Country Solution Spain

IFSCLOUD25R1

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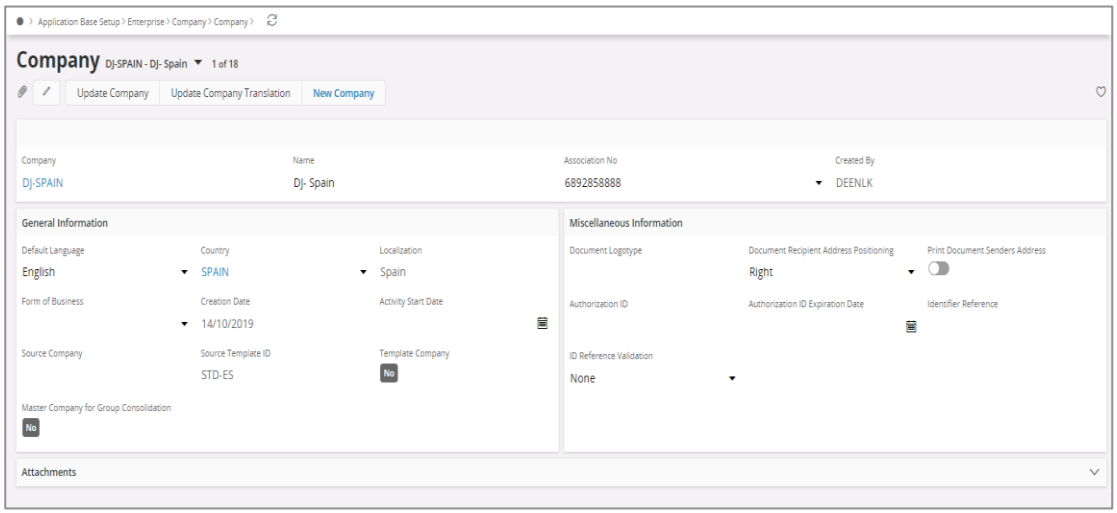
1 Company Set-up

1.1 Overview

In order to utilize the Spanish functionality, the company must be set up as using the Spain localization. This is defined in the page ***Company***.

1.2 Define Localization

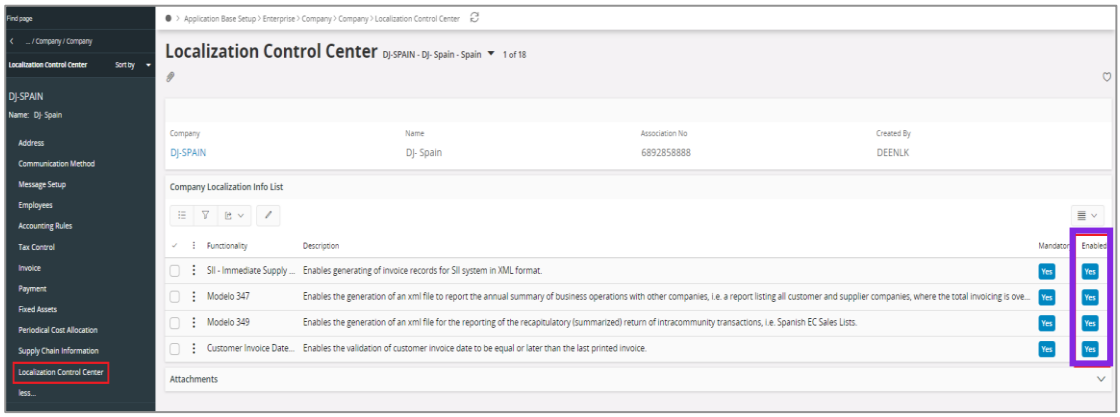
- Open the ***Company*** page.
- Search for the company.
- Select "Spain" from the drop-down list in the **Localization** field. Note that this cannot be changed once transactions are created for the company.



1.3 Select Localization functionality

Specify which functionality to use.

- Navigate to the ***Localization Control Center*** sub-page under Company.
- All functionality available for Spain is presented in the list. Enable/Disable the non-mandatory functionality based on the requirements of the company via the toggle buttons under the **Enabled** column.



