and save it in CSV format without password protection before uploading it to UCM. The process will select only entries marked as Status 'F' and store the summary amounts of TDS deposited for each customer for the respective financial year.

The Process File Identifier is the Content ID generated when the Form 26AS CSV file is uploaded to UCM.

Receipt Withholding Reconciliation with Form 26AS

Use the **Withholding Reconciliation** page or the **Reconcile Withheld Amounts for Receipts** process to reconcile withholding receipts with periodic Form 26AS statements in India.

You can access the page by selecting **Manage Withholding Reconciliation for India** from the Receipts task list.

The Manage Withholding Reconciliation for India Task List Menu Item page displays the TDS amounts for a customer for a given financial year, along with receipts that have withheld activities and are available for reconciliation.

Use the Reconcile Withheld Amounts for Receipts process to reconcile a large number of receipts simultaneously.

Enable Receivables Receipt Processing with Withholding Tax Amounts

You must create these Receivables Activities:

Receipts Withholding

Use the **Manage Receivables Activities** page to create withholding receivables activities for each business unit, which facilitates the creation and reconciliation of withholding balances on receivables receipts.

Follow these steps:

1. **Open the Create Receivables Activity or Manage Receivables Activities page** to create new activities.
2. Set the **Activity Type** to:
   - **Receipt Withholding** for withholding creation activity.
   - **Receipt Withholding Reconciliation** for withholding reconciliation with certificate activity.
3. Set the **GL Account Source field** to **Activity GL Account.**
4. In the **Activity GL Account** field, enter the appropriate general ledger (GL) account for withholding distributions:
   - **Withheld Amount Clearing** GL Account for **Receipt Withholding** activity

     A dedicated GL account used to record withholding balances associated with receipts that have not yet been reconciled with Form 26AS certificates.
   - **Withheld Amount Prepaid** GL Account for **Receipt Withholding Reconciliation** activity

     A dedicated GL account used to record withholding balances associated with receipts that have been reconciled with Form 26AS certificates.
5. Set the **Tax Rate Code Source** field to **None.**
6. Mark the activity as **Active.**

Setups for Withholding Reconciliation

Complete these setups:

- **Legal entity setup**:

  Define a Permanent Account Number (PAN) for the legal entity using the FSM task **Manage Legal Entity Registrations**. The PAN will be used by the process that loads Form 26AS entries to match the legal entity. Ensure the registration is defined for the jurisdiction "India Income Tax".

- **Define accounting calendar**:

  Follow these steps:
  - Use the FSM task **Manage Accounting Calendars** to define an accounting calendar that aligns with the financial year in India, which starts on April 1 and ends on March 31 of the following year.
  - Period names should follow the format YYYY-YYYY+1 (e.g., 2024-2025). to align with the Form 26AS format.
  - Associate the calendar with the legal entity using the FSM task **Manage Legal Entity Financial Information**.

- **Customer TAN setup**:

  Follow these steps:
  - Create a party tax profile for the customer using the FSM task **Manage Party Tax Profiles**.
  - Define the TAN using the FSM task **Manage Tax Registrations** on the **Taxpayer Identifiers** tab. TAN can be defined either at the customer (party) or customer site level.

How to Manage Payables Document Numbering for India GST in Oracle ERP Cloud

Overview of Managing Payables Document Numbering for India GST in Oracle ERP Cloud

You can manage payables document numbering for India GST in Oracle ERP Cloud.

Tax regulations mandate that the tax invoice numbering for payables must be consecutive and unique for a given financial year. With tax invoice numbering for payables, you can perform these actions:

- Configure sequences for payables document numbering via ADFDi Sheet.
- Enable document numbering in ERP Cloud.
- Generate tax invoice number in payables application.
- Handle scenarios where document numbering was unsuccessful.

Transaction tax regulations may mandate tax invoice numbering for payables to be consecutive and unique for a given financial year. In ERP cloud, payables provides document numbering for these documents:

- Tax Invoice: This document is issued in the payables application if the GST registered dealer procures anything from an unregistered dealer.
- Payment Voucher: This document is issued in the payables application for a prepayment when a GST registered dealer makes:
  - advance payments for the supply of goods or services that attract calculation of GST as reverse charge.

- advance payment to an unregistered dealer for the supply of goods or services.

- Refund Voucher – A registered dealer issues this document when the customer cancels an order that was paid in advance.

Generate the Tax Invoice Number in Payables

You can generate and view the tax invoice number and tax invoice date on the payables invoice after successful invoice validation.

Navigate to the Tax tab.

The tax invoice number and tax invoice date populated in the fields Internal Sequence Number and Internal Recording Date respectively.

1. Navigate to the Tax tab.
2. The tax invoice number and tax invoice date populated in the fields Internal Sequence Number and Internal Recording Date respectively.
3. Perform any action on the invoice after successful document numbering.

   The validation status changes to Needs Revalidation. The tax invoice number and tax invoice date are not regenerated in the subsequent invoice validation process.
4. Stamping of tax invoice number on Payables invoice happens only if these conditions are satisfied.

   This table shows the conditions for stamping of tax invoice number on Payables invoice.

Tax Invoice Number in Payables

GST Fiscal Document	Conditions to Generate Tax Invoice Number	Sample Tax Invoice Number Stamped on Payables invoice based on illustrated ADFDi setup	Note
Tax Invoice	o Supplier site has no tax registration record. OR o If registration record exists, the registration number is null.	o Service BU – SE100001 Rule No. 2 is honored. o Sales BU – SA100002 Rule No. 1 is honored.	The document sequence RCIN Invoices is same for both business units. Only the prefix varies.
Tax Invoice (Debit Memo)	If you configure the sequence rule for a debit memo, then you must generate document numbering. If the sequence rule doesn't exist, then don't generate document numbering.	o Service BU – DM200001 Rule No. 4 is honored. o Sales BU – RCDM300001 Rule No. 4 is honored.	Both rules have a different sequence and prefix assigned to them.
Tax Invoice (Credit Memo)	You cannot generate a sequence number.	Not applicable.	-
GST Fiscal Document	Conditions to Generate Tax Invoice Number	Sample Tax Invoice Number Stamped on Payables invoice based on illustrated ADFDi setup	

GST Fiscal Document	Conditions to Generate Tax Invoice Number	Sample Tax Invoice Number Stamped on Payables invoice based on illustrated ADFDi setup	Note
Payment Voucher	o The payables invoice type is prepayment. AND o Self-assessment flag is enabled for the taxes on prepayment.	o Service BU – RCPV900001 Rule No. 6 is honored. o Sales BU – RCPV900002 Rule No. 5 is honored.	The document sequence RCIN Invoices and prefix RCPV are same for both BU.
Refund Voucher	o For a standard receipt in receivables, user creates a record in the Manage Tax on Advance Receipt task. o For that advance receipt, user initiates refund in Receivables and a payment request is created in the Payables application. o In such case, the document numbering happens for the payment request.	o Service BU – RERV600001 Rule No. 8 is honored. o Sales BU – RERV600002 Rule No. 7 is honored.	The document sequence Refund VC and prefix RERV are same for both BU.

5. Note that document numbering doesn't happen for these reasons:
   - A supplier site with a valid tax registration and a tax registration number.
   - A debit Memo. However, for a debit memo you can configure a valid sequence rule in ADFDi setup to generate a document number.
   - A credit memo.
   - A prepaid invoice without self-assessment tax lines.
   - The receipt for a payment request from Receivables, which has no record in the Manage Tax on Advance Receipt task.
   - The document numbering is not enabled for the invoicing business unit in the Manage Localization System Options task.

Manage Scenarios Where Document Numbering is Unsuccessful

You can learn how to manage the scenarios where the document numbering is unsuccessful.

If you enable document numbering without a valid sequence rule using the ADFDi setup, then:

- A seeded tax hold Missing Tax Invoice Number is placed.
- The validation process is unsuccessful. Hence, you can’t release the hold manually.

You must configure the required ADFDi setup and revalidate the invoice.

Allow Document Numbering for Multiple Legal Reporting Units With Same Tax Registration Number

Allow document numbering for multiple legal reporting units that share the same tax registration number in India for Global Intercompany transactions.

Under the India GST tax regime, a taxpayer may have one tax registration number for a particular state, but may be required to report multiple gapless document sequences for the same tax registration. For example, a customer with a single GST Tax Registration Number (GSTIN) in a particular state may want to supply goods and services from 2

different locations registered as SEZs in this state. In this case, even though both locations/units are under the same GST Registration Number, the tax invoice numbers must be generated in separate gapless document sequences, if the goods and services are from these units.

The Document Fiscal Classification (DFC) tax attribute can manage this scenario for customer transactions. But for Global Intercompany invoices imported through the AGIS (FUN) module, the DFC cannot be derived. To support this requirement, customers have been creating multiple additional setups or adopting multiple manual steps that deviate from the automated processing of Intercompany invoices.

ERP Cloud now enables customers to define Document Numbering for India, based on Legal Reporting Units with the same GST Registration number for Global Intercompany transactions. The system automatically derives the underlying Legal Reporting Unit mapped to the Intercompany Organization in the Intercompany setups and derives the correct Document Sequence to generate the Tax Invoice Number from the India Document Numbering setup.

Follow these steps:

1. A new column **Legal Reporting Unit** is now available in the India Document Numbering Setup ADFDI sheet.
2. Navigate to the **FSM Task** and click **Search**.
3. Search for **Manage Localization Document Numbering**.
4. Search for **India**
5. Select the row, you want to edit and perform the setup:
   a. Under Application column for the row, select **Receivables**.
   b. Under Document Class column for the row, select **Global Intercompany Invoice**.

      Valid values appear in the LOV.

      > **Note:** . This feature applies only to transactions created from the Global Intercompany System. Other combinations in the Legal Reporting Unit field do not retrieve any LOV values. If there are no entries available then the system derives the document sequence using existing rules.

   c. Choose the relevant Legal Reporting Unit which is mapped to the Intercompany Organization setup against the Provider Org.
      - Legal Reporting Unit is associated with a list of values containing valid LRUs against the First Party Tax Registration Number selected at the header level of the setup.
      - Valid values appear in the LOV when Application = Receivable and Document Class = Global Intercompany Invoice. Other combinations in the Legal Reporting Unit field will not retrieve any LOV values. This is to ensure that this feature applies only to transactions created from the Global Intercompany System.
      - If there are no entries available for Application = Receivable and Document Class = Global Intercompany Invoice in the India Document Numbering setup, then the system derives the document sequence using existing rules.

Account Inbound Custom Charges and Manage Cost Allocation Process

Overview of Accounting Inbound Charges and Allocating Costs

When goods are imported to India, you must calculate the inbound charges payable at the port of entry. On receipt of the goods at the destination, you must account the nonrecoverable taxes paid by the importer during the customs clearing to the material cost.

For information on how to account the inbound charges and allocate cost to imported items.

You'll learn how the inbound charges are accounted in the Oracle ERP Cloud and how the cost is allocated to imported items in this section.

Assumption and Prerequisites

Confirm these prerequisites before you set up transactional tax for any country.

- Data Security

  Assign the predefined Tax Manager job role to the user. For more information on predefined job roles, see the Oracle Applications Cloud Security Reference for Common Features guide at http://docs.oracle.com.

- Enterprise Structure

  Model your enterprise to meet your legal and management objectives. For more information on configuring enterprise structures, see the Using Rapid Implementation Spreadsheets chapter in the Oracle Financials Cloud Getting Started with Your Implementation guide at http://docs.oracle.com.

- Common Setups for Payables, Purchasing, and Landed Cost Management

  For more information on implementing Oracle Financials Cloud, see the Oracle Financials Cloud Getting Started with Your Implementation guide and the Implementing Supply Chain Management Cloud guide at http://docs.oracle.com.

- India Normal GST Tax Setup

  For information on how to configure Oracle Fusion Tax to comply with the goods and services tax and location based transaction taxes, see Manage Goods and Services Tax Compliance.

Account the Inbound Customs Charges and Cost Allocation

This is a sample case study for accounting inbound customs charges and cost allocation.

An organization VISION CORPORATION imports goods A (Unit Price: USD 200 and quantity: 200) and B (Unit

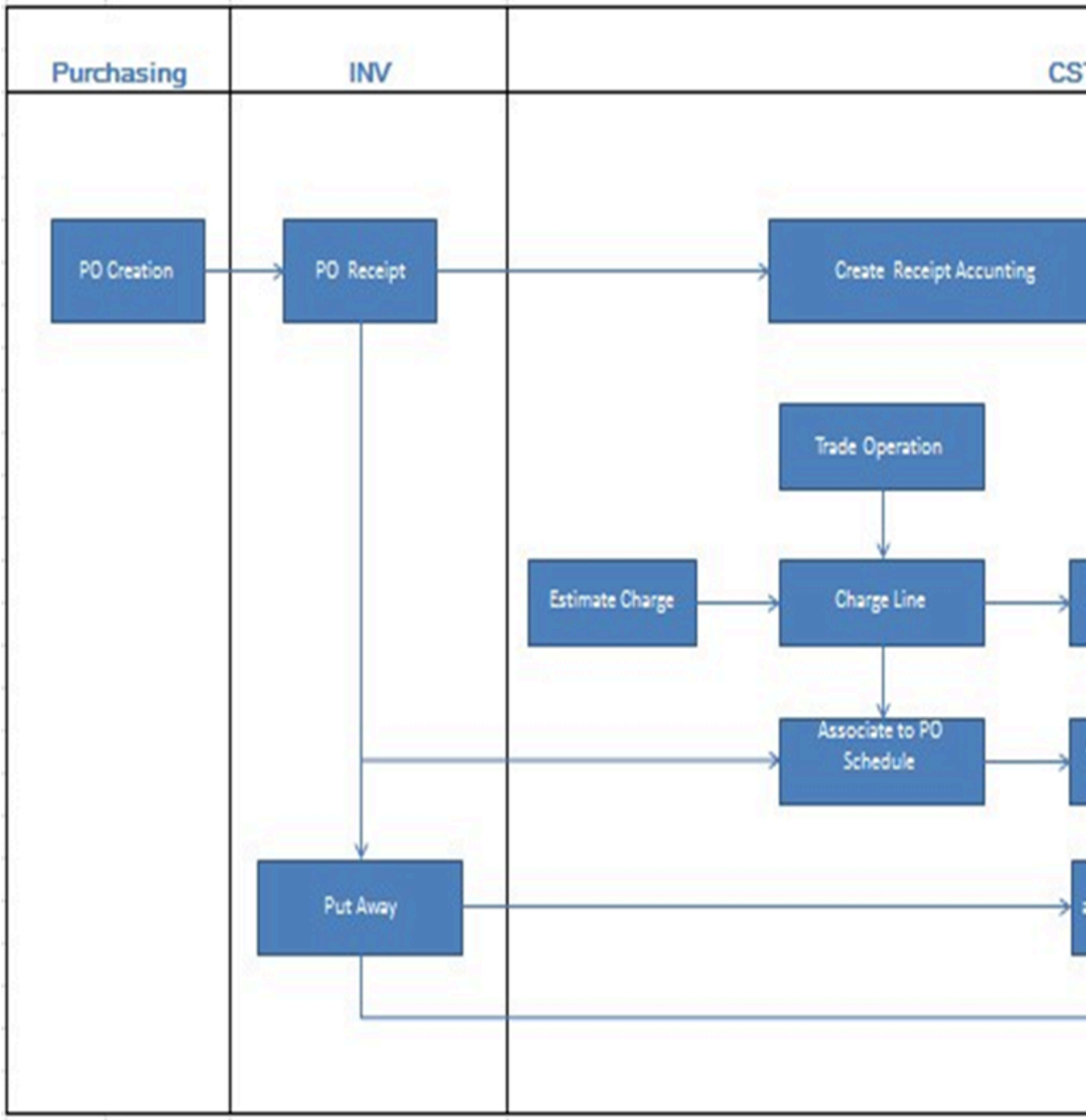
Price: USD 300 and quantity 200) from one foreign supplier XYZ. The customs notified exchange rate for USD to INR is 60. Air freight payable to Air India for the consignment is USD 1000 and freight payable to DHL from Chennai Airport to Bangalore is USD 8000.

Basic customs duty is calculated on the landed cost up to the port of entry, assume tax rate for basic customs duty is 12%, 100% is non recoverable. Surcharge (just like education cess and higher education cess) is calculated on basic customs duty, assume the tax rate for surcharge is 10%, 100% is non recoverable. IGST is calculated on cost up to the

port of entry, customs duties and all the surcharges, assume tax rate for IGST is 5%, and 40% of IGST is recoverable. The freight from Chennai Airport to Bangalore needs to calculate normal IGST with 18% tax rate.

The given case study requirement can be achieved in ERP Cloud using the Landed Cost Management feature.

This image displays the work flow for this case study.


Purchasing
INV
CS
PO Creation
PO Receipt
Create Receipt Accunting
Trade Operation
Estimate Charge
Charge Line
Associate to PO Schedule
Put Away

Here are the prerequisite setups:

1. Define charge names to capture landed cost:
   a. Navigate to Manage Charge Name.
   b. Define charge names for specific procurement sets.

      BOE charge and India freight are defined for this case study.
2. Define reference type to capture charge-related document details:
   a. Navigate to Manage Reference Type.
   b. To match landed cost charge to payables invoice lines, define the reference type such as PO number, shipment number, ASN, ASBN, and BPA number.

      PO number is selected as the reference type for this case study.
3. Enable compound tax on the assessable value:
   a. Navigate to Setup and Maintenance.
   b. Enable Compound Tax on the Assessable Value under Financials opt-in feature.

Define Tax Setups

There are multiple types of customs duties applicable on import of goods to India, such as the basic customs duty, anti-dumping duty (applicable for specified goods), education cess on customs duty, higher education cess on customs duty and IGST. For the given case, you must define these tax setups:

Follow these steps:

1. Create a tax regime:
   a. Sign in as a Tax Manager.
   b. Navigate to Setup and Maintenance, Financials, and Select Transaction Tax.
   c. Search for the Manage Tax Regimes task.
   d. Click Add and create a tax regime with these attributes:

      This table displays the attributes required to create a tax regime:

Tax Regime Code	Configuration Owner	Tax Regime Name	Country	Tax Currency
SA_IN_GST	Global configuration owner	SA_IN_GST	India	INR

      Note: The custom taxes and the normal GST can share the same tax regime.

2. Create taxes:
   a. Sign in as Tax Manager.
   b. Navigate to Setup and Maintenance, Financials, and Transaction Tax.
   c. Search for and select the Manage Taxes task.
   d. Click Add and create taxes.

      The tax reporting code CUSTOMS will be seeded from 19.07. It isn't available in 19.04. You must assign the code to the respective custom tax defined in the application from 19.07. The application will identify

Payables invoices with the taxes assigned to CUSTOMS tax reporting code as BOE invoice, and run the recovery mechanism process and validation for import of goods.

e. Create three taxes as follows:

This image shows the taxes to be created and their details:

Tax Name	Configuration Owner	Tax Regime Code	Geography Type	Country	Place of Supply	Tax Applicability
SA_IN_GST_CUSTOMS	Global configuration owner	SA_IN_GST	Country	India	Bill from	Not Applicable
Tax Registration	**Tax Calculation Formula**	**Taxable Basis Formula**	**Tax Jurisdiction**	**Tax Status**	**Tax Rate**	
Bill-from party	STANDARD_TC	Assessable New	JUR_SA_IN_GST_CUSTOMS	STANDARD	SA_IN_GST_CUSTOM_12%	

Tax Name	Configuration Owner	Tax Regime Code	Geography Type	Country	Place of Supply	Tax Applicability
SA_IN_GST_SURCHARGE	Global configuration owner	SA_IN_GST	Country	India	Bill from	Not Applicable
Tax Registration	**Tax Calculation Formula**	**Taxable Basis Formula**	**Tax Jurisdiction**	**Tax Status**	**Tax Rate**	
Bill-from party	STANDARD_TC	Formula_SA_IN_GST_SURCHARGE	JUR_SURCHARGE	STANDARD	SA_IN_GST_SURCHARGE_10%	

Tax Name	Configuration Owner	Tax Regime Code	Geography Type	Country	Place of Supply	Tax Applicability
SA_IN_GST_IGST	Global configuration owner	SA_IN_GST	Country	India	Bill from	Not Applicable
Tax Registration	**Tax Calculation Formula**	**Taxable Basis Formula**	**Tax Jurisdiction**	**Tax Status**	**Tax Recovery Rate**	**Tax Rate**
Bill-from party	STANDARD_TC	Formula_SA_IN_GST_IGST	JUR_SA_IN_GST_IGST	STANDARD	SA_IN_GST_IGST_REC_40%	SA_IN_GST_IGST_5%

3. Create tax reporting and collecting authority:
   a. Sign in as Tax Manager.
   b. Navigate to Setup and Maintenance, Financials, and Transaction Tax.
   c. Search for and select the Manage Legal Authorities task.
   d. Click Add and create the legal authority. Enter these values:

      This table displays the details of the legal authority to be created:

Attributes	Values	Comments
Name	Customs Authority- India	User discretion
Tax Authority Type	Collecting and reporting	Select from the list of values.
Address	Applicable address	User discretion
Purpose	Payment	You can add multiple purposes as required.
Legislative category	Transaction Tax	You can add multiple legislative categories as required.

> **Note:** Search for the legal authority and note the organization number. This number is used to establish a relationship between the tax authority and a new supplier, which is created with the supplier type as a tax authority to pay custom taxes.

4. Assign tax authority to custom taxes under Reporting and Collection:
   a. Sign in as Tax Manager.
   b. Navigate to Setup and Maintenance and select Financials.
   c. Search for and select the Manage Taxes task.
   d. Search the taxes created previously (in step 3) and associate them with tax authority.
   e. Enter these values:

      This table displays the details of the taxes to be associated with tax authority:

Tax	Reporting Tax Authority	Collecting Tax Authority
SA_IN_GST_CUSTOMS	Customs Authority- India	Customs Authority- India
SA_IN_GST_SURCHARGE	Customs Authority- India	Customs Authority- India
SA_IN_GST_IGST	Customs Authority- India	Customs Authority- India

5. Create a tax jurisdiction:
   a. Sign in as Tax Manager.
   b. Navigate to Setup and Maintenance, Financials, and Transaction Tax.
   c. Search for and select the Manage Tax Jurisdiction task.
   d. Click Add and create tax jurisdictions with these attributes.

   This table displays the list of attributes for tax jurisdictions:

Tax Jurisdiction Code	Tax Jurisdiction Name	Tax Regime Code	Tax	Geography Type	Geography Name	Set as default jurisdiction
JUR_SA_IN_ GST_CUSTOM	JUR_SA_IN_ GST_CUSTOM	SA_IN_GST	SA_IN_GST_ CUSTOMS	COUNTRY	India	Yes
JUR_ SURCHARGE	JUR_ SURCHARGE	SA_IN_GST	SA_IN_GST_ SURCHARGE	COUNTRY	India	Yes
JUR_SA_IN_ GST_IGST	JUR_ SA_IN_ GST_IGST	SA_IN_GST	SA_IN_GST_ CUSTOMS	COUNTRY	India	Yes

6. Create a tax status:
   a. Sign in as Tax Manager.
   b. Navigate to Setup and Maintenance, Financials, and Transaction Tax.
   c. Search for and select the Manage Tax Statuses task.
   d. Click Add and create a tax status with these attributes.

   This table displays the list of attributes for a tax status:

Tax Regime Code	Configuration Owner	Tax	Tax Status Code	Tax Status Name	Set as default status
SA_IN_GST	Global configuration owner	SA_IN_GST_CUST OMS	STANDARD	STANDARD	Yes
SA_IN_GST	Global configuration owner	SA_IN_GST_SURC HARGE	STANDARD	STANDARD	Yes
SA_IN_GST	Global configuration owner	SA_IN_GST_IGST	STANDARD	STANDARD	Yes

7. Create a tax rate and tax recovery rate:
    a. Sign in as Tax Manager.
    b. Navigate to Setup and Maintenance, Financials, and Transaction Tax.
    c. Search for and select the Manage Tax Rates and Tax Recovery Rates task.
    d. Click Add and create tax rates with these attributes.

    This table displays the list of attributes for a tax rate:

Tax Regime Code	Configuration Owner	Tax	Tax Status Code	Tax Rate Code	Tax Rate Type	Rate Percentag	Set as default rate
SA_IN_GST	Global configuration owner	SA_IN_GST_CUSTOM	STANDA	SA_IN_GST_CUSTOM_12%	Percenta	12	Yes
SA_IN_GST	Global configuration owner	SA_IN_GST_SURCHAR	STANDA	SA_IN_GST_SURCHARGE_10%	Percenta	10	Yes
SA_IN_GST	Global configuration owner	SA_IN_GST_IGST	STANDA	SA_IN_GST_ IGST_5%	Percenta	5	Yes
SA_IN_GST	Global configuration owner	SA_IN_GST_IGST	SA_IN_GST_IGST_REC_40%	STANDARD	Recovery	40	Yes

8. Define the taxable basis formula:
    a. Sign in as Tax Manager.
    b. Navigate to Setup and Maintenance, and select Financials and Transaction Tax.
    c. Search for and select the Manage Tax Formulas task.
    d. Click Add and create Taxable Basis Formulas with these attributes. Enter these values to create tax formula:

    This image shows the taxes to be created and their details:

Configuration Owner	Tax Formula Name	Taxable Basis Type	Tax Regime Code	Enable tax formula
Global configuration owner	Assessable New	Assessable Value	SA_IN_GST	Yes

Configuration Owner	Tax Formula Name	Taxable Basis Type	Tax Regime Code	Tax	Enable tax formula
Global configuration owner	Formula_ SA_IN_GST_SURCHARGE	Prior tax	SA_IN_GST	SA_IN_GST_SURCHARGE	Yes
Tax Formula Compounding					
Compounding Tax Regime code			**Compounding Tax**		
SA_IN_GST			SA_IN_GST_CUSTOMS		

Configuration Owner	Tax Formula Name	Taxable Basis Type	Tax Regime Code	Tax	Enable tax formula
Global configuration owner	Formula_ SA_IN_GST_IGST	Assessable Value	SA_IN_GST	SA_IN_GST_IGST	Yes
Tax Formula Compounding					
Compounding Tax Regime code			**Compounding Tax**		
SA_IN_GST			SA_IN_GST_CUSTOMS		
SA_IN_GST			SA_IN_GST_SURCHARGE		

9. Define transaction-based fiscal classifications:
   a. Sign in as Tax Manager.
   b. Navigate to Setup and Maintenance, and select Financials and Transaction Tax.
   c. Search for and select the Manage Transaction-Based and Maintenance task.
   d. Search for **Transaction Business Category Codes PURCHASE_TRANSACTION**.
   e. Click **Create Child Node** and create a child transaction business category with these attributes.

      This table displays the list of attributes for a tax rate:

Fiscal Classification Code Path	Code	Name	Country
PURCHASE_TRANSACTION	IMPORT OF GOODS_ORDERINV	IMPORT OF GOODS_ ORDERINV	India
PURCHASE_TRANSACTION	IMPORT OF GOODS_BOEPRE	IMPORT OF GOODS_ BOEPRE	India
PURCHASE_TRANSACTION	IMPORT OF GOODS_BOEINV	IMPORT OF GOODS_ BOEINV	India

10. Create tax determining factor sets:
    a. Sign in as Tax Manager.
    b. Navigate to Setup and Maintenance, Financials, and Transaction Tax.
    c. Search for and select the Tax Determining Factor Sets task.
    d. Click Add and create a tax-determining factor set with these attributes.

       This table displays the list of attributes for a tax-determining factor set:

Attributes	Values	Comments
Tax Determining Factor Set Code	TDFS for SA_IN_GST	User discretion
Tax Regime Code	SA_IN_GST	
Tax Determining Factor Class	Transaction generic classification	
Tax Class Qualifier	Null	
Tax Determining Factor Name	Transaction business category	

11. Create tax condition sets:
    a. Sign in as Tax Manager.
    b. Navigate to Setup and Maintenance, Financials, and Transaction Tax.
    c. Search for and select the Tax Condition Sets task.
    d. Click Add and create tax condition sets with these attributes.

    This table displays the list of attributes for a tax condition set:

Attributes	Values	Comments
Tax Condition Set Code	TCS for SA_IN_GST	User discretion
Tax Determining Factor Set Code	TDFS for SA_IN_GST	Enter the tax determining factor set that you created.
Operator	Equal to	
Value	PURCHASE_TRANSACTION/ IMPORT OF GOODS_BOEINV	

12. Create tax rules:
    a. Navigate to Setup and Maintenance, Financials, and Transaction Tax.
    b. Search for and select the Tax Rules task.
    c. Select the rule type as Tax Applicability Rules.
    d. Click Add and create tax rules with these attributes.

    This table displays the attributes and values for SA_IN_GST_CUSTOMS tax rule:

	Attributes	Values	Comments
Tax Applicability Rule	Rule Code	Tax Rule for SA_IN_GST_ CUSTOMS	User discretion
	Tax Determining Factor Set Code	TDFS for SA_IN_GST	Enter the tax determining factor set that you created.
	Tax Regime Code	SA_IN_GST	
	Tax	SA_IN_GST_CUSTOMS	
Tax Conditions	**Tax Condition Set Code**	**Result**	**Comments**

	Attributes	Values	Comments
	TCS for SA_IN_GST	Applicable	

This table displays the attributes and values for SA_IN_GST_SURCHARGE tax rule:

	Attributes	Values	Comments
Tax Applicability Rule	Tax Determining Factor Set Code	TDFS for SA_IN_GST	Enter the tax determining factor set that you created.
	Tax Regime Code	SA_IN_GST	
	Tax	SA_IN_GST_SURCHARGE	
Tax Conditions	**Tax Condition Set Code**	**Result**	**Comments**
	TCS for SA_IN_GST	Applicable	Enter the tax condition set that you created.

This table displays the attributes and values for SA_IN_GST_IGST tax rule:

	Attributes	Values	Comments
Tax Applicability Rule	Rule Code	Tax Rule for SA_IN_GST_IGST	User discretion
	Tax Determining Factor Set Code	TDFS for SA_IN_GST	Enter the tax determining factor set that you created.
	Tax Regime Code	SA_IN_GST	
	Tax	SA_IN_GST_IGST	
Tax Conditions	**Tax Condition Set Code**	**Result**	**Comments**
	TCS for SA_IN_GST	Applicable	Enter the tax condition set that you created.

This table displays the attributes and values for Normal GST Not Applicable tax rule:

	Attributes	Values	Comments
Tax Applicability Rule	Rule Code	Tax Rule for Normal GST Not Applicable	User discretion

	Attributes	Values		Comments
	Tax Regime Code	Normal GST Regime		Enter tax regime code for normal GST that you created
	Tax	Normal CGST/SGST/UGST/IGST		Enter taxes that you created
	Tax Determining Factor Set Code	TDFS for SA_IN_GST		Enter the tax determining factor set that you created.
	Tax Determining Factor Class	Transaction generic classification		
	Tax Determining Factor Name	Transaction Business Category		
Tax Conditions	**Tax Determining Factor Name**	**Operator**	**Value of From Range**	**Result**
	Transaction Business Category	Equal to	PURCHASE_ TRANSACTION/IMPORT OF GOODS_ORDERINV	Not Applicable

- **Transaction Simulation in P2P**

  Enter and validate the invoice pertaining to purchase of goods in Payables.
- **Payables Transaction Line**

  Enter and validate the Payables transaction line.

  This table displays the list of attributes for a Payables Transaction Line:

Line	Line Amount	Assessable Value	Transaction Business Category	Total Amount
1	0	101000	IMPORT OF GOODS_BOEINV	19048.6
	Total in INR			19048.6 INR

- **Tax Determination Process**

  The SA_IN_GST_CUSTOMS is levied at 12% on assessable value (101000*12%=12120 INR) and SA_IN_GST_SURCHARGE is levied at 10% on custom duty (12120*10%=1212 INR). The SA_IN_GST_IGST is levied on the sum of the assessable value, custom duty, and surcharge

  [(101000+12120+1212)*5%=5716.6].The tax engine looks for the transaction business category in the transaction line and determines the tax and tax rate. The following tax lines are created upon successful completion of the Tax Determination process.

- **Tax Lines**

  Enter the tax lines.

  This table displays the list of attributes for tax lines.

Tax Line	Rate Name	Rate	Tax Amount	Tax Regime	Tax Name	Tax Status
1	SA_IN_GST_ CUSTOM_12%	12%	12120	SA_IN_GST	SA_IN_GST_ CUSTOMS	STANDARD
2	SA_IN_GST_ SURCHARGE_ 10%	10%	1212	SA_IN_GST	SA_IN_GST_ SURCHARGE	STANDARD
3	SA_IN_GST_ IGST_5%	5%	5716.6	SA_IN_GST	SA_IN_GST_ IGST	STANDARD

Create Supplier and Supplier Site

Create a supplier with the supplier type as a tax authority using the FBDI process or create a normal supplier and site.

Follow these steps:

1. Create a supplier with the supplier type as a tax authority using the FBDI process. Create a supplier using FDBI for Supplier Import. The Registry ID of the supplier must be same as the organization number of the tax authority created earlier to establish a relationship between the supplier and tax authority.
   a. Download the FBDI template for the import supplier and enter the required details to create a supplier. Enter the Registry ID of the supplier against the organization number of tax authority created in Define Tax Setups.
   b. Generate a CSV file for supplier details.
   c. Sign in as Procurement Manager.
   d. Navigate to Scheduled Processes.
   e. Search for the **Load Interface File for Import** process.
   f. Select the **Import Suppliers for Import Process**, and upload the CSV file generated earlier.

   > **Note:** For an import supplier, you can only use FBDI process to establish a relationship between the supplier and tax authority.

2. Create Normal Supplier and Site:
   a. Sign in as Procurement Manager.
   b. Navigate to Procurement work area and click Suppliers link. Click the **Create Supplier** task to create the new suppliers.
   c. Search for the **Load Interface File for Import** process.

   You must create three suppliers and sites. This table displays the suppliers and sites related to this case study.

Supplier	Business Relationship	Site	Site Purpose
Customs Authority	Spend Authorized	Port of landing	Purchasing and Pay

Supplier	Business Relationship	Site	Site Purpose
Air India	Spend Authorized	Port of landing	Purchasing and Pay
DHL	Spend Authorized	Port of landing	Purchasing and Pay

Create Charge Name

Additional material supplier charges (similar to taxes) and third party charges (similar to freight charges) that are incurred in the process of obtaining material ownership or possession must be created as landed cost charges.

Follow these steps:

1. Sign in as Cost Manager.
2. Navigate to Setup and Maintenance.
3. Search for Manage Charge Names process.
4. Click **Add** to create the new charge name.
   This table displays the attributes required to create charges:

Procurement BU Set	Code	Name	Description	Default Allocation Basis
Common Set	India Freight	India Freight	Freight	Item Value
Common Set	BOE Charge	BOE Charge	BOE Charge	Item Value

Create Reference Type

Reference types are business documents, such as bills of landing, associated with the landed cost charges in trade operations to provide an audit trail of the charges. Reference types are also matched with invoices to capture the actual charge amounts.

Follow these steps:

1. Sign in as Cost Manager.
2. Navigate to Setup and Maintenance.
3. Search for Manage Charge Names process.
4. Click **Add** to create the new charge name.
   This table displays the attributes required to create references:

Procurement BU Set	Code	Name	Description	Date Type
Common Set	PO Number	PO Number	PO Number	Alphanumeric

Create Purchase Order and Receipt

The importer submits the purchase order in ERP Cloud Procurement with foreign currency against actual business.

1. Create PO lines with these details in USD currency. Assume PO number as 11.
   This table displays the details for PO lines:

Line	Item	Unit Price	Quantity	Line Amount	Transaction Business Category
1	A (Inventory Item)	200 USD	200	40000	IMPORT OF GOODS_ORDERINV
2	B (Inventory Item)	300 USD	200	60000	IMPORT OF GOODS_ORDERINV
	Total in USD			100000	

> **Note:** The import PO isn't applicable on normal CGST/SGST/IGST and no GST calculation. You must define the tax not applicable rule with a higher priority. Refer to the Tax Setup Steps chapter for more details.

2. Create PO receipt against the actual PO document and move them to their final destination.
   Assume that receipt A and receipt B are for 200 items each.
3. Run the Transfer Transactions from Receiving to Costing process.
4. Create Receipt Accounting Distributions for items A and B as follows:
   - Accounting for item A:

     Dr. Receiving Inspection 40000 USD

     Cr. Accrual 40000 USD
   - Accounting for item B:

     Dr. Receiving Inspection 60000 USD

     Cr. Accrual 60000 USD

     > **Note:** See Oracle Fusion Applications Procurement, Cost Accounting and Receipt Accounting Guide at http://docs.oracle.com.
5. Run **Send Pay on Receipt** process to import PO invoices with these invoice lines.

Line	Item	Unit Price	Quantity	Currency	Transaction Business Category	Line Amount
1	A (Inventory Item)	200	200	USD	IMPORT OF GOODS_ORDERINV	40000
2	B (Inventory Item)	300	200	USD	IMPORT OF GOODS_ORDERINV	60000
		Total in USD				100000

Create Trade Operation

Create a trade operation by grouping the expected landed cost charges for material shipments.

Follow these steps:

1. Create a trade operation for an upcoming shipment to capture the landed cost charges for that shipment.
2. Create a trade operation after the actual shipment.
3. To create a trade operation in ERP Cloud Cost Management, set up these charge lines.

   This table displays the details of charge lines to create a trade operation:

Charge Line	Charge Name	Charge Basis	Supplier	Supplier Site	Charge Currency	Estimate	Associated PO
1	BOE Charge	Aggregate	Customs Authority	Port of landing	USD	6000000	PO 11, line 1 and line 2
2	India Freight	Aggregate	Air India	Port of landing	USD	60000	PO 11, line 1 and line 2
3	India Freight	Aggregate	DHL	Port of landing	USD	8000	PO 11, line 1 and line 2

   In the above table, Allocation Basis is Item Value, Charge Reference is PO Number, and Value is 11 for all charge lines. All the attributes are based on user discretion.

4. Set the status for trade operation to Open and allocate the estimated charge.

Calculate Assessable Value Manually

The importer must manually calculate the assessable value before creating the BOE invoice.

1. Calculate the landed cost including the sum of materials and additional supplier charges, which are incurred while receiving materials at the port of entry based on the customs notified exchange rate.
2. Use this calculation method for the assessable value:

   The total amount of materials= 60*100000=6000000

   Freight (Additional supplier charge) =60*1000=60000 Total assessable value=6060000

Create Accounts Payable Invoice Enabling LCM

Follow the instructions in this section to create Accounts Payable Invoice Enabling LCM

Follow these steps:

1. Create BOE invoice:

   For importing goods to India, you must create the BOE invoice to calculate the taxes payable to customs authority at the port of entry in INR currency. The invoice should calculate the basic customs duty based on the assessable

value, surcharge (e.g. for education cess and higher education cess) on the customs duty, and IGST on the sum of the assessable value, customs duty, and surcharge. The BOE invoice details are as follows.

- Payables Invoice Header.

  This table displays the details of Payables Invoice Header for the BOE invoice:

Supplier	Supplier Site	Invoice Currency	Total Amount
Customs Authority	Port of landing	INR	1142916

- Payables Invoice Line.
  i. Enter these details for Line 1 of the BOE invoice::

     This table displays the details for Payables Invoice Line 1:

Line Amount	Assessable Value	Transaction Business Category	Landed Cost	Charge Name	Reference Type	Value	Total Amount
0	6060000	IMPORT OF GOODS_ BOEINV	Enabled	BOE charge	PO number	11	1142916
Total in INR							1142916

  ii. Save and validate the Payables invoice.
- Tax Determination Process

  The SA_IN_GST_CUSTOMS is levied at 12% on assessable value (6060000*12%=727200INR).

  The SA_IN_GST_SURCHARGE is levied at 10% on custom duty (727200*10%=72720 INR).

  The SA_IN_GST_IGST is levied on the sum of the assessable value, customs duty, and surcharge [(6060000+727200+72720)*5%=342996].

  The non recoverable IGST=342996*60%=205797.6.

  The tax engine searches for the transaction business category in the transaction line and determines the tax and tax rate.
- Tax Lines

  This table displays details of those tax lines that are created upon successful completion of the tax determination process.

Tax Line	Rate Name	Rate	Tax Amount	Tax Regime	Tax Name	Tax Status
1	SA_IN_GST_CUSTOM_12 %	12%	727200	SA_IN_GST	SA_IN_GST_ CUSTOMS	STANDARD

Tax Line	Rate Name	Rate	Tax Amount	Tax Regime	Tax Name	Tax Status
2	SA_IN_GST_SURCHARGE_ 10%	10%	72720	SA_IN_GST	SA_IN_GST_ SURCHARGE	STANDARD
3	SA_IN_GST_IGST_5%	5%	342996	SA_IN_GST	SA_IN_GST_ IGST	STANDARD

Review tax details and post to ledger.

2. Create invoice for freight to the port of entry.

   When you create the BOE invoice, the assessable value contains the freight charge to the port of entry. You don't need to calculate custom duty and IGST for the freight invoice. However, the invoice for freight charge that is incurred while receiving material ownership must have the Landed Cost enabled and allocated to item cost. The invoice is paid to the freight supplier.

   Here the supplier is Air India. The invoice details are as follows.

   - Payables Invoice Header.

     This table displays the details of Payables Invoice Header for the BOE invoice:

Supplier	Supplier Site	Invoice Currency	Exchange Rate	Total Amount
Air India	Port of landing	USD	60	1000

   - Payables Invoice Line.
     i. Enter these details for Line 1 of the invoice::

     This table displays the details of Line 1:

Line Amoun	Assessable Value	Transaction Business Category	Landed Cost	Charge Name	Reference Type	Value	Total Amount in USD
1000	1000	PURCHASE_TRANSACTION/IMPORT OF GOODS_ORDERIN V	Enabled	India Freight	PO number	11	1000
Total in INR							1000

> **Note:** The invoice is applicable to the Not Applicable rule for normal GST. You don't need calculate the tax.

     ii. Save the Payables invoice, validate, and post it to ledger.

3. Create invoice for freight from the airport to final destination.

   You don't need to calculate the custom duty if you incur the freight from the airport to the final destination, but you must calculate the normal IGST.

   If you incur the freight while receiving the material ownership, you must enable the landed cost and add it to item cost. The invoice is paid to the freight supplier.

   For the given case, the supplier is DHL, a foreign supplier who isn't registered in India. So, the tax is self-assessed. Assume that the self-assessed tax is 100% recoverable. The invoice details are as below.

   - Payables Invoice Header

     This table displays the details of the supplier:

Supplier	Supplier Site	Invoice Currency	Exchange Rate	Total Amount in USD
DHL	Port of landing	USD	60	8000

   - Payables Invoice Line

     This table displays the details of the invoice line 1:

Line Amount	Assessable Value	TransactionBu Category	Landed Cost	Charge Name	Reference Type	Value	Total Amount
8000	8000	NULL	Enabled	India Freight	PO number	11	8000
	Total in USD						1000

     Save the invoice and determine tax.

   - Tax Determination Process

     You must calculate the normal IGST for the invoice, and the tax for the invoice is self-assessed due to the unregistered supplier.

   - Tax Lines

     This table displays details of those tax lines that are created upon successful completion of the tax determination process.

Tax Line	Rate	Tax Amount	Tax Regime	Tax Name	Self-assessed	Tax Status
1	18%	1440	SA_IN_GST	Normal IGST	Yes	STANDARD

     Validate the invoice and post to ledger.

4. Run the process Transfer Costs to Cost Management

   You must transfer the cost information from Payables to Cost Management via Transfer Costs to Cost Management process. The invoices flagged for landed cost management are transferred to Landed Cost Management.

Run Manage Landed Cost Processed and Allocate the Actual Charge

Use the Control page for Manage Landed Cost Processes feature to run Manage Landed Cost Processed and allocate the Actual Charge.

Follow these steps:

1. Create Run Control to initiate Manage Landed Cost Processes, which contains the following four sub-processes:
   a. Prepare Material Purchase Order Data.
   b. Prepare Invoice Data.
   c. Associate Invoices to Trade Operations Charges.
   d. Allocate Landed Cost Charges.

   After performing these processes, invoices are automatically matched to trade operations and the actual charges are allocated to each charge line.
2. Review the allocation results:

Charge Line	Supplier	Supplier Site	Charge Currency	Estimate Charge	Allocation Basis	Associated PO	Actual Charge
1	Customs Authority	Port of landing	INR	6000000	Item Value	PO 11, line 1 and line 2	727200+72720+ 205797.6=1005 717.6
2	Air India	Port of landing	INR	60000	Item Value	PO 11, line 1 and line 2	60000
3	DHL	Port of landing	INR	8000	Item Value	PO 11, line 1 and line 2	480000
Total actual charge in INR							1545717.6

Create Cost Accounting

To create cost accounting, you must run the relevant processes to Costing and create cost accounting distributions.

Follow these steps:

1. Run the process Transfer Transactions from Receiving to Costing. Post the transaction details from Receiving to Costing.
2. Run the process Transfer Transactions from Inventory to Costing.

   Transfer the inventory transactions from the inventory to costing for processing.

3. Create Cost Accounting Distributions as follows.
    - For accounting for item A:
        - Dr. Inventory Valuation 40000 USD
        - Cr. Receiving Inspection 40000 USD
        - Dr. Inventory Valuation 618287.04 INR
        - Cr. Receiving Inspection 618287.04 INR
    - For accounting for item B:
        - Dr. Inventory Valuation 60000 USD
        - Cr. Receiving Inspection 60000 USD
        - Dr. Inventory Valuation 927430.56 INR
        - Cr. Receiving Inspection 927430.56 INR

How to Manage Transaction Tax Application on Advanced Receipts in Oracle ERP Cloud

Manage Transaction Tax Application on Advanced Receipts in Oracle ERP Cloud

Identify Tax Liability and Prepaid Tax Asset on Advance Receipt

You must identify the tax liability and prepaid tax assets on advance receipts.

Follow these steps:

1. Create Sales Order.

   An Order to Cash process starts with the creation of the order in the Order Management application. In the given case study, VISION CORPORATION creates the sales order against FIRST SOFTWARE for the order amount of $9600. The transaction taxes, based on the tax determinants displayed on the Sales Order UI are 9% GST1 and 9% GST2, which is equivalent to GST1 $864 and GST2 $864. No accounting entries are generated at this stage. No tax reporting happens at this stage.
2. Create Unapplied Advance Receipt in Receivables.

   Create an unapplied receipt for any advance amount received from the customer. An unapplied receipt means that the payment was received from the customer but is yet to be offset against a transaction. In the given case study, FIRST SOFTWARE pays $2400 as advance to VISION CORPORATION and manually creates an unapplied receipt in Receivables. In order to create unapplied receipt, receipt method is mandatory attribute. The prerequisite steps is to enable Advance Receipt feature for the Receivables Receipt class. Receipt classes to determine the required processing steps for receipts to which you assign receipt methods. Follow these steps:
   a. Navigate to Manage Receipt Classes and Methods.
   b. Search for the receipt class.
   c. For the header level **Advance Receipt** GDF segment, select **Yes**.
   d. Create an unapplied receipt by using a Receipt method, which belongs to a receipt class with the **Advance Receipt** GDF segment, select **Yes**.

e. Run the Create Accounting process to create these entries:

Create Accounting Process Entries

Particulars	Dr. Amount	Cr. Amount
Dr. Bank Account	2400.00	
Cr. To unapplied cash		2400.00

3. Once the unapplied receipt is accounted, navigate to the Manage Tax on Advance Receipt page to create tax lines on the advance receipt. Follow these steps:
   a. In the Tools work area, navigate to the Security console.
   b. Create a role with the Manage Advance Receipt Tax for India privilege.
   c. Assign the role to the user account used for creating advance receipts.
   d. Run the User and Roles Synchronization process to avoid problems with roles or privileges.
4. Navigate to Manage Tax on Advance Receipts. Follow these steps:
   a. Sign in as Receivables Manager.
   b. Navigate to Receipts Workbench, Task Pane, and Manage Tax on Advance Receipt.

      The list of values displays only those receipts that meet these criteria:
      - The receipt method belongs to a receipt class with the **Advance Receipt** GDF attribute as **Yes**.
      - The customer for the receipt must not be null.
      - The receipt amount entered must be equal to the unapplied amount.
      - The receipt is accounted successfully.

      These fields are displayed from the receipt number in non-editable mode, by default:
      - Business Unit
      - Receipt Method
      - Receipt Number
      - Customer Account
      - Customer Name
      - Customer Site
      - Receipt Date
      - Currency
      - Entered Amount
      - Total Applied Amount
      - Unapplied Amount
5. The default first-party and third-party tax registration numbers are displayed in the Manage Tax on Advance Receipt page.

6. You can enter the First and Third Party Tax Registration Numbers, which are defaulted based on certain conditions.

   A tax registration number contains information related to a party's transaction tax obligation with a tax authority for a tax jurisdiction where it conducts business.

   The First-Party Tax Registration Number is retrieved from the Main Legal Reporting Unit (LRU) associated with the Legal Entity. If no registration record is found for the main LRU, then the registration record retrieved from the LRU associated to the Ship-from location is set as default.

   The Third-Party Tax Registration Number is retrieved from customer Bill-To site.

   In the **Source Document Number** field, select the sales order number created earlier. Once you provide the source document number, the values for these fields are populated automatically:

   - Item
   - Item Description
   - UOM
   - Quantity
   - Unit Price
   - Line Amount
   - Source Line Amount
   - Source Document Number
   - Source Document Line Number
   - Bill-to Location
   - Tax Classification
   - Transaction Business Category
   - Document Fiscal Classification
   - Intended Use
   - Product Fiscal Classification
   - Product Category
   - Product Type
   - User-Defined Fiscal Classification
   - Assessable Value

   Note: If required, you can update the automatically populated values.

7. Click Save to initiate the tax calculation and calculate the tax based on tax determinants from the selected sales order. If required, you can review and edit the tax.

   This table shows the tax lines are created:

   Tax Lines Created During Tax Calculation

Tax Line	Rate Name	Rate	Tax Amount	Tax Regime	Tax Name	Tax Status
1	GST1_9	9	216.00	GST	GST1	Standard

Tax Line	Rate Name	Rate	Tax Amount	Tax Regime	Tax Name	Tax Status
2	GST1_9	9	216.00	GST	GST1	Standard

8. Click **Complete** to initiate the ESS job to create accounting entries.
9. Follow these steps to complete the prerequisite setup:
   a. Sign in as Tax Manager.
   b. In the Setup and Maintenance work area, go to Offering: Financials.
   c. Functional Area: Transaction Tax Task: Manage Taxes.
   d. On the Manage Taxes page, go to the Tax Accounts tab.
   e. Enter account code combination for Tax Pre Paid Account. The same combination is considered for tax rate and tax jurisdiction level. These account code combinations are available:
      - Tax Prepaid Account

        This code combination is debited for recognizing the prepaid tax on advance receipt and the same combination is credited when offset of prepaid tax balance happens.
      - Tax Liability Account

        This code combination is mandatory in the Regime to Rate configuration and is credited for tax lines created on Receivables transaction.
10. Accounting entry to recognize prepaid tax on advance receipts:

    This table shows the account entries generated:

    Generation of Account Entries

Particulars	Dr. Amount	Cr. Amount
Dr. GST1 Pre Paid Account	216.00	
Dr. GST2 Pre Paid Account	216.00	
Cr. GST1 Liability		216.00
Cr. GST2 Liability		216.00

Overview of Managing Transaction Tax Application on Advanced Receipts in Oracle ERP Cloud

You can manage transaction tax on advance receipts in an Order to Cash cycle in Oracle ERP Cloud.

This is applicable to India Taxes.

In India, tax regulations mandate the transaction tax to be calculated on advances received and offset the prepaid tax computed on advance receipts with the tax liability on the invoice. You can manage transaction taxes on advance receipts given to customers before the actual transaction. Advances received are applied to the sales invoice generated by the enterprise after the transaction, thereby reducing the outstanding amount from the customer.

Here are the prerequisites required to configure Transaction Tax Application on Advanced Receipts in Oracle ERP Cloud:

- Enable Receipt Class for Advance Receipt:

  Follow these steps:

   a. Navigate to Manage Receipt Classes and Methods
   b. Query the receipt class and choose **Yes** for the header lever GDF segment Advance Receipt.

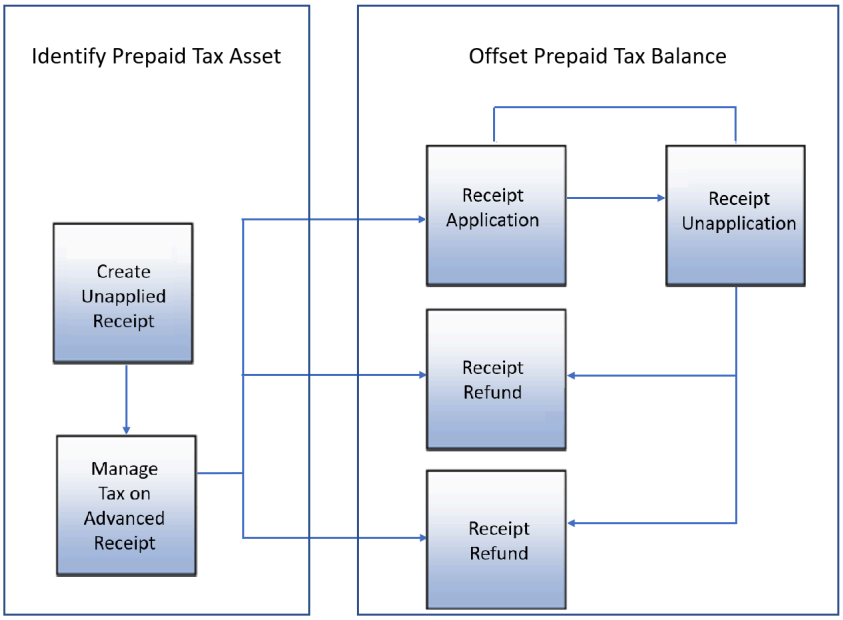
- Configure Tax Prepaid Account:

  Follow these steps:
   a. Enter Tax Prepaid Account code combination on the manage taxes user interface.
   b. In the Tax Accounts tab, enter account code combination for Tax Prepaid Account.
   c. The same combination flows to tax rate and tax jurisdiction level.

- Enable Security Privilege Manage Advance Receipt Tax:

  Follow these steps:
   a. Navigate to the Security console.
   b. Create a role with Manage Advance Receipt Tax for India (JA_MANAGE_ADVANCE_RECEIPT_TAX_FOR_IND) function security privilege and assign it to the user account for creating advance receipts.

      This image describes the Manage Tax on Advance Receipts process flow:



Compute Offset Prepaid Tax Balance on Advance Receipt

Offset Prepaid Tax is an accounting method for the calculating debit balance in the prepaid tax account over a particular time period.

The debit balance is reduced to zero gradually. Business events such as receipt application, receipt refund and receipt reverse that happen after creating tax liability on advance receipt mandate the debit balance to be offset in the prepaid tax account.

Offset for Prepaid Tax Amount is equal to the Prepaid Tax Amount multiplied by the Receipt Applied Amount or Receipt Entered Amount. Offset computation includes these steps:

1. Apply Receipt to Transaction.

The advance receipts are eventually applied to the transaction, which reduces the outstanding amount receivable from the customer. VISION CORPORATION creates a Receivables transaction against the customer FIRST SOFTWARE for the sale with an order value of $9600 plus 9% GST1 ($864) and 9% GST2 ($864). Transaction opening balance including applicable taxes is $11328.

To reduce the open receivables, apply the advance receipt applied to the transaction. Navigate to Receipts workbench, apply the receipt to the transaction, and create accounting. The offset occurs for the balance in the prepaid tax account for each applicable transaction tax. The transaction tax is GST1 and GST2.

You can also perform optional operations after the receipt is applied. Optional operations include:

a. Unapply Receipt.

   After applying the receipt to an open transaction, the Receivables application lets you un-apply that invoice and apply it to another transaction.
b. Receipt Refund.
c. Receipt Reversal.

There are scenarios where the business enterprise must refund the amount paid by the customer. Receivables offer the Refund feature in the Receipts workbench. When you click Issue Refund in Receipt workbench, a payment request is created in Payables for refund.

In tax reporting for refund, if the tax regulations mandate to report receipt refund scenarios, you can develop a query to extract the data and generate reports from the database.

When an advance receipt is recorded as an unapplied receipt, it must be reversed. Receivables allow such reversal in the Actions tab of the Receipts workbench by providing a reason for the reversal and the reversal category.

This table shows the entries generated during the creating accounting process:

Creating Accounting process

Particulars	Dr. Amount	Cr. Amount
Dr. Receivables Account	11328.00	
Cr. Revenue Account		9600.00
Cr. GST1 Liability		864.00

Particulars	Dr. Amount	Cr. Amount
Cr. GST2 Liability		864.00

To reduce the open receivables, click **Unapply** on the advance receipt applied to the transaction. Navigate to Receipts workbench, apply the receipt to the transaction, and create accounting. The offset occurs for the balance in the prepaid tax account for each applicable transaction tax. in the given example, the transaction tax is GST1 and GST2.

The accounting entry for the receipt application:

Accounting Entry for Receipt Application

Particulars	Dr. Amount	Cr. Amount
Dr. Unapplied Cash	2400.00	
Dr. GST1 Liability	216.00	
Dr. GST2 Liability	216.00	
Cr. Receivables Account		2400.00
Cr. GST1 Prepaid Account		216.00
Cr. GST2 Prepaid Account		216.00
Total	2832.00	2832.00

After applying the receipt to an open transaction, the Receivables application lets you un-apply that invoice and apply it to another transaction.

2. Unapply a Receipt.

   You can unapply the advance receipt applied to the transaction. After the receipt is unapplied, click Post to Ledger. Accounting entries are as follows:

Particulars	Dr. Amount	Cr. Amount
Dr. Receivable	2400.00	
Dr. GST1 Prepaid Account	216.00	
Dr. GST2 Prepaid Account	216.00	
Cr. GST1 Liability		216.00
Cr. GST2 Liability		216.00
Cr. Unapplied Cash		2400.00

After generating the advance receipt with the tax liability, you can refund the advance receipt in Receivables.

3. Process Receipt Refund.

   There are scenarios where the business enterprise must refund the amount paid by the customer. Receivables offer the Refund feature in the Receipts workbench.

   If VISION CORPORATION refunds the amount to customer FIRST SOFTWARE, accounting entries are created for the refund transaction. This table shows the accounting entries:

Accounting Entries for Receipt Refund

Particulars	Dr. Amount	Cr. Amount
Dr. Unapplied Cash	2400.00	
Dr. GST1 Tax Liability	216.00	
Dr. GST2 Tax Liability	216.00	
Cr. Refund Account		2400.00
Cr. GST1 Prepaid Tax		216.00
Cr. GST2 Prepaid Tax		216.00

   When you click Issue Refund in Receipt workbench, a payment request is created in Payables for refund. Accounting entries for the payment request are as follows:

Accounting Entries for Receipt Refund Payment

Particulars	Dr. Amount	Cr. Amount
Dr. Refund Account	2400.00	
Cr. Supplier Liability		2400.00

   In tax reporting for refund, if the tax regulations mandate to report receipt refund scenarios, you can develop a Query to extract the data and generate reports from the database.

   After creating unapplied receipt on which tax liability created in Manage Tax on Advance Receipts UI receivables application allows to reverse the advance receipt

4. Process Receipt Reversal.

   There might be scenarios where an advance receipt recorded as an unapplied receipt and needs to be reversed. Receivables allows such reversal in the Actions tab of the Receipts workbench by providing a reason for the reversal and the reversal category.

   VISION CORPORATION reverses the unapplied receipt created for $2400. After the create accounting process is complete, the accounting entries are generated. This table lists the accounting entries for receipt reversal:

Accounting Entries for Receipt Refund Payment

Particulars	Dr. Amount	Cr. Amount
Dr. Unapplied Cash	2400.00	

Dr. GST1 Tax Liability	216.00	
Dr. GST2 Tax Liability	216.00	
Cr. Cash Account		2400.00
Cr. GST1 Prepaid Tax		216.00
Cr. GST2 Prepaid Tax		216.00

Tax Reporting

You must check the prerequisites for tax reporting.

Based on the country specific tax regulations, you must check these reporting requirements on a periodic basis:

- Prepaid tax asset created on advances received from customers.
- Offset of prepaid tax asset created on advance receipts.

Note: An implementer can create a query to extract the data from data base tables. The advance receipt amount received is stored in DB tables ZX_TRANSACTION and ZX_TRANSACTION_LINES. Transaction tax data on advance receipts is stored in DB tables ZX_LINES_DET_FACTORS and ZX_LINES.

How to Manage Tax Calculation on Receipt Accounting Distributions

You can manage tax calculation on receipt accounting distributions per country-specific tax regulations in India.

Tax regulations in some countries mandate that taxes on inbound transactions (procure to pay) are calculated according to tax rates and tax applicability rules on that date of receipt of goods. To comply with the tax authority regulations, the Tax Calculation on Receipt Accounting Distributions feature recognizes recoverable taxes on Payables invoice of the inbound transaction.

Here's what you can do using the Tax Calculation on Receipt Accounting Distributions feature:

- Calculate transaction taxes on receipt accounting distributions per tax determinants and tax rates prevailing on receipt of goods.
- View detailed tax lines for recoverable and nonrecoverable taxes on receipt accounting distributions, including tax lines whose tax point basis (TPB) is Invoice.
- Update tax determinants, such as the intended use, purchase order, and so on. Taxes are then calculated according to the updated tax determinants on receipt accounting distributions.
- Update tax determinants copied from receiving lines to Payables invoice lines upon receipt matching. Taxes are then calculated according to the updated tax determinants on the Payables invoice.
- Account recoverable taxes on Payables invoice.
- Create cost adjustment for Receipt matched Invoices if there is a difference between the taxes calculated on receipt accounting distributions and that on Payables invoice

Here are the prerequisites required for setting up transactional tax and calculate taxes on receipt accounting distributions:

- Assign the predefined job roles to the user to create and review receipt accounting distributions.

  For more information on predefined job roles, see the Oracle Applications Cloud Security Reference for Common Features guide.
- Model your enterprise to meet your legal and management objectives.

  For more information, see the Using Rapid Implementation Spreadsheets chapter in the Oracle Financials Cloud Getting Started with Your Implementation guide.
- Complete the common setups for Procurement and financials.

  For more information, see the Oracle Financials Cloud Getting Started with Your Implementation guide and the Implementing Supply Chain Management Cloud guide.
- Set up the required Tax Regime, Taxes, Tax Jurisdictions, Tax status, Tax rates, and applicable Tax rules to accommodate tax calculation on Transactions.

  For more information on tax configuration, see the Oracle Financials Cloud Implementing Tax guide.

Overview of Managing Transaction Tax Application on Advanced Receipts in Oracle ERP Cloud

You can manage transaction tax on advance receipts in an Order to Cash cycle in Oracle ERP Cloud.

This is applicable to India Taxes.

In India, tax regulations mandate the transaction tax to be calculated on advances received and offset the prepaid tax computed on advance receipts with the tax liability on the invoice. You can manage transaction taxes on advance receipts given to customers before the actual transaction. Advances received are applied to the sales invoice generated by the enterprise after the transaction, thereby reducing the outstanding amount from the customer.

Here are the prerequisites required to configure Transaction Tax Application on Advanced Receipts in Oracle ERP Cloud:

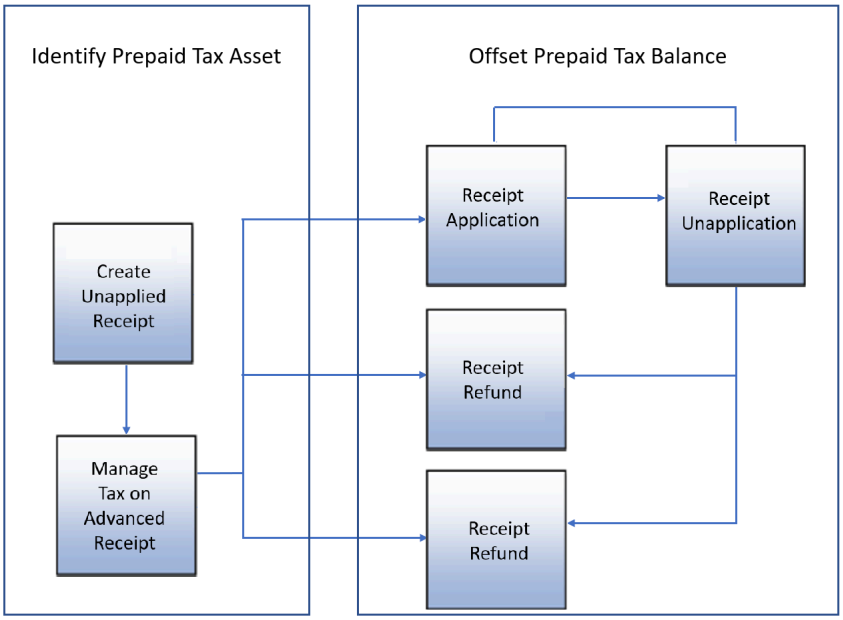
- Enable Receipt Class for Advance Receipt:

  Follow these steps:
  a. Navigate to Manage Receipt Classes and Methods
  b. Query the receipt class and choose **Yes** for the header lever GDF segment Advance Receipt.
- Configure Tax Prepaid Account:

  Follow these steps:
  a. Enter Tax Prepaid Account code combination on the manage taxes user interface.
  b. In the Tax Accounts tab, enter account code combination for Tax Prepaid Account.
  c. The same combination flows to tax rate and tax jurisdiction level.
- Enable Security Privilege Manage Advance Receipt Tax:

  Follow these steps:
  a. Navigate to the Security console.
  b. Create a role with Manage Advance Receipt Tax for India (JA_MANAGE_ADVANCE_RECEIPT_TAX_FOR_IND) function security privilege and assign it to the user account for creating advance receipts.

This image describes the Manage Tax on Advance Receipts process flow:



Enable and Apply Tax Calculation on Receipt Accounting Distributions

You must enable and apply tax calculation on receipt accounting distributions per country specific tax regulations in India.

Follow these steps

1. Enable the Tax calculation on receipt accounting distributions feature:
    a. Navigate to the Setup and Maintenance work area.
    b. Select the offering as Financials.
    c. Click Change Feature Opt In.
    d. On the **Opt In: Financials** page, click the Features icon for financials.
    e. On the **Edit Features: Financials** page, select the Enable check box for the feature named Tax Calculation on Receipt Accounting Distributions.
    f. Click Done.

2. Apply this feature:
   a. Sign in as a Tax Manager.
   b. In the Setup and Maintenance work area, select these options:
      - Offering: Financials
      - Functional area: Transaction Tax
      - Task: Manage Configuration Owner Tax Options
   c. Click the Create icon.
   d. Select the configuration owner to which you want to apply this feature.
   e. Select Standard Invoices/Payables as the Event Class.
   f. In the Receipt Tax Options section, enable **Allow delivery-based tax calculation with these settings**:
      - Report Delivery-Based taxes on: Invoice
      - Tax Point Date: Receipt date
      - Tax Point Basis: Invoice

   Note: If you'd not selected this feature when setting up the configuration owner tax options, the taxes on receipt accounting distributions will be prorated from the purchase order. You can't view the detailed tax lines on the receipt accounting distributions page.

Transactional Flow with Case Study

Here's a case study that explains how inbound transaction taxes can be calculated and accounted on purchase order, receipt accounting distributions, and Payables invoice with the assumption that you've opted in for the feature and configured the applicable tax rules.

1. Create purchase order.

   This table lists sample PO transactional data and predefined applicable tax rules:

Sample PO Transactional Data and Predefined Applicable Tax Rules

Sample PO Transactional Data		Comments
Procurement BU	Vision Corporation BU	
Requisition BU	Vision Corporation BU	
Sold to Legal Entity	Vision Corporation	
Ship-to location	Vision Corporation CA	
Supplier	First manufacturer Ltd.	
Supplier site	First manufacturer NY	
Item Cost	960	
Quantity	10	
Assessable value	9600	
Product fiscal classification	HSNAA5788Z	A tax determinant used to derive item codes and define applicable tax rate rules. Let's assume that the user has defined 18% tax rate for this PFC.

Sample PO Transactional Data		Comments
Intended Use	PARTIAL RECOVERABLE	A tax determinant used to define tax recovery rate rule. Let's assume that the user has defined the tax recovery rate rule with partial recoverable intended use, which attracts 60% recoverable tax and 40% non-recoverable tax on the transaction.
Tax rate	18%	
Invoice Match Option	Receipt	Defines how to calculate taxes on Receipt Accounting Distributions: o If the match option is **Receipt**, taxes are recalculated on receipt accounting distributions per tax determinants on receiving lines. o If the match option is **Order**, taxes are prorated from the purchase order to receipt accounting distributions and no tax recalculation happens.

Oracle Fusion Tax calculates taxes on the purchase order. This table lists the detailed tax lines on the purchase order's user interface:

Tax Lines

Line	Tax Regime	Tax	Rate Name	Taxable Amount	Tax rate	Tax Amount	Recoverable Tax	non-recoverable Tax	Tax point Basis
1	Regime1	GST1	GST1 18%	9600	18%	1728	1036.8	691.2	Invoice

2. Create a receipt for the purchase order.

   When you create a receipt referencing the purchase order, all tax determinants are copied from PO lines/schedules to Receipt Lines. You can update tax determinants on receipt lines.

   For example, at the time of receiving the goods, per the Tax Invoice provided by supplier, the tax rate has changed from 18% to 28%.

   You can update the tax rate rule on receipt lines to calculate taxes at 28% on receipt accounting distributions.

   Once you create the receipt, you need to run the Create Receipt Accounting Distributions process to calculate taxes per tax determinants on receiving line for the receipt. Taxes are calculated and detailed tax lines are displayed on the Review Receipt Accounting Distributions user interface. The item's cost and non-recoverable taxes are accrued on

creation of receipt accounting distributions. As the tax point basis is Invoice, recoverable taxes are accounted on the Payables invoice.

Transactional Data

Transactional data on receipt		Comments
Item Cost	960	
Ordered Quantity	10	
receipt Quantity	10	
Assessable value	9600	
Product fiscal classification	HSNAA5788Z	This tax determinant is copied from the PO to the receipt. You can update the tax rate rule to attract 28% tax rate on receipt per the supplier tax invoice or you can manually select the product fiscal classification that derives 28% tax rate.
Intended Use	PARTIAL RECOVERABLE	Copied from PO to receipt lines
Tax rate	28%	Updated per the supplier tax invoice and the new tax rate.

This table lists the detailed tax lines on Receipt Accounting Distributions:

Tax Lines on Receipt Accounting Distributions

Line	Tax Regime	Tax	Rate Name	Taxable Amount	Tax rate	Tax Amount	Recoverable Tax	non-recoverable Tax	Tax point Basis
1	Regime1	GST1	GST1 28%	9600	28%	2688	1612.8	1075.2	Invoice

This table shows the transaction details for Receipt Accounting Distributions:

Transaction details and Receipt Accounting Distributions

Accounting Line type	Cost Source	Debit	Credit
Receiving Inspection	Purchase Order	9600	
Accrual	Purchase Order		9600
Receiving Inspection	non-recoverable transaction taxes	1075.2	

Accounting Line type	Cost Source	Debit	Credit
Accrual	non-recoverable transaction taxes		1075.2

Note: As this is a Receipt Matched Invoice, the taxes are calculated on receipt accounting distributions per the updated tax determinants on receipts lines.

If this is an Order matched invoice, there won't be any tax calculation on receipt accounting distributions. Tax distributions are prorated from the purchase order to receipt accounting distributions.

This table shows the tax distributions are prorated from the purchase order:

Prorated Tax Distributions From the PO to Receipt Accounting Distributions

Accounting Line type	Cost Source	Debit	Credit
Receiving Inspection	Purchase Order	9600	
Accrual	Purchase Order		9600
Receiving Inspection	Transaction Taxes- non-recoverable	691.20	
Accrual	Transaction Taxes-Non Recoverable		691.20

3. Create Payables invoice.

Now you can create a Payables invoice for the inbound transaction by matching Receipt. You should run Create Receipt Accounting Distributions process before creating a Payables invoice for this transaction. If you create a Payables invoice without creating receipt accounting distributions, the invoice is placed on a system hold and can't be validated without creating receipt accounting distributions.

You can create receipt accounting distribution even after creating Payables invoice if it is Order matched. If you create the Payables invoice by matching the PO without creating receipt accounting distribution, no hold is placed on the invoice.

Note: After you opt in for this feature, you must run the Receipt Accounting Distributions process before creating a Payables invoice (by matching receipts). If you don't run the same, a hold is placed on the Payables invoices. The hold is only lifted after you create receipt accounting distributions for the receipt.

This table shows the tax distributions on the Payables invoice:

Table

Transactional Data on Payables Invoice		Comments
Item Cost	960	
Ordered Quantity	10	
receipt Quantity	10	

Transactional Data on Payables Invoice		Comments
Assessable value	9600	
Product fiscal classification	HSNAA5788Z	Copied from receipt lines to Payables invoice on receipt matching.
Intended Use	PARTIAL RECOVERABLE	Copied from receipt lines to Payables invoice on receipt matching.
Tax rate	28%	The tax rate is the rate prevailing on the receipt date even if there are changes in tax rate on invoice date per the updated tax rate configuration. The tax point date is Receipt Date.

This table shows the transactional data on the Payables invoice:

Transactional Data on the Payables Invoice

Line	Tax Regime	Tax	Rate Name	Taxable Amount	Tax rate	Tax Amount	Recoverable Tax	Non-recoverable Tax	Tax point Basis
1	Regime1	GST1	GST1 28%	9600	28%	2688	1612.8	1075.20	Invoice

This table shows the accounting entries on Payables invoice:

Accounting entries on Payables invoice

Account Class Type	Cost Source	Debit	Credit
Item cost/Accrue	Accrued on receipt accounting Distributions	9600	
non-recoverable tax/ Accrue	Accrued on receipt accounting Distributions	1075.2	
Recoverable Tax	Recognized on Payables invoice	1612.8	
Liability	Supplier Liability		12,288

4. Tax rate variance (TRV) calculation:

   For a receipt matched invoice, if there is a difference between the non-recoverable tax calculated on the receipt accounting distribution and the Payables invoice, the Tax Rate Variance (TRV) is calculated for the non-recoverable portion of the tax on a Payables invoice. For an order matched invoice, if there is a difference between the non-recoverable tax calculated on the purchase order and the Payables invoice, then the TRV is calculated for the non-recoverable portion of the tax on the Payables invoice. The non-recoverable tax portion may vary based on:

   - The tax rate on the Payables invoice,
   - The tax recovery rate,

- The tax determinant such as intended use on the Payables invoice, and so on.

With reference to the given case study, let's assume that the user has changed the Intended use tax determinant of the transaction from Partial Recoverable to Non-Recoverable on the Payables invoice. Now 100% of the tax calculated is non-recoverable and the difference in the non-recoverable portion on receipt accounting distributions and Payables invoice is accounted as TRV:

This table tax calculations on receipt accounting distributions and Payables invoice is accounted as TRV:

Accounting Distributions and Payables Invoice

Transactional Data on the Payables Invoice		Comments
Item Cost	960	
Ordered Quantity	10	
receipt Quantity	10	
Assessable value	9600	
Product fiscal classification	HSNAA5788Z	Copied from receipt lines to the Payables invoice on receipt matching.
Intended Use	NON RECOVERABLE	Updated on the Payables invoice.
Tax rate	28%	Even if there is a change in tax rate on Invoice date as per updated tax rate configuration, the tax rate is the rate prevailing on the receipt date. The tax point date is the Receipt Date.

This table lists the detailed tax lines on Payables invoice:

Detailed Tax Lines on Payables Invoice

Line	Tax Regime	Tax	Rate Name	Taxable Amount	Tax rate	Tax Amount	Recoverable Tax	Non-recoverable Tax	Tax point basis
1	Regime1	GST1	GST1 28%	9600	28%	2688	0	2688	Invoice

This table shows the accounting entries on the Payables invoice:

Accounting Entries on Payables Invoice

Account Class Type	Cost Source	Debit	Credit
Item cost	Accrued on receipt accounting Distributions	9600	
non-recoverable tax	Accrued on receipt accounting Distributions	1075.2	

Account Class Type	Cost Source	Debit	Credit
Tax rate variance	Variance Recognized on Payables invoice	1612.8	
Liability	Supplier Liability		12,288

Note: When you create cost accounting distributions, the accounted tax rate variance is treated as cost adjustment to the item cost.

5. Upgrade impacts:

   If you're an existing user opting in for this feature, this table lists the pre-upgrade and post-upgrade tax calculations.

Pre Upgrade and Post-Upgrade Tax Calculations

Tax point basis	Tax Point date	Match Option	Purchase Order	Receipt	Receipt Accounting Distributions	AP Invoice	Behavior
Invoice	Receipt Date	Order	Pre-upgrade	Pre-upgrade	Pre-upgrade	Pre-upgrade	o Calculates taxes on the PO. o Taxes are prorated from the PO to receipt accounting distributions. o Calculates taxes on the Payables invoice.
Invoice	Receipt Date	Receipt	Pre- upgrade	Pre- upgrade	Pre- upgrade	Pre- upgrade	o Calculates taxes on the PO. o Taxes are prorated from the PO to receipt accounting distributions. o Calculates taxes on the Payables invoice.
Invoice	Receipt Date	Order	Post- upgrade	Post- upgrade	Post- upgrade	Post- upgrade	o Calculates taxes on the PO. o Taxes are prorated from the PO to receipt

Tax point basis	Tax Point date	Match Option	Purchase Order	Receipt	Receipt Accounting Distributions	AP Invoice	Behavior
							accounting distributions. o Calculates taxes on the Payables invoice.
Invoice	Receipt Date	Receipt	Post- upgrade	Post- upgrade	Post- upgrade	Post- upgrade	o Calculates taxes on the PO. o Calculates taxes on receipt accounting distributions. o Calculates taxes on the Payables invoice.
Invoice	Receipt Date	Receipt	Pre- upgrade	Pre- upgrade	Post- upgrade	Pre- upgrade	o Calculates taxes on the PO. o Taxes are prorated from the PO to receipt accounting distributions. o Calculates taxes on the Payables invoice. There is no invoice hold.
Invoice	Receipt Date	Receipt	Pre- upgrade	Pre- upgrade	No Run	Post- upgrade	o Calculates taxes on the PO. o Taxes are prorated from the PO to receipt accounting distributions. o Invoice is placed on hold as the receipt accounting distribution not created.

Quantity-Based Tax Calculation for Price Adjusted Orders in Ship and Bill Flows

You can streamline quantity-based tax calculation for the sales order adjustment lines in ship and bill flows in India.

Let's learn more about this feature.

- **What are Quantity based Taxes for India?**

  In India GST Regime, there are certain goods on which the GST Compensation Cess is a fixed amount as per quantity, rather than a percentage. These taxes are configured as Quantity based Taxes in ERP Cloud.

- **What causes Quantity based Taxes to be calculated twice?**

  Here are the reasons:

  - Customers set up the list price of the item to be 0 INR so that 0 INR is defaulted on SO line in first place.
  - Users change/override the unit price on the sales Order from Rs 0 to say 1000 INR or any value based on negotiation with customer.
  - When users create a shipment for this sales order and generate fiscal document, two lines are displayed in FDG with quantity updated in each of the lines.

  When the India FDG (Request Fiscal Document) in an Order to Cash cycle is run and there is a price adjustment (using price override) in the Sales Order line, the adjustment line is added as a charge component and is passed as a separate line in FDG with quantity updated in it. This causes the Quantity based Taxes to be computed twice.

- **What causes an issue in tax calculation for Quantity based Taxes?**

  When the original list price of the item is updated, this additional adjusted price is stored as one of the charge components in Order Management due to which in ship and bill flows. These additional charge components are passed as separate lines in India FDG. The adjustment line is passed with same quantity as the parent line. This causes an issue in tax calculation.

- **Quantity based Taxes are not calculated twice now. Why?**

  For quantity based taxes, the Fusion tax engine does not consider the quantity on the additional charge lines when executing the India Fiscal Document now. The Quantity based Tax calculation happens only on the parent line and not on the adjustment lines.

- **What has changed in Quantity based Taxes calculation?**

  The GST department in an organization can calculate the Quantity based taxes (GST Compensation Cess) in a Ship and Bill flow correctly, wherever applicable. When any price adjustment is made in Sales Order, lines or any additional charges or discount is applied on the Sales order line. This helps them to get the clearance from the Tax authorities through India E-invoicing on such taxes without any error.

- **What are the limitations or considerations for this feature?**

  This feature is also applicable for discounts, freight charges, and shipping charges. However, it doesn't have any impact on Percentage based tax calculation. The scope of this feature is limited for Ship and Bill flows where Tax is calculated at Shipment (India FDG).

First-Party Tax Registration Number Defaulting on Payables Invoices for India

Assign the first-party tax registration number, or TAN, by default when entering Payables invoices for India to ensure accurate application of threshold buckets during withholding tax calculation. This minimizes any manual efforts during invoice entry.

Assign the first-party tax registration number, or TAN, by default when entering Payables invoices for India to ensure accurate application of threshold buckets during withholding tax calculation. This minimizes any manual efforts during invoice entry.

The TAN is defined as a withholding tax registration number for the legal reporting unit. You must manually assign the TAN to an invoice using the Tax Deduction Account Number field in the Create or Edit Invoice page.

Here are some important points:

- A legal entity can have multiple legal reporting units (LRUs), and you can configure a TAN for each LRU.
- Once enabled, the TAN is assigned to every invoice created when no value is provided by the user, by default, according to the logic in this table:

  This table displays the logic for assigning TAN to each invoice by default:

#	Is main LRU defined?	Scenario	Is TAN defaulted?
1	Yes	TAN is defined only for main LRU.	Yes
2	Yes	The same TAN is defined for all the LRUs.	Yes
3	Yes	TAN is not defined for the main LRU but defined for other LRUs and all LRUs have the same TAN.	Yes
4	Yes	TAN is not defined for the main LRU but defined for other LRUs. The other LRUs do not have the same TAN.	No
5	Yes	TAN is defined for the main LRU. The other LRUs either have the same value for TAN as the main LRU or do not have TAN defined.	Yes
6	Yes	TAN is defined for the main LRU. The other LRUs do not have the same value for TAN as the main LRU.	No
7	No	All LRUs have the same TAN.	Yes
8	No	All LRUs have a different TAN.	No

- The TAN will be assigned by default to invoices created from invoice data in the open interface tables by running the Import Payables Invoices process, invoices created from the Create Invoice page and invoices created using the REST API.
- This feature minimizes manual efforts in providing the TAN during invoice entry. The TAN influences the application of threshold buckets for withholding tax calculation.

- The withholding tax registration must be defined with the validation type of ORA_IN_TAN to be considered by the defaulting logic.
- Once the conditions for defaulting are met, the TAN is assigned when the invoice is saved.
- Once the invoice is validated and withholding tax calculated, the existing behavior still applies that the TAN cannot be updated.

Configure Withholding Tax Amounts and Period Range Deductions at Supplier and Supplier Site Level

You can configure the supplier withholding threshold for tax deducted at source for India by configuring withholding tax amounts and period range deductions at the supplier and supplier site level. You can apply such amounts and deductions during withholding tax calculation to comply with complex withholding tax regulations in India.

Follow these steps:

1. Enable India in Regional Localizations.
2. Create and enable a new lookup code ZX_37948616 for the existing **ORA_ERP_CONTROLLED_CONFIG** lookup type using the Manage Standard Lookups FSM task.
3. Verify the Withholding Tax Regime Buckets level. The withholding tax regime defined for India must have the Withholding Buckets Level set to First party tax registration number.
4. Enable the **Allow withholding buckets based on exemptions** option for the tax.
5. Define a new withholding tax rate for the lower rate.
6. Define a new tax exemption to record the certificate details:
    a. Enter **Start Date** and **End Date** based on the certificate's validity period. Enter the Certificate Number.
    b. Choose Exemption Rate Type as Special rate code.
    c. Select the new tax rate defined for the lower rate in the prior step.
    d. Click Save.

After configuring the supplier withholding threshold for tax deducted at source for India, you can calculate TDS (Tax Deducted at Source) in India accurately and benefit from lower deduction rates. This also helps reduce the setup effort and improve performance.

Japan

Overview of Bank Charges

Bank charges are the fees that a bank charges you for transferring funds from your disbursement bank accounts to the bank accounts of your suppliers. You can configure your setup and payment process to automatically deduct bank charges from an invoice payment.

Here's a summary of the bank charge processing flow from setup through payment.

1. Create a bank charge definition on the Manage Bank Charges page.
2. Set the **Bank Charge Deduction Type** option on the Manage Payment Options page.
3. Set the **Bank Charge Deduction Type** option for the supplier site that sends you the invoices.

4. Create the invoice and specify a settlement priority on the Manage Installments page.
5. Validate and account for the invoice.
6. Pay the invoice through a payment process request and specify one of these options on the request:
   - A settlement priority override.
   - A payment process profile that groups by settlement priority.
7. Account for the payment.

Related Topics

- How You Deduct Bank Charges from Payments
- How You Set Up Bank Charges

How Bank Charges Are Ranked

If you deduct bank charges from payments, and a bank charge definition doesn't exist for the specific banks and branches involved, a charge might still apply.

The search for an applicable bank charge follows a specific order, which may affect how you define bank charges on the Manage Bank Charges page.

How Bank Charges Are Ranked

If a bank charge definition exists with the same legal entity, payment currency, and settlement priority as a submitted payment process request, the search for the applicable bank charge follows the order shown in this table.

Rank	Transferring Bank	Transferring Branch	Receiving Bank	Receiving Branch
1	Specific bank	Specific branch	Specific bank	Specific branch
2	Specific bank	Specific branch	Specific bank	All branches
3	Specific bank	Specific branch	All banks	All branches
4	Specific bank	All branches	Specific bank	Specific branch
5	Specific bank	All branches	Specific bank	All branches
6	Specific bank	All branches	All banks	All branches
7	All banks	All branches	Specific bank	All branches
8	All banks	All branches	Specific bank	All branches
9	All banks	All branches	All banks	All branches

Related Topics

- What happens if I edit the definition of a bank charge?

How You Deduct Bank Charges from Payments

You can configure your setup to have payment process requests deduct bank charges from supplier payments.

Settings That Affect Bank Charge Deductions

These setups affect whether bank charges are deducted and the amount of the deduction.

- The bank charge definition on the Manage Bank Charges page.
- The **Bank Charge Deduction Type** option:
  - Supplier Site page
  - Manage Payment Options page
- The settlement priority:
  - **Settlement Priority Override** field of the payment process request.
  - **Settlement Priority** field on the selected installments and a payment process profile that groups installments by settlement priority.

How Bank Charge Are Deducted

The basis for determining the amount of the bank charge is the invoice amount minus withholding tax plus interest.

For example, if an invoice is for 100 USD, withholding tax is 15 USD, and interest is 14 USD, the basis for calculating the bank charge is 99 USD, which is 100 - 15 + 14.

These examples show how settlement priority settings affect a bank charge. Both examples use the bank charge information in this table.

Settlement Priority	Standard Bank Charge (USD)
Normal	20
Express	30

Example 1: Installment Grouping by Settlement Priority

This table shows prorated bank charges for invoices that have different settlement priorities and a payment process profile that groups installments by settlement priority.

Invoice Number	Invoice Amount (USD)	Settlement Priority on Invoice	Prorated Bank Charge (USD)	Payment Document Amount (USD)	Payment Number
1	100	Normal	100 / (100 + 300) * 20 = 5	95	1
2	300	Normal	300 / (100 + 300) * 20 = 15	285	1
3	100	Express	100 / (100 + 300) * 30 = 7.50	92.50	2
4	300	Express	300 / (100 + 300) * 30 = 22.50	277.50	2

Example 2: Settlement Priority Override

This table shows prorated bank charges for a payment process request that has the settlement priority override set to **Express**.

Invoice Number	Invoice Amount (USD)	Settlement Priority on Invoice	Settlement Priority Override	Prorated Bank Charge (USD)	Payment Document Amount (USD)	Payment Number
1	100	Normal	Express	100 / (100 + 300 + 100 + 300) * 30 = 3.75	96.25	1
2	300	Normal	Express	300 / (100 + 300 + 100 + 300) * 30 = 11.25	288.75	1
3	100	Express	Express	100 / (100 + 300 + 100 + 300) * 30 = 3.75	96.25	1
4	300	Express	Express	300 / (100 + 300 + 100 + 300) * 30 = 11.25	288.75	1

Related Topics

- How Bank Charges Are Accounted
- How Bank Charges Are Ranked
- How to Run the Payment Register with Bank Charges for Japan

How Bank Charges Are Accounted

You can deduct bank charges from payments to cover the fees for transferring funds from your disbursement bank to the banks of your suppliers. The process that accounts for the payments automatically creates accounting entries for the bank charges.

Settings That Affect Accounting for Bank Charges

Accounting entries for bank charges affect the liability account and the cash account. The accounting entries use the predefined journal line rules for discounts. As a result, the setting for the **Discount Allocation Method** option on the Manage Invoice Options page affects bank charge accounting.

How Bank Charges Are Accounted

You can account for payments individually or through the scheduled process.

Example

This table shows the accounting entries, both automatic and manual, for:

- An invoice of 100 USD
- A bank charge of 5 USD
- A discount allocation method of single distribution

Transaction Description	Transaction Type	Account	Debit (USD)	Credit (USD)
Create the invoice	Automatic	Expense	100	
Create the invoice	Automatic	Liability		100
Create the payment	Automatic	Liability	100	
Create the payment	Automatic	Cash		95
Create the payment	Automatic	Discount		5
Record the bank statement charge	Manual	Discount	5	
Record the bank statement charge	Manual	Cash		5

Related Topics

- How to Run the Payment Register with Bank Charges for Japan

Details of the Payment Register with Bank Charges for Japan

This topic includes details about the Payment Register with Bank Charges for Japan.

Overview

The Payment Register with Bank Charges for Japan lists payments with calculated bank charges.

The following figure is an example of the report.

ORACLE

Japan Payment Register with Bank Charges

Report Date 7/10/14 10:55 AM
Page 1 of 14

Legal Entity	Transferring Bank Name	Transferring Branch Name	Account Type	Account Number	Payment Method	Payment Document	Payment Instruction Reference
Vision Operations	Bank of America	New York	Corporate	10271-17621 619	K21est	AP Standard Check Format 1	

Payment			Supplier			Receiving Bank					Amount		
Request Name	Reference Number	Date	Number	Name	Site	Name	Branch Name	Account Type	Account Number	Supplier Alternate Name	Gross Amount	Bank Charge Amount	Payment Amount
kp24apr1201	127	4/23/12	1003	United Parcel Service	UPS - HQ	Bank of America	New York		10271-17621 907	UPS	14.00	0.00	14.00
												Total for PPR kp24apr1201	**14.00**
												Grand Total	**14.00**

Key Insights

The report lists payments and the bank charges that were deducted from a supplier payment.

Frequently Asked Questions

The following table lists frequently asked questions about the Payment Register with Bank Charges for Japan

FAQ	Answer
How do I find this report?	Schedule and run this report from the Scheduled Processes work area on the Navigator menu.
Who uses this report?	• Financial Manager • Financial Specialist
When do I use this report?	When you want to review the amount of bank charges deducted from a payment.
What can I do with this report?	You can run this report for a specific business unit, payment date range, and currency.
What type of report is this?	Oracle Analytics Publisher

Related Topics

- How to Run the Payment Register with Bank Charges for Japan

How to Run the Payment Register with Bank Charges for Japan

Run the Payment Register with Bank Charges for Japan report to review payment information including bank charges for payment process requests.

Submit the report from the Manage Scheduled Processes page.

Business Unit

Select the business unit of the payment.

Start Payment Date, End Payment Date

Enter the payment date range.

Bank Charge Deduction Type

Select the type of bank charge that was deducted from the payments.

Transferring Bank Name

Select the bank account that disbursed the payments.

Currency

Select the currency of the payment.

Payment Process Request Name

Enter the name of the payment process request.

Bulk Maintenance of Banks and Bank Branches in Japan

Manage banks and bank branches automatically by comparing the bank master file shared by the Japanese Bankers Association (Zengin) with Oracle ERP Cloud data.

This eliminates manual maintenance of banks and bank branches in Oracle ERP Cloud after comparing the application data with the latest bank master file.

The Japanese Bankers Association (Zengin) provides monthly updates with the latest bank and branch information that needs to be updated monthly in Oracle ERP Cloud. Banks and branches can be added, updated, ignored, or marked for deletion.

The Upload Banks, Branches, and Accounts process will match an uploaded .csv file to the existing bank and branch data and find the differences between the two. Oracle ERP Cloud then inserts or updates the bank and branch data based on the differences found.

- Banks are identified with the bank code and branches are identified with the branch number.
- If the banks and branches are present in the Zengin file, but not available in Oracle ERP Cloud, then new banks and branches will be created.
- If banks and/or branches are present in both the Zengin file and Oracle ERP Cloud, then they will be ignored.

- If the bank code is available in Oracle ERP Cloud, but not available in the Zengin file, then those banks and the associated branches will be marked with the prefix 'Deleted'.
- If the branch number is available in Oracle ERP Cloud, but not available in the Zengin file, then those bank branches will be marked with the prefix 'Deleted'.
- If the bank name/alternate bank name or branch name/alternate branch name associated with the bank code/branch number changes, then that data will be updated.

To bulk upload banks and bank branches in Japan, follow these steps:

1. Navigate to **Tools** > **Scheduled Processes**.
2. Click **Schedule New Process**. The Schedule New Process dialog box appears.
3. From the Name choice list, select **Upload Banks, Branches, and Accounts**.
4. Click **OK**. The Process Details dialog box appears.
5. From the File Type list, select **Japan Zengin File**.
6. In the Data File field, click **Choose File**.
7. Locate and select the .csv file and click **Open**. This file should contain the latest bank and branch data.
8. Click **Submit**. After submitting the process, you can review the results from the output ZenginResults.txt file. The results display the number of banks and branches that were created, updated, ignored, and marked with a prefix of Deleted.

Assets Reports for Japan

This topic includes details about Assets reports for Japan.

Overview

Japanese Assets reports include:

Report Name	Description
Japanese Addition or All Asset Detail by Asset Type Report 132 Characters	Lists depreciable assets for Japan in detail by asset type in a 132 character-wide format.
Japanese Addition or All Asset Detail by Asset Type Report 180 Characters	Lists depreciable assets for Japan in detail by asset type in a 180 character-wide format.
Japanese Corporate Tax Reports Schedule 16 (1) Report	Lists the summary of depreciable assets for Japan in accordance with Corporate Tax Reports Schedule 16 for Japan.
Japanese Corporate Tax Reports Schedule 16 (2) Report	Lists the summary of depreciable assets for Japan in accordance with Corporate Tax Reports Schedule 16 for Japan.
Japanese Corporate Tax Reports Schedule 16 (4) Report	Lists the summary of depreciable assets for Japan in accordance with Corporate Tax Reports Schedule 16 for Japan.

Report Name	Description
Japanese Corporate Tax Reports Schedule 16 (6) Report	Lists the summary of depreciable assets for Japan in accordance with Corporate Tax Reports Schedule 16 for Japan.
Japanese Corporate Tax Reports Schedule 16 (8) Report	Lists the summary of depreciable assets for Japan in accordance with Corporate Tax Reports Schedule 16 for Japan.
Japanese Depreciable Assets Tax Summary Report	Lists a summary of depreciable assets for Japan by location as of January 1 for the selected fiscal year.
Japanese Detail by Asset Type (Decrease Assets) Report	Lists depreciable assets for Japan in detail by the asset type Decrease Assets, between January 2 of the prior year and January 1 of the selected fiscal year.

The following table describes selected report parameters:

Name	Description
Book	Use this parameter to specify the book to be included for reports.
Currency	Use this parameter to specify the currency to be included for reports.
From Asset Number and To Asset Number	Use these parameters to enter the asset number range for which you want to run the report.

Frequently Asked Questions

The following table lists frequently asked questions about Assets reports for Japan.

FAQ	Answer
How do I find these reports?	Schedule and run this report from the Scheduled Processes work area on the Navigator menu.
When do I use these reports?	Use these reports to: • Review information for property tax forms. • Review and analyze depreciation projection for your current depreciation parameters. • Review and analyze the details of your asset impairment transactions.
How do I change the default report format?	To change from Oracle Analytics Publisher, edit the fixed asset catalog and choose the output format from the layout table in the view list.
How do I enter values in the Category of Deferred Assets for Schedule 16 (6) reports?	Enter values in GLOBAL_ATTRIBUTE1 column in the Fixed Assets Mass Adjustment Import Template

Japanese Corporate Tax Schedule 16 Reports Compliance

Comply with the National Tax Agency's updated templates for the Japanese Corporate Tax Schedule 16 reports.

Here are the enhancements that have been implemented in the Schedule 16 reports for Japan:

1. Enabled display of Global Descriptive Flexfields (GDFs) captured through the **Add Asset** and **Adjust Asset** pages.
2. Updated report template reflects the revised ERA name.
3. Enhanced report output to include asset category descriptions.
4. Additional configuration support to include or exclude specific attributes based on reporting requirements.

Global attributes have been added to the Add Asset and Adjust Asset pages. These attributes now appear in the Schedule 16 report. You can populate the global descriptive flexfields using the File-Based Data Import (FBDI) template or the ADFdi spreadsheet.

In addition, the report templates have been updated to reflect the era name change. The Schedule 16 reports have also been enhanced to include the major category description. This description will now display in the relevant sections of the Schedule 16 reports, providing greater clarity and detail.

These fields have been deleted from the schedule 16(4) report to comply with the latest report template:

- Special_deprn_article
- Special_deprn_rate
- Special_deprn_amount
- Prior_carried_deficit_amount
- Sum_ceil_deprn
- Current_deficit_to_succeeding
- Current_deficit_amount
- Net_carry_to_succeeding
- Deficit_Carry_Over_Period
- Carried_forward_deficit_amount
- Lacked_special_deprn_merge

The Global Descriptive Flexfield (GDF) context values listed below are pre-seeded and will appear when the Asset Book currency is set to JPY. To enter data for these seeded context values, use the corresponding value sets to define and maintain the required values.

Korea

Manage VAT Reporting for Korea

Overview of VAT Reporting for Korea

This section provides the different Value Added Tax (VAT) reports for Korea:

Here are the different Value Added Tax (VAT) reports for Korea:

- Tax Invoice Summary by Customer
- Tax Invoice Summary by Supplier
- Tax Summary by Customer Electronic Media Report
- Tax Summary by Supplier Electronic Media Report
- Exempt Tax Invoice by Supplier
- Exempt Tax Invoice by Customer
- VAT Tax Report (Receivables Tax Invoice or Tax Invoice for Output Transactions)

The VAT Tax Report for Korea must start before the Tax Invoice Summary by Customer report. From AR side, this VAT Tax Report process can be used to generate tax invoices that must be run first before the tax invoice summary.

Assumptions and Prerequisites for Korea

Here are the prerequisites needed to set up VAT Reporting for Korea.

You must have already set up these entities:

- Data Security
- Geographies
- Enterprise Structure
- Ledger
- Business Unit
- Legal Entity
- Common setups for Receivables
- Common setups for Payables

We recommend that the 'Implementation Project' is complete for your organization before you proceed to Feature.

Feature Specific Setup

Security Console Configuration

You must complete the security console configuration for implementing Korean VAT Reporting.

To set up security console configuration, navigate to **Tools** and select **Security Console**. The Security Console page opens.

The current duty role (APAC Financial Reporting) to run the Korea reports is an orphan duty role. You must create a job role and assign a user before running Korea reports.

Create a Job Role

You must create the Manage Asia Pacific financial reporting job role and assign users to it before running Korea reports.

Follow these steps:

1. From the Navigator console, click Tools, Security Console.
   The Security Console window is displayed.
2. Click **Create Role** to add new job role.
3. Type the **Role Name** as **Manage Asia Pacific financial reporting**.

4. Type the **Role Code**.
5. Select the **Role Category** as **Financials - Job Roles**.
6. Click Role Hierarchy on the work flow to proceed with inheriting duty roles.
   The job role must inherit these APAC Financial Reporting duty roles:
   - ORA_JA_APAC_FINANCIAL_REPORTING_DUTY:

     Assigns the user with the privilege to submit report jobs.
   - ORA_JA_APAC_FINANCIAL_REPORTING_DUTY_OBI:

     Assigns the user with the privilege to run reports.
7. Click **Users** on the work flow to proceed with assigning users to this job role .
8. Click Summary.
9. Click Save and Close.

Related Topics

- Assign Users to a Job Role

Assign Users to a Job Role

You must assign a user to the job role you created before running Korea reports.

Follow these steps:

1. Navigate to Security Console.
2. In the Roles page, click Create Role or search for an existing role and click Edit.
3. Click **Users** on the work flow to proceed with assigning users to this job role .
4. Click **Add User** to search for users and add them to the role.
5. In the Add User dialog box, search using either the user login or the display name and click Add User to Role.
6. Click Summary on the work flow and click Save and Close.

Legal Reporting Unit (LRU) Setup for VAT Report

A legal reporting unit (LRU) is the lowest level component of a legal structure that requires registrations.

You can use the Legal Reporting Units task in your implementation project to define and configure an LRU.

Create a Legal Reporting Unit

You must create a legal reporting unit before you set up the VAT tax. When a legal entity is created, a legal reporting unit with the same name as that of the entity is also automatically created.

Follow these steps:

1. From the Navigator console, click Tools, Security Console.
2. In the Setup and Maintenance work area, go to the Manage Legal Reporting Unit task.
3. Verify that the Legal Entity scope value is set correctly.
4. Go to Tasks and select Create.
5. Complete these fields to create a legal reporting unit:
   a. Select Korea, Republic of from the **Territory** field.
   b. Type a **Name** for the legal reporting unit, for example Vision Operations.
   c. Under Registration information, select the Jurisdiction and Legal Address. Enter the registration number for the legal reporting unit.

   d. Under Main Legal Reporting Unit, choose Yes or No to indicate whether the new legal reporting unit serves as the **Main Legal Reporting Unit**. If you select Yes, you must provide the **Main Effective Start Date.**

6. Click Save.

Manage Tax Registrations for the Legal Reporting Unit

You can set up tax registrations for the created Legal Reporting Unit.

Follow these steps:

1. Navigate to Setup and Maintenance and select Manage Tax Registrations.
2. Search for Legal Reporting Unit Tax Profiles:
3. Select a profile and click Edit.
4. The Registration Number is a unique value for each legal reporting unit.
5. Complete the fields as needed.
6. Click Save and Close.

Set Up VAT Tax

You must complete the implementation steps to set up VAT Tax.

Follow these steps:

1. Create tax regime.
2. Create input VAT tax.
3. Create tax jurisdiction (input VAT).
4. Create tax status.
5. Create tax recovery rate (input VAT).
6. Create tax rate (Input VAT).
7. Create output VAT tax.
8. Create tax jurisdiction (Output VAT).
9. Create tax status (Output VAT).
10. Create tax rate (Output VAT)

Create Tax Regime

You must create a tax regime before you set up the VAT tax.

You must enable the **Use tax reporting** configuration option on the first-party tax regime. This lets you enter tax reporting configuration details during tax registration setup for legal reporting units for these tax regimes. Follow these steps:

1. Navigate to Setup and Maintenance and select Manage Tax Regimes.
2. In the Select Scope dialog box, select Create New
3. Click Apply and Go to Task.
4. Click the Plus icon to add a new configuration, complete the fields and click Save and Close.

Related Topics

- Associated Taxes Setup for a Tax Regime

Create Input VAT Tax

You must create Input VAT Tax before running Korea reports.

Follow these steps:

1. From the Navigator console, click Setup and Maintenance, Manage Taxes.
2. In the Manage Taxes dialog box, select an existing tax to create new Input VAT tax.
3. Select the Control and Defaults tab and set the options as needed.
4. Select the Tax Rule Defaults tab and set the options as needed
5. Select the Tax Accounts tab and review the default options.
6. Click the Create New Tax From This Tax.

Create Tax Jurisdiction (input VAT)

After creating tax regime and input VAT Tax, you must create the tax jurisdiction for the input VAT tax.

Follow these steps:

1. From the Navigator console, click Setup and Maintenance, Manage Tax Jurisdictions.
2. In the Manage Taxes dialog box, select an existing tax to create new Input VAT tax.
3. Select the Control and Defaults tab and set the options as needed.
4. Select the Tax Rule Defaults tab and set the options as needed
5. Select the Tax Accounts tab and review the default options.
6. Click the Create New Tax From This Tax.

Create Tax Status

The tax status represents the input VAT for the Korea tax regime. You must attach the tax reporting codes for the reverse charges so that the transactions can easily be identified for reporting purposes.

Follow these steps:

1. From the Navigator console, click Tools, Security Console.
2. Search for and select the job role you want:
3. Click Add User and then the select the job to assign a user.

Create Tax Recovery Rate (input VAT)

You must create a tax recovery rate for the input VAT.

1. Navigate to Setup and Maintenance and select Manage Tax Rates and Tax Recovery Rates.
2. In the Manage Tax Rates and Tax Recovery Rates page, select the **Rate Type** as Tax Recovery Rates.
3. Click the Plus icon to create a new tax rate, complete the fields and click Save and Close.

Create Tax Rate (Input VAT)

You must create the tax rate for input VAT.

1. Navigate to Setup and Maintenance and select Manage Tax Rates and Tax Recovery Rates.
2. In the Manage Tax Rates and Tax Recovery Rates page, select the **Rate Type** as Tax Rates.
3. Click the Plus icon to create a new tax rate, complete the fields and click Save and Close.

Create Output VAT Tax

Create Output VAT Tax

Follow these steps:

1. From the Navigator console, click Tools, Security Console.

2. Search for
3. Click Add User

Create Tax Jurisdiction (Output VAT)

You must create a new Tax Jurisdiction for output VAT.

Follow these steps:

1. Navigate to Setup and Maintenance and select Manage Tax Jurisdictions.
2. Click the Plus icon to add a new tax jurisdiction, complete the fields and click Save and Close.

Create Tax Status (Output VAT)

The tax status represents the VAT for the Korea tax regime. You must attach the tax reporting codes for the reverse charges so that the transactions can easily be identified for reporting purposes.

Follow these steps:

1. Navigate to Setup and Maintenance and select Manage Tax Statuses.
2. In the Manage Tax Statuses page, search for the Country name.
3. The list of tax statuses available for Korea is displayed.
4. Click the Plus icon to add a new tax status, complete the fields and click Save and Close.

Create Tax Rate (Output VAT)

You must create a tax rate before you set up the Output VAT.

Follow these steps:

1. Navigate to Setup and Maintenance and select Manage Tax Rates and Tax Recovery Rates.
2. Click the Plus icon to create a new tax rate, complete the fields and click Save and Close.

Tax Reporting Type for Suppliers

The Tax Reporting Type is used to link suppliers for the reporting filter.

Resident Individual in Korea

Follow these steps to create a Tax Reporting type for a supplier who is a resident individual in Korea.

1. Navigate to Setup and Maintenance and select Manage Tax Reporting Types.
2. Click the Plus icon to create a new tax rate, complete the fields:
   a. Enter the Tax Reporting Type Code for example ORA_KR_RESIDENT_INDIVIDUAL.
   b. Enter the Tax Reporting Type Name, for example Resident Individual in Korea.
   c. Select the Tax Reporting Type Purpose.
   d. Select the Country.
   e. In the Reporting Type Uses section, enable the Party Tax Profile check box.
   f. Search and select the tax reporting codes as applicable.
3. Click Save and Close.

Resident Corporation in Korea

Follow these steps to create a Tax Reporting type for a supplier who is a resident corporation in Korea.

1. Navigate to Setup and Maintenance and select Manage Tax Reporting Types.
2. Click the Plus icon to create a new tax rate, complete the fields:
   a. Enter the Tax Reporting Type Code for example ORA_KR_RESIDENT_CORPORATION.

   b. Enter the Tax Reporting Type Name, for example Resident Corporation in Korea.
   c. Select the Tax Reporting Type Purpose.
   d. Select the Country.
   e. In the Reporting Type Uses section, enable the Party Tax Profile check box.
   f. Search and select the tax reporting codes as applicable.
3. Click Save and Close.

Foreign Individual in Korea

Follow these steps to create a Tax Reporting type for a supplier who is a Foreign individual in Korea.

1. Navigate to Setup and Maintenance and select Manage Tax Reporting Types.
2. Click the Plus icon to create a new tax rate, complete the fields:
   a. Enter the Tax Reporting Type Code for example ORA_KR_FOREIGN _INDIVIDUAL.
   b. Enter the Tax Reporting Type Name, for example Foreign Individual in Korea.
   c. Select the Tax Reporting Type Purpose.
   d. Select the Country.
   e. In the Reporting Type Uses section, enable the Party Tax Profile check box.
   f. Search and select the tax reporting codes as applicable.
3. Click Save and Close.

Foreign Corporation in Korea

Follow these steps to create a Tax Reporting type for a supplier who is a Foreign corporation in Korea.

1. Navigate to Setup and Maintenance and select Manage Tax Reporting Types.
2. Click the Plus icon to create a new tax rate, complete the fields:
   a. Enter the Tax Reporting Type Code for example ORA_KR_FOREIGN _CORPORATION.
   b. Enter the Tax Reporting Type Name, for example Foreign Corporation in Korea.
   c. Select the Tax Reporting Type Purpose.
   d. Select the Country.
   e. In the Reporting Type Uses section, enable the Party Tax Profile check box.
   f. Search and select the tax reporting codes as applicable.
3. Click Save and Close.

Supplier Configuration

This section discusses about Supplier Configuration for VAT Reporting for Korea.

This section discusses the supplier configuration steps included in VAT Reporting for Korea.

Check Payments

To check payments, follow these steps:

1. Navigate to Procurement and select Suppliers.
2. Search for Suppliers and select the supplier to edit.
3. Select Manage Tax Registration.
4. Select Payments, Payment Methods.
5. Under Default sub tab, enable the Check configuration option.
6. Click Save and Close.

Check Addresses

To check addresses, follow these steps:

1. Navigate to the Addresses tab.
2. You may review or edit the address for the supplier.
3. Click Save and Close.

Check Sites

1. Navigate to the Sites tab.
2. You may review or edit the site for the supplier.
3. Click Save and Close.

Set Site Assignments

1. Navigate to the Site Assignments tab.
2. Select a site assignment and click Freeze to assign it to the supplier.
3. Click Save and Close.

Check Transaction Tax

1. In the Manage Suppliers page, navigate to the supplier to edit.
2. In the Controls and Defaults tab, enable the Allow tax applicability check box.
3. Click Save and Close.

Supplier has a Taxpayer ID (Individual)

If the Tax Organization Type of the Supplier is Individual, this supplier would have a Taxpayer ID.

Follow these steps:

1. From the Navigator console, navigate to Setup and Maintenance.
2. Select Manage Tax Registration.
3. In the Profile tab, select the Tax Organization Type as Individual.
4. In the Tax Reporting Codes, review the tax reporting codes for this tax payer.
5. Click Save and Close.

Supplier has a Tax Registration Number (Corporation)

If the Tax Organization Type of the Supplier is Corporation, this supplier must have a Tax Registration Number (TRN).

Follow these steps:

1. From the Navigator console, navigate to Setup and Maintenance.
2. Select Manage Tax Registration.
3. Search for the Supplier created previously by Supplier name to enter Tax Registration Number information.
4. In the Profile tab, select the Tax Organization Type as Corporation.
5. Click Save and Close.

Tax Reporting Type (seeded) for Customers

The Tax Reporting Type is used to link customers for reporting filter.

You can define tax reporting type for customers.

Industry Classification of Korea

You must update the industry classification of Korea.

Industry Subclassification of Korea

You must update the industry Subclassification of Korea.

Industry Liquor Retail Merchant Code for Korea is a seeded example of Industry Classification.

Customer Configuration

This section discusses the customer configuration steps included in VAT Reporting for Korea.

- Customer is Individual (Customer has Taxpayer ID)

  Follow these steps:

  a. From the Navigator console, navigate to Receivables, Billing.
  b. Select Manage Tax Registration and search for Third-Party Tax Profiles.
  c. Search for the customer (company you create in the previous step).
  d. Navigate to the Tax Registrations tab and click Add.
  e. In the Profile tab, select the Tax Organization Type as Individual.
  f. In the Tax Reporting Codes, review the tax reporting codes for this tax payer.
  g. Click Save and Close.
- Customer is Corporation (Customer has TRN)

  Follow these steps:

  a. From the Navigator console, navigate to Receivables, Billing.
  b. Select Manage Tax Registration and search for Third-Party Tax Profiles.
  c. Search for the customer (company you create in the previous step).
  d. Navigate to the Tax Registrations tab and click Add.
  e. In the Profile tab, select the Tax Organization Type as Corporation.
  f. Click Save and Close.

Enter AP Invoices and Create AR Transactions

You can update AP Invoices and create AR transactions.

You can perform these actions:

- Manage AP Invoice UI (VAT: Input)
- Manage AP Invoice UI (Exempt)
- Manage AR Transaction UI (VAT: Output)
- Manage AR Transaction UI (Exempt)

Manage AP Invoice UI (VAT: Input)

This image shows the Manage AP Invoice UI (VAT: Input) action:

Create Invoice:

Invoice Header Show More

Identifying PO
* Business Unit: Vision Operations
* Supplier: Advanced Network Devices
Supplier Number: 1013
* Supplier Site: FRESNO
* Legal Entity: Vision Operations
* Invoice Group: KR-3-3-001
* Number: KR-3-3-001
* Amount: USD 10,000.00
* Type: Standard
Description

Lines Match Invoice Lines

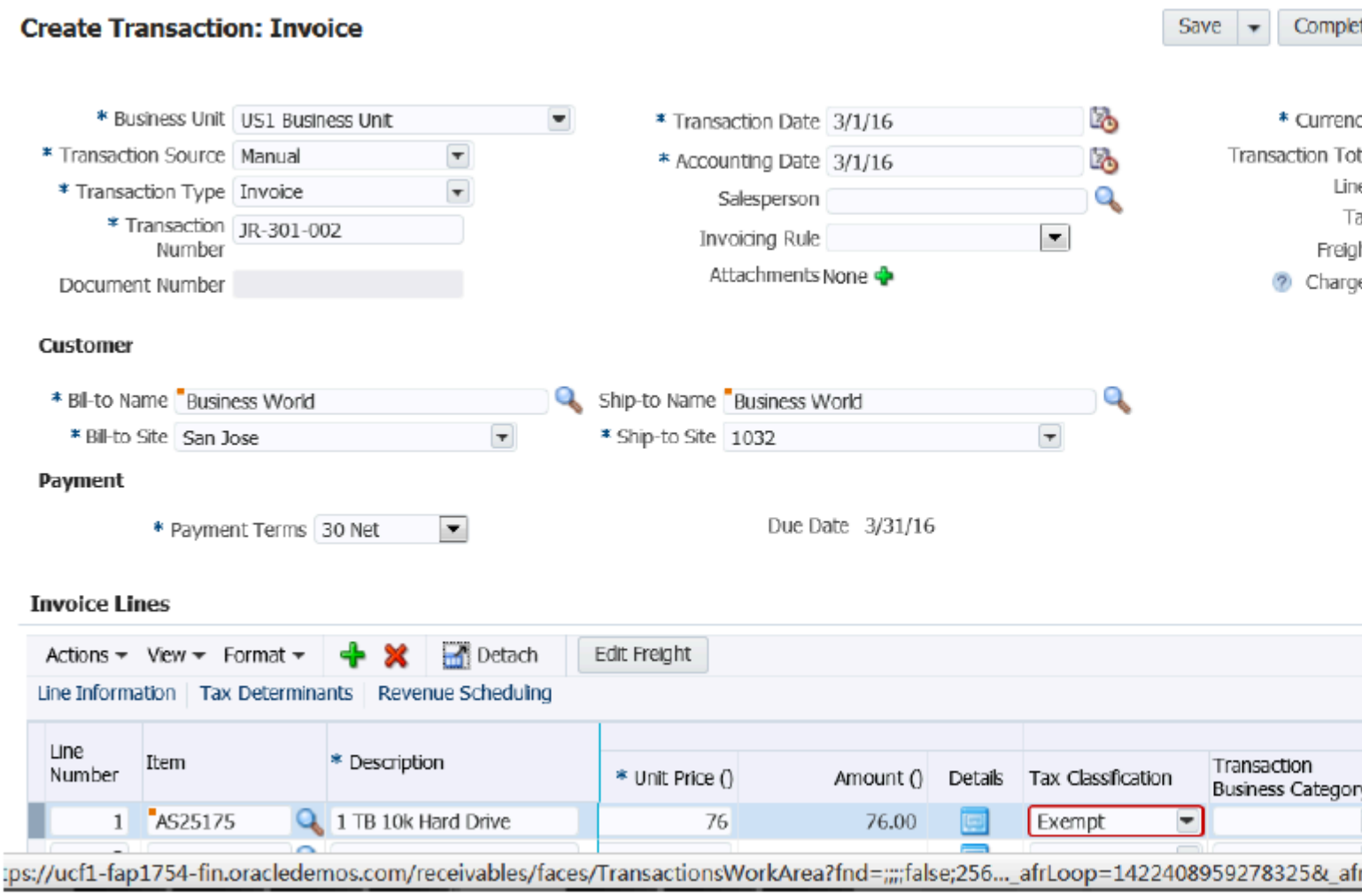
View | Detach | Allocate | Cancel Line | Distributions

Distribution | Reference | Tax | Purchase Order | Receipt | Consumption Advice | Landed Cost | Inventory | Overlay | Income Tax | Prepayment | Asset

* Number	* Type	* Amount	Reference			
			escription	Reference 1	Reference 2	Source
1	Item	10,000.00				Manual invoice line entry

Manage AP Invoice UI (Exempt)

This image shows the Manage AP Invoice UI (Exempt) action:



Manage AR Transaction UI (VAT: Output)

This image shows the Manage AR Transaction UI (VAT: Output) action:

Billing

Create Transaction: Invoice

Save

* Business Unit US1 Business Unit
* Transaction Source Manual
* Transaction Type Invoice
Transaction Number
Document Number

* Transaction Date 3/3/16
* Accounting Date 3/3/16
Salesperson
Invoicing Rule
Attachments None

Customer

* Bill-to Name Business World
* Bill-to Site San Jose
Ship-to Name Business World
* Ship-to Site 1032

Payment

* Payment Terms 30 Net
Due Date 4/2/16

Invoice Lines

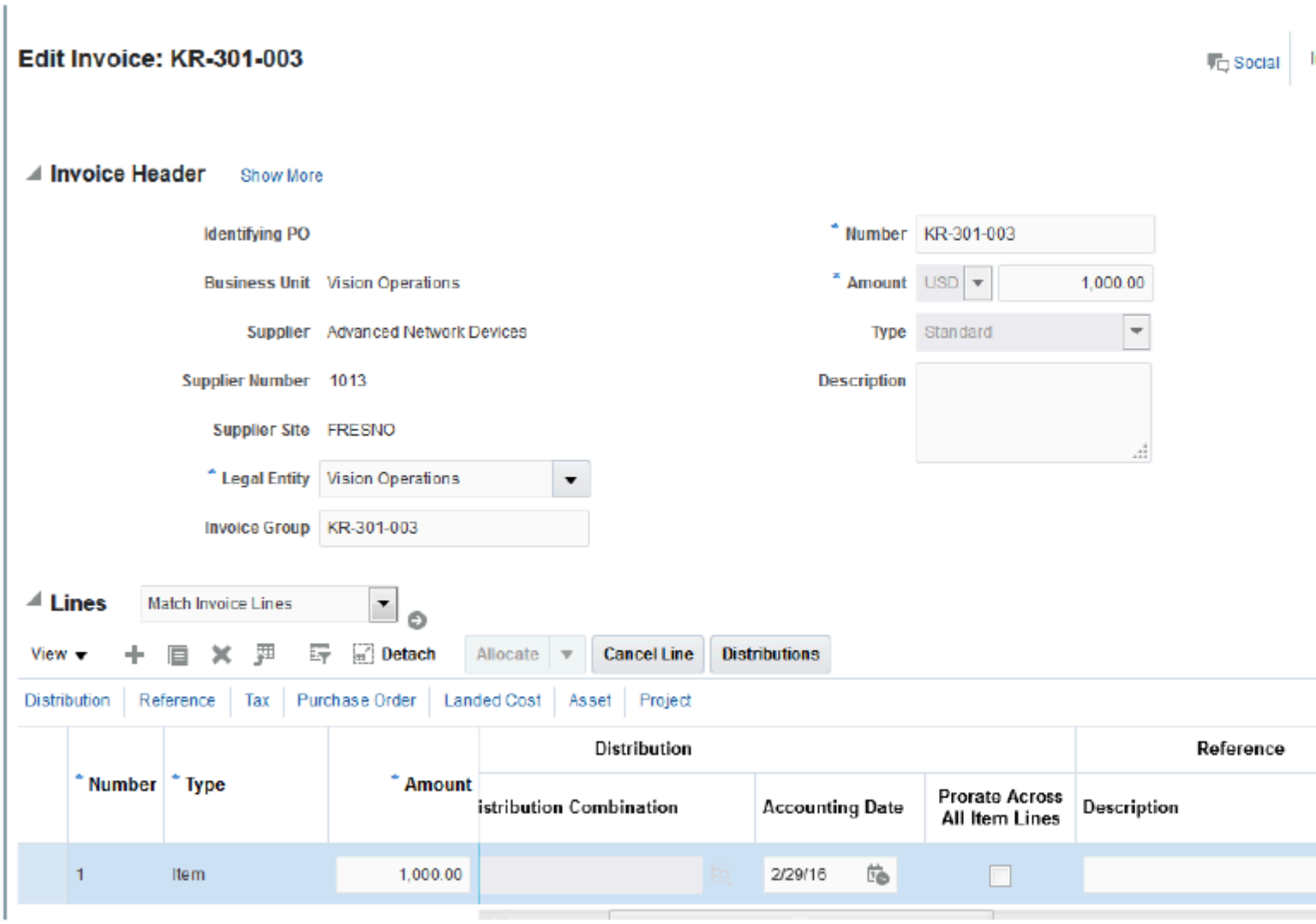
Actions View Format Detach Edit Freight

Line Information Tax Determinants Revenue Scheduling

Line Number	Item	* Description	* Unit Price (USD)	Amount (USD)	Details	Tax Classification	Transaction Business Catego
1	AS25175	1 TB 10k Hard Drive	76	760.00		OUTVAT (10%	

Manage AR Transaction UI (Exempt)

This image shows the Manage AR Transaction UI (Exempt) action:



Run VAT Reports for Korea

You can schedule a new process and run these reports for Korea.

- Tax Invoice Summary by Customer Report for Korea
- Tax Invoice Summary by Supplier Report for Korea
- Tax Invoice Summary by Customer Electronic Media Report for Korea
- Tax Invoice Summary by Supplier Electronic Media Report for Korea
- Exempt Tax Invoice Summary by Supplier Report for Korea
- Exempt Tax Invoice Summary by Customer Report for Korea
- AR Tax Invoice for Output Tax Transactions for Korea

Reporting Level Detail is used for the normal case when there is an exact (1-1) match between the AR Invoice in the ERP system and the AR Tax Invoice printed in the specific invoice layout format. In Summary Billing, where the customer (Name) has requested for several ERP AR invoices to be combined into a single Tax Invoice to be printed in the specific invoice layout format, set the Reporting Level parameter to Summary.

To reprint an AR Tax Invoice previously generated, enter the Tax Invoice Number, and set the Reprint parameter to Y so that the exact information from the previous print gets reproduced. If the Reprint parameter is set to N then the original printing parameters have been modified.

Manage Withholding Tax Reports for Korea

Overview of Withholding Tax Reports for Korea

In Korea, companies are required to withhold tax on certain types of income payments to their suppliers.

Korean companies pay the supplier invoice net of the withheld amount, issue a withholding certificate for the withheld amount to the supplier, and remit the withheld tax to the proper tax authority.

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

- Income withholding: Here are the different types of Income withholding taxes:
  - Business withholding: Withholding on payments for professional services to suppliers, such as lawyers, accountants, and doctors.
  - General withholding: Withholding on all other types of income payments to suppliers, such as interest, dividends, and real estate income payments.
- Resident withholding: A surcharge on the General and Business withholding taxes.

Normal operating expenses, such as purchase transactions between companies, aren't subject to withholding tax.

The Korean Withholding Tax business flow is almost the same as the standard process in the AP module. However, the Korean Withholding Tax system necessitates reporting of additional information with predefined report formats.

Here are the different Korean reports:

- Resident Business Income Withholding Form for Korea
- Resident General Income Withholding Form for Korea
- Nonresident General Income Withholding Form for Korea
- Resident Business Income Withholding Tape for Korea
- Resident General Income Withholding Tape for Korea
- Nonresident Business and General Income Withholding Tape for Korea
- Withholding Tax List Summary

For more information on how to manage withholding tax for Korea and the reporting format requirements, see the related topics.

Related Topics

- Assumptions and Prerequisites for Korea

Complete Feature Specific Setup

Security Console Configuration

You must complete the security console configuration and Legal Reporting Unit setup for implementing Korean Withholding Tax.

The current duty role (APAC Financial Reporting) to run the Korea reports is an orphan duty role. You must create a job role and assign a user before running Korea reports.

Follow these steps:

1. Create a job role with the job role name 'Manage Asia Pacific financial reporting'.

   This job role must inherit these APAC Financial Reporting duty roles:
   - ORA_JA_APAC_FINANCIAL_REPORTING_DUTY duty role that allows the user to submit report jobs.
   - ORA_JA_APAC_FINANCIAL_REPORTING_DUTY_OBI duty role that allows the user to run reports.
2. Assign users to the new job role.
3. Manage tax registrations for selected Legal Reporting Units.

   For example, you can create a legal reporting unit with KR_WHT tax regime code.

Related Topics

- Legal Reporting Unit (LRU) Setup for VAT Report
- Create a Job Role
- Assign Users to a Job Role

Complete Tax Authority Setup

You must create two new tax authorities in Manage Suppliers whose supplier type is Tax Authority.

Complete this setup to create these tax authorities in the Manage Suppliers page whose supplier type is Tax Authority:

- KR Tax Authority
- KR GU Office

Follow these steps:

1. Create Tax Authority.
   a. Navigate to **Procurement**, **Suppliers**, and click **Manage Suppliers**.
   b. Complete these relevant fields:
      - Supplier: Name of the tax authority
      - Supplier type: Tax Authority
      - Business Relationship: Spend Authorized
2. Check Payments. Open each tax authority, scroll down to the Profile Details section and select the **Payments** tab. The default value is Check.
3. Check Addresses. In the Manage Suppliers page, open each tax authority and select the **Addresses** tab. Check if relevant addresses are available for the selected tax authority.
4. Check Sites. In the Manage Suppliers page, open each tax authority and select the **Sites** tab. Check if relevant sites are available for the selected tax authority.
5. Set Site Assignments.
   a. In the Manage Suppliers page, search for KR Tax Authority and KR GU Office and update them.
   b. Open each tax authority, select the **Sites** tab, and select the site to edit.
   c. Select the Site Assignments tab.
   d. Check if relevant site assignments are available for the selected tax authority.

Set Up Withholding Tax

You must complete the withholding tax setup..

You must use the KR_WHT Regime withholding tax regime to complete this setup.
Follow these steps:

1. Create Tax Regime.
    a. Navigate to **Setup and Maintenance** and click Manage Tax Regimes.
    b. Set up KR_WHT regime.
2. Create Tax Jurisdiction.
    a. Navigate to **Setup and Maintenance** and click Manage Tax Regimes.
    b. Create the KR_IN_JU income tax jurisdiction under the KR_WHT withholding tax regime.
3. Create Taxes.
    a. Navigate to **Setup and Maintenance** and click Manage Tax Regimes.
    b. Click Manage Taxes.
    c. Open each tax authority, select the **Sites** tab, and select the site to edit.
    d. Select the Site Assignments tab.
    e. Check if relevant site assignments are available for the selected tax authority.

Create Tax Statuses

You can create the tax statues to complete the setup for withholding taxes.

Follow these steps:

1. Navigate to Setup and Maintenance and select Manage Tax Statuses.
2. In the Manage Tax Statuses page, select the Tax Status.
3. Click the Plus icon to create a new tax status, complete the fields and click Save and Close.

Create Tax Rates

You must create the tax rate to set up withholding taxes for Korea.

Follow these steps:

1. Navigate to Setup and Maintenance and select Manage Tax Rates and Tax Recovery Rates.
2. In the Manage Tax Rates and Tax Recovery Rates page, select the Rate Type as Tax Rates.
3. Click the Plus icon to create a new tax rate, complete the fields and click Save and Close.

Create Tax Formulas

d

The withholding taxes are calculated based on these formulae:

1. Income tax whose taxable amount is line amount's 80%
2. Calculation Rule: 1+base rate modifier=1+(-20)=80%

Follow these steps:

1. Navigate to Setup and Maintenance and select Manage Tax Formulas.
2. In the Manage Tax Formulas page, select the Tax Formula.
3. Click the Plus icon to create a new tax formula, complete the fields and click Save and Close.

Create Tax Rules

Related Topics

- Legal Reporting Unit (LRU) Setup for VAT Report
- Create a Job Role
- Assign Users to a Job Role

Use Tax Reporting Type (seeded) for Suppliers

The Tax Reporting Type is used to link suppliers for the reporting filter.

Follow these steps:

1. Navigate to **Setup and Maintenance** and then select **Manage Tax Reporting Type**.
2. Use these **Tax Reporting Types** to link suppliers for the reporting filter.
   a. Resident Individual in Korea:
      Follow these steps:
      i. Edit the ORA_KR_RESIDENT_INDIVIDUAL tax reporting type.
      ii. In the Reporting Type Uses section, enable the Party Tax Profile check box.
      iii. Search and select the tax reporting codes as applicable.
   b. Resident Corporation in Korea:
      Follow these steps:
      i. Edit the ORA_KR_RESIDENT_INDIVIDUAL tax reporting type.
      ii. In the Reporting Type Uses section, enable the Party Tax Profile check box.
      iii. Search and select the tax reporting codes as applicable.
   c. Foreign Individual in Korea:
      Follow these steps:
      i. Edit the ORA_KR_RESIDENT_INDIVIDUAL tax reporting type.
      ii. In the Reporting Type Uses section, enable the Party Tax Profile check box.
      iii. Search and select the tax reporting codes as applicable.
   d. Foreign Corporation in Korea:
      Follow these steps:
      i. Edit the ORA_KR_RESIDENT_INDIVIDUAL tax reporting type.
      ii. In the Reporting Type Uses section, enable the Party Tax Profile check box.
      iii. Search and select the tax reporting codes as applicable.

Related Topics

- Tax Reporting Type for Suppliers

Supplier Configuration for Withholding Tax

You must configure the setup for Suppliers for Withholding Tax.

To configure suppliers, navigate to **Procurement** and select **Manage Suppliers**.

For more information, see the supplier configuration for VAT Tax.

Related Topics

- Supplier Configuration

Manage Tax Reporting and Withholding Tax Options

The Manage Tax Reporting and Withholding Tax setup determines when to calculate withholding tax: Invoice Validation or Payment or both Invoice Validation and Payment.

Follow these steps:

1. Based on the country specific tax regulations, you must check these reporting requirements on a periodic basis:
    - Prepaid tax asset created on advances received from customers.
    - Offset of prepaid tax asset created on advance receipts.
2. Under Income Tax Reporting Options section:
    a. Enable the **Use combined filing program** option.
    b. Enable the **Use supplier tax region** option.
3. Select the row corresponding to the **Standard Invoices** withholding option.
4. Click Save.

Enter AP Invoices - Manage AP Invoice UI (WHT)

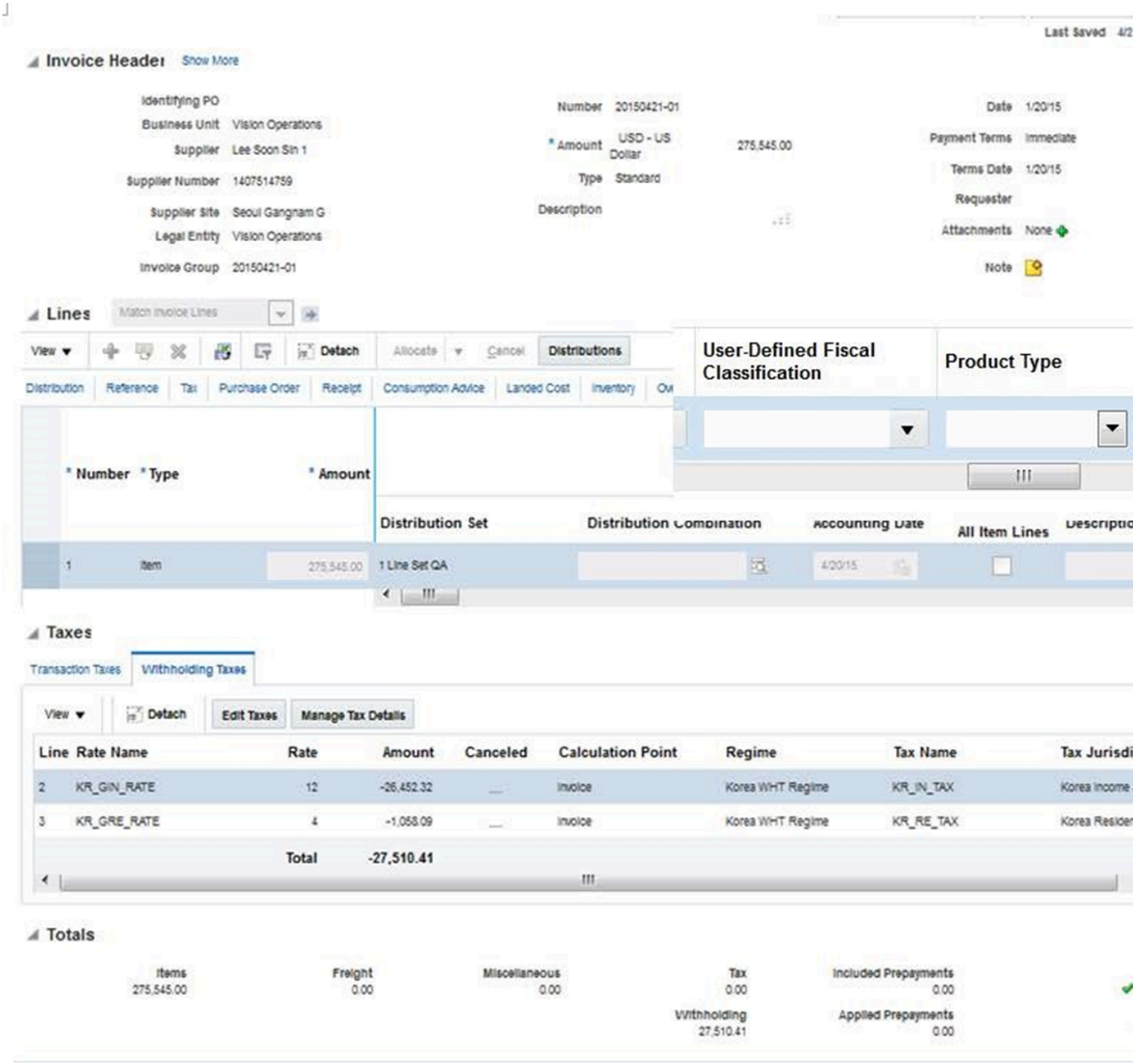
You can manage AP Invoice UI (WHT).

Follow these steps:

1. Navigate to Payables and then select Manage Invoices.
2. Scroll down to expand the Lines section.

3. Click Distributions and complete the fields to define the distribution set.

   This image displays the Distributions pane on the Manage Invoices page.



4. Save and close the window.

Withholding Tax Reports

You can schedule a new process and run the withholding tax reports for Korea:

To schedule a new process, follow these steps:

1. Navigate to the Process Details page to schedule a withholding tax report.
2. Select relevant values to complete these fields:
   a. Legal Entity
   b. Legal Reporting Unit
   c. Tax Registration Number
   d. From Transaction Date
   e. To Transaction Date
   f. Supplier Name
   g. Supplier Site
   h. Invoice Number
3. Select the **Print output** format for the report.
4. Enable the **Notify me when this process ends** box and enter the email text in the Submission Notes field if you want to receive a notification email after the process is completed.
5. Optionally click Process Options to set the process options for the report.
6. Click Submit.

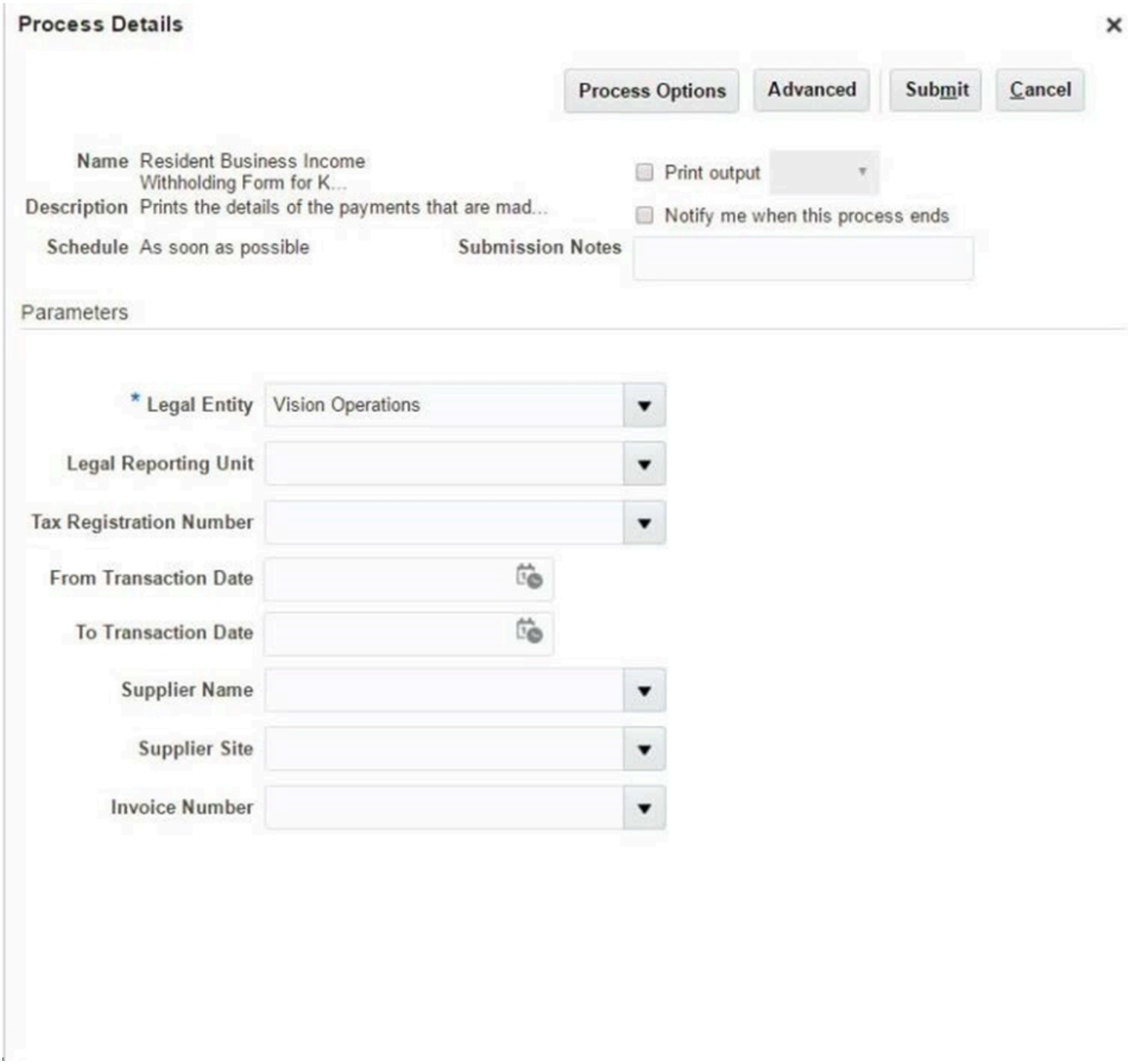
You can schedule a new process and run these withholding tax reports for Korea:

- Resident Business Income Withholding Form for Korea
  - Resident General Income Withholding Form for Korea
  - Non-resident General Income Withholding Form for Korea
- Resident Business Income Withholding Tape for Korea
- Resident General Income Withholding Tape for Korea
  - Non-Resident Business and General Income Tape for Korea
  - Withholding Tax Listing Report for Korea

Resident Business Income Withholding Form for Korea

You can schedule a new process using the Process Details page for withholding forms for resident business income, resident general income and non-resident general income for Korea.

This image shows the Process Details page for business general income withholding form for Korea:



This image shows the resident business income withholding receipt:

Taxable Year		**Resident Business Income Withholding Receipt** **Resident Business Income Payment Statement** For Incomer Use For Issuer Use	Local/Foreigner		Local Foreigner	1 9
			Nation		Nation Code	

Payer	Tax Registration Number USSYS12030	Company Name Vision Operations	Representative Name Ying Zhang
	Corporate Identification Number USSYS12030	Company Address 475 Park Avenue,	
Recipient	Supplier Name KR Others		Resident (Tax) Registration Number 23432
	Business Site Address Seoul Gangnam Gu Samsung Dong 104, US		
	Name		Resident Number
	Address		

Resident Business Income Category		

Paid Date			Tax Period		Payment Total	Tax Rate	Withholding Tax Amount		
Year	Month	Date	Year	Month			Income Tax	Residential Tax	Total
2015	06	24	2015	06	10,000	10	1,000	30	1,030
2015	06	24	2015	06	275,545	10	27,550	820	28,370

This image shows the Resident Business Income Withholding Receipt example 2:

Taxable Year		Resident Business Income Withholding Receipt Resident Business Income Payment Statement For Incomer Use For Issuer Use	Local/Foreigner		Local Foreigner 1 9	
			Nation		Nation Code	

Payer	Tax Registration Number USSYS12030	Company Name Vision Operations	Representative Name Ying Zhang
	Corporate Identification Number USSYS12030	Company Address 475 Park Avenue,	
Recipient	Supplier Name	Resident (Tax) Registration Number	
	Business Site Address		
	Name Kim Kil Dong	Resident Number 89037489	
	Address 9900 Parkway, La Vista, GA, 30329, US		

Resident Business Income Category	40

Paid Date			Tax Period		Payment Total	Tax Rate	Withholding Tax Amount		
Year	Month	Date	Year	Month			Income Tax	Residential Tax	Total
2015	06	24	2015	06	999	10	0	0	0

The withholding Tax Amount (Income Amount) is paid exactly.

- Resident General Income Withholding Form for Korea

  This image shows the resident general income withholding receipt example:

Taxable Period	

Resident General Income Withholding Receipt
Resident General Income Payment Statement
For Incomer Use For Issuer Use

Recipient Category	
Local/Foreigner	Local 1 Foreigner 9

Person for Collection	Tax Registration Number USSYS12030	Company Name Vision Operations	Representative's Name Ying Zhang
	Corporate Identification Number USSYS12030	Company Address 475 Park Avenue,	
Earner	Name Kim Kil Dong	Resident (Tax) Registration Number 89037489	
	Address 9900 Parkway, La Vista, GA, 30329, US		

Income Code Category

- [ ] Non-taxable Other Income
- [6 9] Separate taxable Other Income
- [ ] Small business owners deduction/installment/termination income
- [ ] No expense other income (
- [6 1] - [6 3] Exclusion)
- [6 1] Exercise of stock option benefit
- [6 4] Painting, antiques capital gains
- [ ] Cash and prizes
- [7 2] The mining right
- [ ] Easement
- [7 4] Residential occupancy delay bonus
- [ ] Remuneration
- [7 6] Speaking fees
- [ ] Other income in addition(
- [ ] - [6 6] - [ ] - [7 1] - [7 6] Exclusion)

Paid Date			Tax Period		Payment Total	Recognized Expense	Income Amt.	Tax Rate	Withholding Tax Amount			
Year	Month	Date	Year	Month					Income Tax	Resident Tax	Special Tax	Total
2015	04	24	2015	04	275,545	55,115	220,430	12	26,450	1,050		27,500
2015	06	05	2015	06	999	509	490	12	0	0		0

The withholding Tax Amount (Income Amount) is paid exactly.

07-JUN-2015

Collection(Reporting) Person (Signature)

To. Head of Tax Affairs

This image shows another example of the resident general income withholding receipt:

To. Head of Tax Affairs

Taxable Period	

Resident General Income Withholding Receipt
Resident General Income Payment Statement
For Income Use For Issuer Use

Recipient Category	
Local/Foreigner	Local 1 Foreigner 9

Person for Collection	Tax Registration Number USSYS12030	Company Name Vision Operations	Representative's Name Ying Zhang
	Corporate Identification Number USSYS12030	Company Address 475 Park Avenue,	
Earner	Name Lee Soon Sin 1	Resident (Tax) Registration Number 8765322	
	Address Seoul Gangnam Gu Samsung Dong 105, US		

Income Code Category

- [ ] Non-taxable Other Income
- [ ] Separate taxable Other Income
- [ ] Small business owners deductible alimony termination income
- [ ] No expense other income (
- [ ] Exclusion)
- [ ] Exercise of stock option benefit
- [ ] Painting, antiques capital gains
- [ ] Cash and prizes
- [ ] The mining right
- [ ] Easement
- [ ] Residential occupancy delay bonus
- [ ] Remuneration
- [ ] Speaking fees
- [ ] Other income in addition(
- [ ] Exclusion)

Paid Date			Tax Period		Payment Total	Recognized Expense	Income Amt.	Tax Rate	Withholding Tax Amount			
Year	Month	Date	Year	Month					Income Tax	Resident Tax	Special Tax	Total
2015	04	20	2015	04	275,545	55,109	220,436	12	26,452	1,058		27,510

The withholding Tax Amount (income Amount) is paid exactly.

07-JUN-2015

Collection(Reporting) Person (Signature)

To. Head of Tax Affairs

- Non-resident General Income Withholding Form for Korea

  This image shows the non-resident general income withholding receipt example:

Taxable Period		Non-Resident Business and General Income Withholding Receipt Non-Resident Business and General Income Payment Statement For Incomer Use For Issuer Use	Recipient Category	
			Resident Category	Non-Resident 2
			Local/Foreigner	Local 1 Foreigner 9
			Nation	Nation Code

Payer	Tax Registration Number USSYS12030	Company Name Vision Operations	Representative Name Ying Zhang
	Corporate Identification Number USSYS12030	Company Address 475 Park Avenue,	
Recipient	Name KR Foreign Corporation	Resident (Tax) Registration Number	
	Address 80 Long Ridge Road, US		

Non-Resident Income Category Code	940500

Paid Date			Tax Period		Payment Total	Recognized Expense	Income Amt.	Tax Rate	Withholding Tax Amount				
Year	Month	Date	Year	Month					Individual Income Tax	Corporate Income Tax	Residential Tax	Special Tax	Total
2015	06	25	2015	06	275,545	55,115	220,430	12			1,050		1,050

Reason for Tax Rate Application	
Company English Name	Vision Operations

The withholding Tax Amount (Income Amount) is paid exactly.

25-JUN-2015

Collection(Reporting) Person (Signature)

This image shows another example of the non-resident general income withholding receipt:

NRBGWhtFormForKorea

Taxable Period	

Non-Resident Business and General Income Withholding Receipt
Non-Resident Business and General Income Payment Statement
For Incomer Use For Issuer Use

Recipient Category	
Resident Category	Non-Resident 2
Local/Foreigner	Local 1 Foreigner 9
Nation	Nation Code

Payer	Tax Registration Number USSYS12030	Company Name Vision Operations	Representative Name Ying Zhang
	Corporate Identification Number USSYS12030	Company Address 475 Park Avenue,	
Recipient	Name KR Foreign	Resident (Tax) Registration Number	
	Address Seoul Gangnam Gu Samsung Dong 106, US		

Non-Resident Income Category Code	940500

Paid Date			Tax Period		Payment Total	Recognized Expense	Income Amt.	Tax Rate	Withholding Tax Amount				
Year	Month	Date	Year	Month					Individual Income Tax	Corporate Income Tax	Residential Tax	Special Tax	Total
2015	06	25	2015	06	999	209	790	12	0		0		0
2015	06	25	2015	06	1,000,000	200,000	800,000	12	96,000		3,840		99,840

Reason for Tax Rate Application	
Company English Name	Vision Operations

The withholding Tax Amount (Income Amount) is paid exactly.

Resident Business Income Withholding Tape for Korea

This section shows the resident business income withholding tapes for Korea. You must select relevant values in these fields in the Process Details page when generating resident business income withholding tapes for Korea:

- Legal Entity
- Legal Reporting Unit
- Tax Registration Number
- From Transaction Date
- To Transaction Date
- Supplier Name
- Supplier Site
- Invoice Number
- Submission Date
- Submitting Department
- Submitted By
- Submitter Phone

This image shows the resident business income withholding tape:

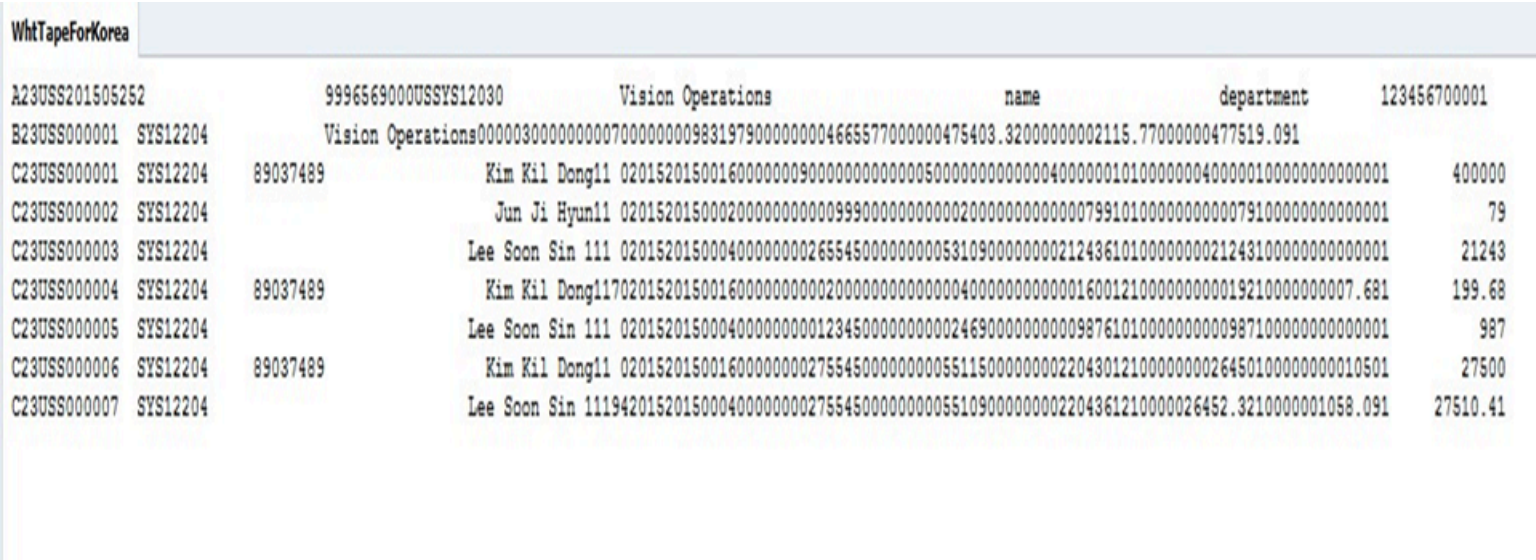
WhtTapeForKorea

```
A24USS201506072                 9996569000USSYS12030          Vision Operations                    Dept                    Name       876537600001
B24USS000001  SYS12204          Vision Operations00000400000000150000000103858670000000008290180000000000013400000000008303580000000015000000095461311
C24USS0000001  SYS12204     89037489              Kim Kil Dong                                  11   4020152015002000000000001000010100000000008001000000000000241000000000824
C24USS0000002  SYS12204     89037489              Kim Kil Dong                                  11   4020152015002000000000006600010100000000033001000000000000901000000000003390
C24USS0000003  SYS12204      8765322             Lee Soon Sin 1                                 11   4020152015000400000000265545101000000000212431000000000000010000000021243
C24USS0000004  SYS12204                              KR Others    23432                 KR Others11   4020152015000200000000027554510100000000022040100000000006601000000022700
C24USS0000005  SYS12204     89037489              Kim Kil Dong                                  11   4020152015002000000000005000101000000000008001000000000000241000000000824
C24USS0000006  SYS12204     89037489              Kim Kil Dong                                  11   4020152015002000000000900000101000000072000010000000000000010000000720000
C24USS0000007  SYS12204      3456734               Jun Ji Hyun                                  11   4020152015000200000000000999101000000000007910000000000000010000000000079
C24USS0000008  SYS12204     89037489              Kim Kil Dong                                  11   4020152015002000000000010000010100000000008000100000000000240100000000008240
C24USS0000009  SYS12204     89037489              Kim Kil Dong                                  11   4020152015002000000000001234101000000000000001000000000000010000000000000
C24USS0000010  SYS12204     89037489              Kim Kil Dong                                  11   4020152015002000000000026554510100000000212431000000000000010000000021243
C24USS0000011  SYS12204     89037489              Kim Kil Dong                                  11   4020152015002000000000026554510100000000212431000000000000010000000021243
C24USS0000012  SYS12204     89037489              Kim Kil Dong                                  11   4020152015002000000000000999101000000000000001000000000000010000000000000
C24USS0000013  SYS12204     89037489              Kim Kil Dong                                  11   4020152015002000000000012345610100000000098701000000000002901000000010160
C24USS0000014  SYS12204     89037489              Kim Kil Dong                                  11   4020152015002000000000000999101000000000000001000000000000010000000000000
C24USS0000015  SYS12204     89037489              Kim Kil Dong                                  11   4020152015002000000000005000101000000000004001000000000000121000000000412
```

Resident General Income Withholding Tape for Korea

You can schedule a new process for the resident general income withholding tapes for Korea.

This image shows the resident general income withholding tape for Korea:



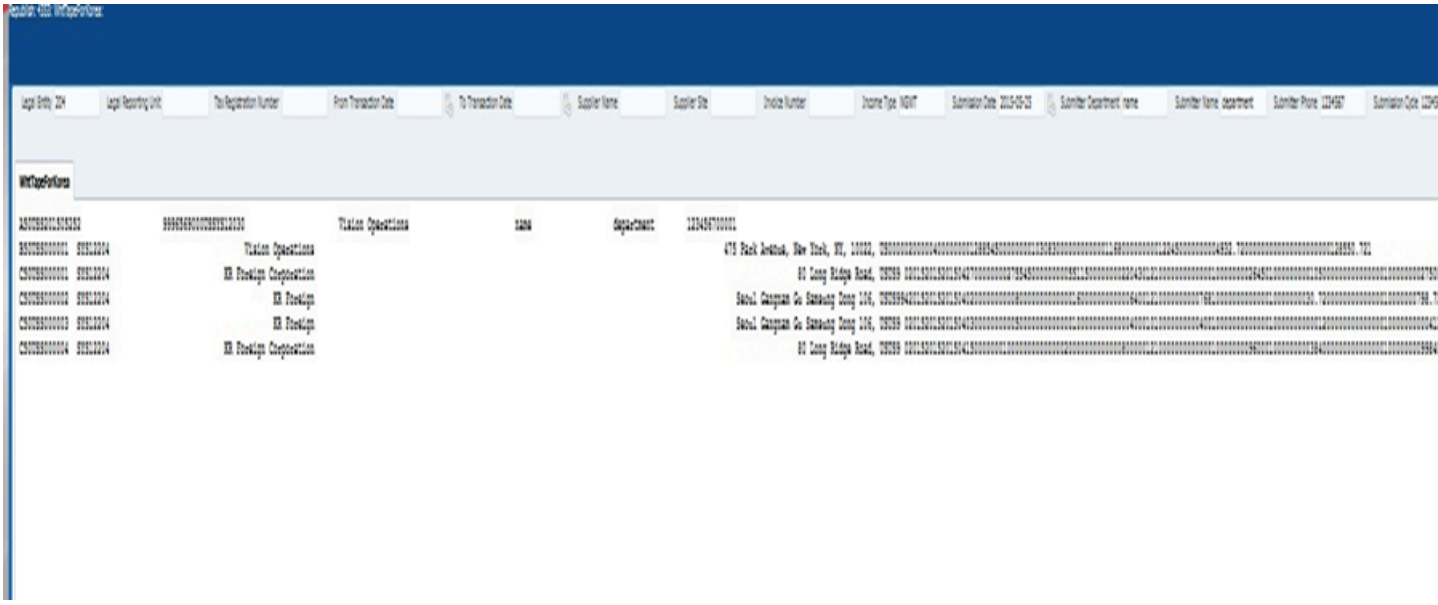
```
WhtTapeForKorea

A23USS201505252                 9996569000USSYS12030          Vision Operations                    name                 department       123456700001
B23USS000001  SYS12204          Vision Operations0000030000000000700000000983197900000000466557700000000475403.32000000000002115.77000000477519.091
C23USS000001  SYS12204    89037489                Kim Kil Dong11 020152015001600000000900000000000000500000000000000400000001010000000400000100000000000001      400000
C23USS000002  SYS12204                             Jun Ji Hyun11 020152015000200000000000000999000000000000200000000000000799101000000000000791000000000000001          79
C23USS000003  SYS12204                           Lee Soon Sin 111 020152015000400000000026554500000000005310900000000021243610100000000021243100000000000001       21243
C23USS000004  SYS12204    89037489                Kim Kil Dong11702015201500160000000000200000000000000400000000000001600121000000000001921000000000007.681      199.68
C23USS000005  SYS12204                           Lee Soon Sin 111 020152015000400000000001234500000000000246900000000000987610100000000000987100000000000001         987
C23USS000006  SYS12204    89037489                Kim Kil Dong11 020152015001600000000027554500000000005511500000000022043012100000000026450100000000010501       27500
C23USS000007  SYS12204                           Lee Soon Sin 111942015201500040000000027554500000000005510900000000022043612100000026452.3210000001058.091     27510.41
```

This section includes these reports:

- Non-Resident Business and General Income Tape for Korea

  You can create a new process for the non-resident business and general income tapes for Korea.

  This image shows the non-resident business and general income withholding tape for Korea:



- Withholding Tax Listing Report for Korea

  You can create a new process for withholding tax listing report for Korea.

  This image shows the withholding tax listing report for Korea example:

Report Parameters

Legal Entity	Vision Operations		
Legal Reporting Unit			
From Transaction Date	2015-01-01	**To Transaction Date**	2015-05-30
Detail or Summary	Detail		
Organization Type			
Supplier			

Flexfield	01-000-1332-0000-000	**Organization Type**	Foreign Individual in Korea	**Income Tax Type**	Entertainer H

Supplier Name	Tax Registration Number	Address		GL Date	Description	Voucher No.
Payment Amount	Taxable Payment	Tax Name	Tax Rate	Income Tax Amount	Resident Tax Amount	Net Paymen
KR Foreign		Seoul Gangnam Gu Samsung Dong 106, US		2015/04/02		
8,000	6,400	Korea Income Tax	12%	768	31	7,201
Count Total=1						
8,000	6,400			768	31	7,201

Flexfield	01-000-1332-0000-000	**Organization Type**	Resident Corporation in Korea	**Income Tax Type**	Business Inc

Supplier Name	Tax Registration Number	Address		GL Date	Description	Voucher No.
Payment Amount	Taxable Payment	Tax Name	Tax Rate	Income Tax Amount	Resident Tax Amount	Net Paymen
KR Others	23432	Seoul Gangnam Gu Samsung Dong 104, US		2015/04/27		
275,545	220,430	Korea Income Tax	10%	22,040	660	252,845
KR Others	23432	Seoul Gangnam Gu Samsung Dong 104, US		2015/04/09		
30,000	30,000	BIQA_WHT_TAX001	%	600		29,400
Count Total=2						
305,545	250,430			22,640	660	282,245

This image shows another example of withholding tax listing report for Korea:

Flexfield	01-000-1332-0000-000	Organization Type	Resident Individual in Korea	Income Tax Type	Business Incon

Supplier Name	Tax Registration Number	Address		GL Date	Description	Voucher No.
Payment Amount	Taxable Payment	Tax Name	Tax Rate	Income Tax Amount	Resident Tax Amount	Net Payment
Jun Ji Hyun		Seoul Gangnam Gu Samsung Dong 103, US		2015/04/13		
999	799	Korea Income Tax	10%	79		920
Kim Kil Dong		9900 Parkway, La Vista, GA, 30329, US		2015/04/07		
9,000,000	7,200,000	Korea Income Tax	10%	720,000		8,280,000
Kim Kil Dong		9900 Parkway, La Vista, GA, 30329, US		2015/03/26		
10,000	8,000	Korea Income Tax	10%	800	24	9,176
Kim Kil Dong		9900 Parkway, La Vista, GA, 30329, US		2015/04/06		
265,545	212,436	Korea Income Tax	10%	21,243		244,302
Kim Kil Dong		9900 Parkway, La Vista, GA, 30329, US		2015/04/22		
123,456	98,760	Korea Income Tax	10%	9,870	290	113,296
Kim Kil Dong		9900 Parkway, La Vista, GA, 30329, US		2015/04/07		
265,545	212,436	Korea Income Tax	10%	21,243		244,302
Lee Soon Sin 1		Seoul Gangnam Gu Samsung Dong 105, US		2015/04/07		
265,545	212,436	Korea Income Tax	10%	21,243		244,302
Kim Kil Dong		9900 Parkway, La Vista, GA, 30329, US		2015/04/22		
1,234	980	Korea Income Tax	10%	0	0	1,234
Kim Kil Dong		9900 Parkway, La Vista, GA, 30329, US		2015/04/08		
5,000	4,000	Korea Income Tax	10%	800	24	4,176
Kim Kil Dong		9900 Parkway, La Vista, GA, 30329, US		2015/04/24		
100,000	80,000	Korea Income Tax	10%	8,000	240	91,760
Kim Kil Dong		9900 Parkway, La Vista, GA, 30329, US		2015/04/03		
5,000	4,000	Korea Income Tax	10%	400	12	4,588
Count Total=11						
10,042,324	8,033,847			803,678	590	9,238,056

Flexfield	01-000-1332-0000-000	Organization Type	Resident Individual in Korea	Income Tax Type	Writer, Author

Supplier Name	Tax Registration Number	Address		GL Date	Description	Voucher No.
Payment Amount	Taxable Payment	Tax Name	Tax Rate	Income Tax Amount	Resident Tax Amount	Net Payment
Lee Soon Sin 1		Seoul Gangnam Gu Samsung Dong 105, US		2015/04/20		
275,545	220,436	Korea Income Tax	12%	26,452	1,058	248,035
Count Total=1						
275,545	220,436			26,452	1,058	248,035

Singapore

Reporting Features for Singapore

Oracle Fusion Applications provide standard financial and tax reports to meet the legal and business reporting requirements of tax authorities in Singapore.

The reports allow you to report on the taxable gain and/or loss on transactions entered in Oracle Payables and Oracle Receivables. The gain or loss may arise due to differences between the accounting gain and loss using a corporate conversion rate and the conversion rate provided by the supplier or General Ledger Daily Rate.

The reports can then be used to help you finalize your tax returns to IRAS (Inland Revenue Authority of Singapore)

The Input and Output Tax Gain and Loss reports for Singapore can be submitted as follows:

- Input Tax Gain and Loss Report for Singapore
- Output Tax Gain and Loss Report for Singapore

Related Topics

- About Input and Output Tax Gain/Loss Reports

Input Tax Gain and Loss Report for Singapore

Tax Reporting enables compliance with federal regulations by generating statutory reports on incoming and outgoing payments, receivables, payables, and journal details.

You must submit the Input Tax Gain and Loss reports for Singapore using these features. This topic explains feature setup, required master data, transaction entry, and running the reports.

Setup

Complete these steps to set up Input Tax Gain and Loss report for Singapore:

1. Define daily rates.

   Foreign currency transactions (non-SGD) are converted to SGD using an in-house conversion rate.

   a. Navigate to Setup and Maintenance and select Manage Daily Rates.
   b. In the **Daily Rates** tab, enter the **In-house Conversion Rate** in the **Currency Rates Manager**.

      The Singapore reports can help to track the gain/loss in GST amount using the actual exchange rate used to calculate GST at the time of the transaction, and the In-house Conversion Rate. Use the **Create in Spreadsheet** feature to create the in-house conversion rates between Singapore Dollars and the currencies of the foreign invoices.

      You can also configure and use the **In-house Conversion Rate** for foreign currency conversion to SGD.

2. Set the Tax Reporting Types and Codes.
   a. Navigate to Setup and Maintenance and select Manage Tax Reporting Types.
   b. Select Setup Tax Reporting Codes and define a Tax Reporting Code.

      For example, set up a tax reporting code for the Singapore tax rates so that you can run reports by Tax Reporting Code across all tax rates.
3. Set up Tax Rates.
   a. Navigate to Setup and Maintenance, and select Manage Tax Rates and Tax Recovery Rates.
   b. Assign the Tax Reporting Code to the tax rate that relate to your GST transactions.
   c. Assign a Tax Recoverable Account to the ledger for the tax rate codes.
4. Set up other required entities as necessary.

Invoice Entry

You can create invoices as follows:

- **Invoice Entry in Payables (Functional Currency of SGD)**

  In Singapore, most companies operate with SGD as their primary ledger currency. This section describes the invoice entry procedures for such implementations.

  Follow these steps to create an invoice:
  a. Navigate to Payables Invoices.
  b. Search for and select the Create Invoice task.
  c. Complete other fields:
     - Domestic Invoices (SGD):

       The Tax Point Date in Singapore is the Invoice Date. However, you may choose to report taxes using other Tax Points that fit your particular business scenario. Domestic invoices must have an Invoice Currency of SGD.
     - Foreign Currency Invoices:

       For foreign currency invoices, enter the **Supplier Tax Invoice Conversion Rate** in the **Tax** tab for the invoice. If you don't do this, the report cannot calculate the gain or loss on an invoice and the report output shows Unspecified in the Supplier Conversion Rate column in the report output and the amounts appear as Undetermined. If you encounter this scenario, edit the invoice and enter the value for the **Supplier Tax Invoice Conversion Rate** and re-run the report.
  d. Apply the tax rate code that relates to current Singapore tax rate to the transaction, for example, SG GST Standard Rate.
  e. Validate the invoice, and Account and Post to Ledger.

     Invoices that are not validated, accounted and posted do not appear on the report.
- **Invoice Entry in Payables (Non-SGD Functional Currency)**

  Some companies in Singapore may operate with a non-SGD primary ledger. For example, USD may be the currency of the primary ledger. In such implementations, the report output shows different information to assist you for your tax returns. This section describes the invoice entry procedures for such implementations.

  Follow these steps to create an invoice:
  a. Navigate to Payables Invoices.
  b. Search for and select the Create Invoice task.

c. Complete other fields:
   - Domestic Invoices (SGD):

     The Tax Point Date in Singapore is typically the Invoice Date. However, you may choose to report taxes using other Tax Point as befits your particular business scenario. Enter domestic invoices with an Invoice Currency of SGD. Make sure that the corporate Conversion Rate is applied on the invoice to convert from SGD to USD (primary ledger currency).
   - Foreign Currency Invoices:

     For foreign currency invoices, enter the **Supplier Tax Invoice Conversion Rate** in the **Tax** tab for the invoice. If you don't do this, the report cannot calculate the SGD converted amounts on the invoice and the report output shows Unspecified in the Supplier Conversion Rate column in the report output. The SGD amounts in the report output is Undetermined. If you encounter this scenario, edit the invoice and enter the value for the **Supplier Tax Invoice Conversion Rate** and re-run the report.

     The SGD amounts can then be determined now you have specified the conversion rate.

d. Apply the tax rate code that relates to current Singapore tax rate to the transaction, for example, SG GST Standard Rate.
e. Validate the invoice, account, and post to ledger.

   Invoices that are not validated, accounted and posted do not appear on the report.

Transaction Entry

This section describes the transaction entry procedures for SGD and non-SGD primary ledgers:

- **Transaction Entry in Receivables (Functional Currency of SGD)**

  In Singapore, most companies operate with SGD as their primary ledger currency. This section describes the transaction entry procedures for such implementations.

  Follow these steps to create and process transactions for reporting:

  a. Create a transaction in Receivables.
  b. At the header, set Record Type and Reason (Miscellaneous tab, Regional Information).
  c. Set the transaction date.

     In Singapore, the Tax Point Date is the transaction/invoice date. The report only shows the transactions that have a transaction date within the period range.
  d. Enter the invoice lines.

     The report shows each invoice line number as a separate row in the report.
  e. Enter the tax rate name.

     Apply the tax rate code that relates to current Singapore tax rate to the transaction. In this example, the SG GST Standard Rate is applied.
  f. Complete, account, and post to ledger. Transactions that are not completed, accounted and posted do not appear on the report.

- **Transaction Entry in Receivables (Non-SGD Functional Currency)**

  Some companies in Singapore may operate with a non-SGD primary ledger. For example, USD may be the currency of the primary ledger. In such implementations, the report output shows different information to assist you for your tax returns.

  Follow these steps to create and process transactions for reporting:

  a. Create a transaction in Receivables.
  b. Select the currency transactions:
     - Foreign Currency Transactions

       Foreign currency transactions are converted to SGD amounts in the report using the corporate rate setup between SGD and the foreign currency and shows as the **Spot Conversion Rate** in the report output.
     - SGD Currency Transactions

       Domestic SGD transactions are converted to the primary ledger currency amounts in the report using the inverse corporate rate setup between SGD and the foreign currency and shows as the **In-house Conversion Rate** in the report output. For example, transaction 1457 is a SGD invoice converted to the USD primary ledger currency.
  c. Set the transaction date.

     In Singapore, the Tax Point Date is the transaction/invoice date. The report only shows the transactions that have a transaction date within the period range.
  d. Enter the invoice lines.

     The report shows each invoice line number as a separate row in the report.
  e. Enter the tax rate name.

     Apply the tax rate code that relates to current Singapore tax rate to the transaction. In this example, the SG GST Standard Rate is applied.
  f. Complete, account, and post to ledger. Transactions that are not completed, accounted and posted do not appear on the report.

Reporting

Generate the Input Tax Gain and Loss report for Singapore:

1. Navigate to Tools, Scheduled Processes.
2. Run the report.

   The report layout differs depending on whether you run the report for SGD primary ledger currency, or a foreign currency primary ledger. After you have completed and accounted your transactions, they appear in the Input Tax Gain and Loss Report for Singapore.

Output Tax Gain and Loss Report Output

Tax Reporting enables compliance with federal regulations by generating statutory reports on incoming and outgoing payments, receivables, payables, and journal details.

You must submit the Output Tax Gain and Loss report outputs for Singapore using these features. This topic explains feature setup, required master data, transaction entry, and running the reports.

Setup

Complete these steps to set up Output Tax Gain and Loss report output for Singapore:

1. Define daily rates.

   Foreign currency transactions (non-SGD) are converted to SGD using an in-house conversion rate.

   a. Navigate to Setup and Maintenance and select Manage Daily Rates.
   b. In the **Daily Rates** tab, enter the **In-house Conversion Rate** in the **Currency Rates Manager**.

      The Singapore reports can help to track the gain/loss in GST amount using the actual exchange rate used to calculate GST at the time of the transaction, and the In-house Conversion Rate. Use the **Create in Spreadsheet** feature to create the in-house conversion rates between Singapore Dollars and the currencies of the foreign invoices.

      You can also configure and use the **In-house Conversion Rate** for foreign currency conversion to SGD.
2. Set the Tax Reporting Types and Codes.

   a. Navigate to Setup and Maintenance and select Manage Tax Reporting Types.
   b. Select Setup Tax Reporting Codes and define a Tax Reporting Code.

      For example, set up a tax reporting code for the Singapore tax rates so that you can run reports by Tax Reporting Code across all tax rates.
3. Set up Tax Rates.
   a. Navigate to Setup and Maintenance, and select Manage Tax Rates and Tax Recovery Rates.
   b. Assign the Tax Reporting Code to the tax rate that relate to your GST transactions.
   c. Assign a Tax Recoverable Account to the ledger for the tax rate codes.
4. Set up other required entities as necessary.

Invoice Entry

You can create invoices as follows:

- **Invoice Entry in Payables (Functional Currency of SGD)**

  In Singapore, most companies operate with SGD as their primary ledger currency. This section describes the invoice entry procedures for such implementations.

  Follow these steps to create an invoice:
  a. Navigate to Payables Invoices.
  b. Search for and select the Create Invoice task.
  c. Complete other fields:
     - Domestic Invoices (SGD):

       The Tax Point Date in Singapore is the Invoice Date. However, you may choose to report taxes using other Tax Points that fit your particular business scenario. Domestic invoices must have an Invoice Currency of SGD.
     - Foreign Currency Invoices:

       For foreign currency invoices, enter the **Supplier Tax Invoice Conversion Rate** in the **Tax** tab for the invoice. If you don't do this, the report cannot calculate the gain or loss on an invoice and the report output shows Unspecified in the Supplier Conversion Rate column in the report output and

the amounts appear as Undetermined. If you encounter this scenario, edit the invoice and enter the value for the **Supplier Tax Invoice Conversion Rate** and re-run the report.

d. Apply the tax rate code that relates to current Singapore tax rate to the transaction, for example, SG GST Standard Rate.
e. Validate the invoice, and Account and Post to Ledger.

   Invoices that are not validated, accounted and posted do not appear on the report.

- **Invoice Entry in Payables (Non-SGD Functional Currency)**

  Some companies in Singapore may operate with a non-SGD primary ledger. For example, USD may be the currency of the primary ledger. In such implementations, the report output shows different information to assist you for your tax returns. This section describes the invoice entry procedures for such implementations.

  Follow these steps to create an invoice:

  a. Navigate to Payables Invoices.
  b. Search for and select the Create Invoice task.
  c. Complete other fields:
     - Domestic Invoices (SGD):

       The Tax Point Date in Singapore is typically the Invoice Date. However, you may choose to report taxes using other Tax Point as befits your particular business scenario. Enter domestic invoices with an Invoice Currency of SGD. Make sure that the corporate Conversion Rate is applied on the invoice to convert from SGD to USD (primary ledger currency).
     - Foreign Currency Invoices:

       For foreign currency invoices, enter the **Supplier Tax Invoice Conversion Rate** in the **Tax** tab for the invoice. If you don't do this, the report cannot calculate the SGD converted amounts on the invoice and the report output shows Unspecified in the Supplier Conversion Rate column in the report output. The SGD amounts in the report output is Undetermined. If you encounter this scenario, edit the invoice and enter the value for the **Supplier Tax Invoice Conversion Rate** and re-run the report.

       The SGD amounts can then be determined now you have specified the conversion rate.
  d. Apply the tax rate code that relates to current Singapore tax rate to the transaction, for example, SG GST Standard Rate.
  e. Validate the invoice, account, and post to ledger.

     Invoices that are not validated, accounted and posted do not appear on the report.

Transaction Entry

This section describes the transaction entry procedures for SGD and non-SGD primary ledgers:

- **Transaction Entry in Receivables (Functional Currency of SGD)**

  In Singapore, most companies operate with SGD as their primary ledger currency. This section describes the transaction entry procedures for such implementations.

  Follow these steps to create and process transactions for reporting:

  a. Create a transaction in Receivables.
  b. At the header, set Record Type and Reason (Miscellaneous tab, Regional Information).
  c. Set the transaction date.

     In Singapore, the Tax Point Date is the transaction/invoice date. The report only shows the transactions that have a transaction date within the period range.
  d. Enter the invoice lines.

     The report shows each invoice line number as a separate row in the report.
  e. Enter the tax rate name.

     Apply the tax rate code that relates to current Singapore tax rate to the transaction. In this example, the SG GST Standard Rate is applied.
  f. Complete, account, and post to ledger. Transactions that are not completed, accounted and posted do not appear on the report.

- **Transaction Entry in Receivables (Non-SGD Functional Currency)**

  Some companies in Singapore may operate with a non-SGD primary ledger. For example, USD may be the currency of the primary ledger. In such implementations, the report output shows different information to assist you for your tax returns.

  Follow these steps to create and process transactions for reporting:

  a. Create a transaction in Receivables.
  b. Select the currency transactions:

     - Foreign Currency Transactions

       Foreign currency transactions are converted to SGD amounts in the report using the corporate rate setup between SGD and the foreign currency and shows as the **Spot Conversion Rate** in the report output.
     - SGD Currency Transactions

       Domestic SGD transactions are converted to the primary ledger currency amounts in the report using the inverse corporate rate setup between SGD and the foreign currency and shows as the

In-house Conversion Rate in the report output. For example, transaction 1457 is a SGD invoice converted to the USD primary ledger currency.

c. Set the transaction date.

   In Singapore, the Tax Point Date is the transaction/invoice date. The report only shows the transactions that have a transaction date within the period range.

d. Enter the invoice lines.

   The report shows each invoice line number as a separate row in the report.

e. Enter the tax rate name.

   Apply the tax rate code that relates to current Singapore tax rate to the transaction. In this example, the SG GST Standard Rate is applied.

f. Complete, account, and post to ledger. Transactions that are not completed, accounted and posted do not appear on the report.

Reporting

Generate the Output Tax Gain and Loss Report for Singapore:

1. Navigate to Tools, Scheduled Processes.
2. Run the report.

   After you have completed and accounted your transactions, they appear in the Output Tax Gain and Loss Report for Singapore.

Taiwan

Taiwan Electronic Government Uniform Invoice

Introduction

As of 1-Jan-2021, the Taiwan Ministry of Finance (MoF) stipulates that all VAT invoices issued for goods and services sold by wholesalers, retailers, or manufacturers in Taiwan must be electronic, i.e. Electronic Government Uniform invoices (e-GUIs).

There are 3 approaches for customers to fulfill this legal requirement:

- Manually issue e-GUIs on the MoF e-GUI platform.
- Integrate ERP directly with the MoF e-GUI platform.
- Integrate ERP with an e-GUI system offered by one of the government authorized invoice service providers in Taiwan, i.e. Value-Added Service Center (VASC), to integrate with the MoF e-GUI platform to issue e-GUIs.

After issuing and receiving e-GUIs, businesses in Taiwan are also required to file all invoice data and then claim tax periodically through the government filing software with a specific file format. Many VASCs also provide the service of importing invoice data into the government filing software.

Purpose

The objective of this note is to assist customers of Oracle Cloud ERP to understand the implications of the Legislative Update: Taiwan Electronic Government Uniform Invoice.

The necessary steps to accommodate this Legislative Update are provided here:

DISCLAIMER:

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THIS DOCUMENT PROVIDES GENERAL GUIDANCE FOR CUSTOMERS TO PREPARE FOR THE ABOVE LEGISLATIVE CHANGE AND
 INCLUDES NO SOFTWARE UPDATES. IT IS INTENDED SOLELY TO HELP YOU ASSESS THE BUSINESS BENEFITS OF AND TO PLAN
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 RISKING SIGNIFICANT DESTABILIZATION OF THE CODE.
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Solution

Oracle recommends the approach of integrating ERP with an e-GUI system offered by one of the government-authorized VASCs.

By leveraging the e-GUI system and service offered by VASCs, the total cost of fulfilling Taiwan e-GUI requirements for Oracle Cloud ERP customers can be minimized. Most of the complex e-GUI requirements can be covered by the out-of-box features of VASC e-GUI system.

Oracle Cloud ERP supports integration to VASC e-GUI system as follows:

- e-GUI issuing (Receivables)
  - Define integration:
    - 4 DFFs should be defined in Oracle Receivables invoice header in Oracle Cloud ERP: e-GUI Date, e-GUI Number, e-GUI Sales Amount, e-GUI Tax Amount.
    - Build a BI Publisher report to include the required invoice data to be issued.
  - Issue e-GUIs:
    - VASC e-GUI system calls BI Publisher Web Services provided by Oracle Cloud ERP to get the data of the defined BI Publisher report periodically.
    - VASC e-GUI system validates and processes the invoices, and then sends them to MoF e-GUI platform for e-GUI issuing/
    - VASC e-GUI system receives the issued e-GUI data from MoF e-GUI platform.
  - Import e-GUIs:
    - VASC e-GUI system calls REST API, update a receivables invoice, to import the data of e-GUIs back to the defined DFFs.
- GUI tax filing (Payables and Receivables)
  - Define integration:
    - 1 DFF should be defined in Oracle Payables invoice header in Oracle Cloud ERP: GUI Format Code.
    - Build a BI Publisher report to include the issued GUIs for tax filing.
    - Build a BI Publisher report to include the received GUIs for tax filing.

- Extract GUIs:
  - VASC GUI tax filing system calls BI Publisher Web Services provided by Oracle Cloud ERP to get the GUI data defined in the BI Publisher reports periodically.
- Generate the formatted data for GUI tax filing:
  - VASC GUI tax filing system validates and consolidates the issued and received GUI.
  - VASC GUI tax filing system generates the GUI filing data in the specific format following the import interfaces of the government filing software.
- Import the GUI filing data:
  - Import the GUI filing data into the government filing software for submission.

Implementation

You must consider additional points to the general implementation process.

- Set up DFFs in Oracle Receivables and Oracle Payables to store the required data for e-GUI issuing and GUI tax filing:
  - 4 DFFs should be defined in Oracle Receivables invoice header in Oracle Cloud ERP: e-GUI Date, e-GUI Number, e-GUI Sales Amount, e-GUI Tax Amount.
  - 1 DFF should be defined in Oracle Payables invoice header in Oracle Cloud ERP: GUI Format Code.
- Leverage the standard BI Publisher Web Services and REST API to integrate with Taiwan VASC e-GUI system.

Download Details

There is no patch required for Taiwan Electronic Government Uniform Invoice. Do follow the implementation details discussed in the previous section.

Thailand

Overview of Withholding Tax Certificate for Thailand

Withholding Tax Certificate is a report that a company issues to its suppliers as evidence that the tax was withheld from payments made to them.

Following are the key fields that you must enter in Accounts Payable (AP) invoices and payments:

- Withholding tax rate connected to PND Type Tax Reporting Type Code (ORA_TH_PND_TYPE) value and apply to AP invoice lines.
- Product Category connected to Revenue Type Tax Reporting Type Code (ORA_TH_REVENUE_TYPE) value and apply to AP invoice lines.
- Payment Condition in Payment header (Regional Information > Payments for Thailand).

Note: If you set the payment condition in the supplier profile, you don't need to enter this information on payment transactions.

Following are the tasks that you need to perform to generate Withholding Tax Certificate for Thailand:

- Generate Withholding Tax sequence number rule against the payment made.

- Print the Withholding Tax Certificate as required.

By enabling this new feature, a user can provide the Withholding Tax Certificate Number to the supplier while making the payment.

Generate Withholding Tax Certificate for Thailand Sequence Number Rule

To generate the Withholding Tax Certificate Sequence Number rule, navigate to the Setup and Maintenance work area and follow these steps:

Follow these steps:

1. Select an implementation project.
2. In the **Task Lists and Tasks** section, select **Financials** > **Define Configuration for Regional Localization** > **Manage Localization Document Numbering**
3. On the **Manage Fiscal Document Sequences** page, select **Thailand** from the **Search For** drop-down list.
4. On the **Create Document Numbering** in Spreadsheet dialog, select the required values for the **Business Unit** and **Legal Reporting Unit** fields.
5. Click **OK** to download the ADFdi spreadsheet.
6. In the ADFdi spreadsheet, insert a new row and enter the required values for the **Legal Reporting Unit**, **PND Type**, **Sequence Start Value**, **Prefix, Start Date**, **End Date**, and **Key** fields.
7. Click **Upload**.

This table describes the parameters of the ADFdi spreadsheet.

Display Name	Description
Legal Reporting Unit	Legal Reporting Unit for which you want to generate Withholding Tax Certificate Sequence Number.
PND Type	PND Type for which you want to generate Withholding Tax Certificate Sequence Number.
Starting Number	The starting number with which you want to generate Withholding Tax Certificate Sequence Number.
Prefix	The prefix you want to mention in the Certificate Sequence Number.
Start Date	The starting payment date from which you want to generate Withholding Tax Certificate Sequence Number.
End Date	The ending payment date till which you want to generate Withholding Tax Certificate Sequence Number.

Withholding Tax Certificate for Thailand

You can print the Withholding Tax Certificate only in the Thai language.

Frequently Asked Questions

This table lists frequently asked questions about the Withholding Tax Certificate for Thailand.

FAQ	Answers
How do I find this report?	Schedule and run this report from the Scheduled Processes work area on the Navigator menu.
Who uses this report?	Tax Manager or tax specialist whoever is responsible for paying the amount to the supplier.
When do I use this report?	During the payment made to the supplier.
What type of reports are these?	Oracle Analytics Publisher.