2 Spanish Tax Reporting Modelo 349

2.1 Overview Legal Requirement

Modelo 349 Summary Statement of Intra-Community Transactions is a required Spanish tax report defined in the Tax Order HAC/360/2002 dated 19th February 2002.

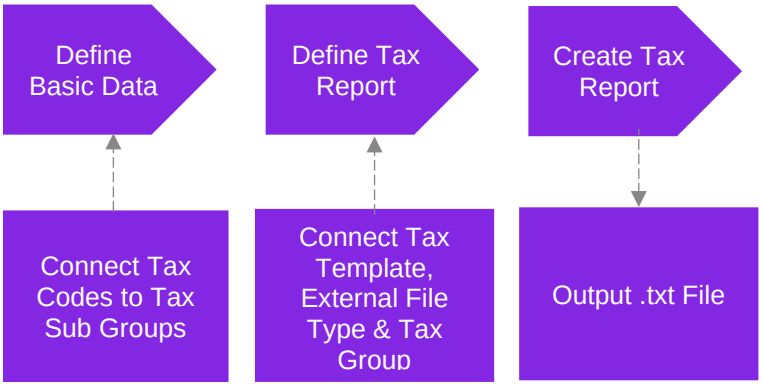
Modelo 349 summary statement is an obligatory tax report to be submitted to the tax authorities by Spanish companies who supply or purchase goods to or from any EU country.

The tax report must be structured and grouped according to operation keys as below:

- (A) Intra community acquisition subject to tax.
- (E) Intra community deliveries exempt
- (H) Intra community supply following an exempt Import (Legal Represent.)
- (I) Intra community Services delivery.
- (M) Intra community supply following and exempt Import.
- (S) Intra community supplies of services by the declaring.
- (T) Deliveries in other member states resulting from an exempt intra-community acquisition in the context of triangular operations.

The file must hold a sum for each tax identity and operation key.

2.2 Process Overview



2.3 Prerequisites

The company must be set up to use Spanish localization, see the Company Set up chapter and the 'Modelo 349' parameter must be enabled.

In addition, the following must be set up:

- Company Communication Method must be defined in the company basic data.
- Tax ID for the customer and supplier must be defined.

Only transactions in the tax ledger will be subject to the report. Consequently, tax codes must be used accordingly. In order to handle the "Operation Key", the system-defined tax group must be used with different tax codes connected to each Operation Key (Sub Tax Groups).

2.4 Define Basic Data / Basic data changes introduced

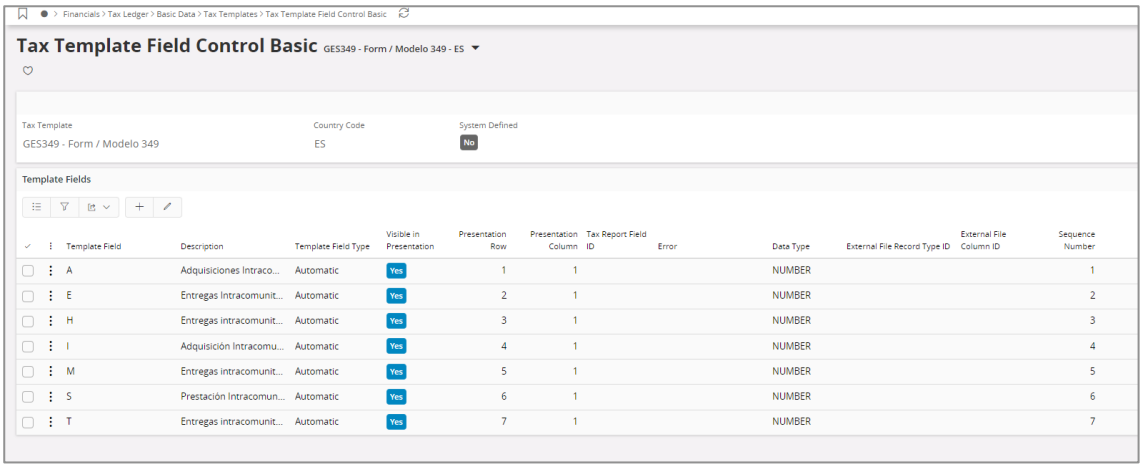
2.4.1 TAX TEMPLATE MODELO 349

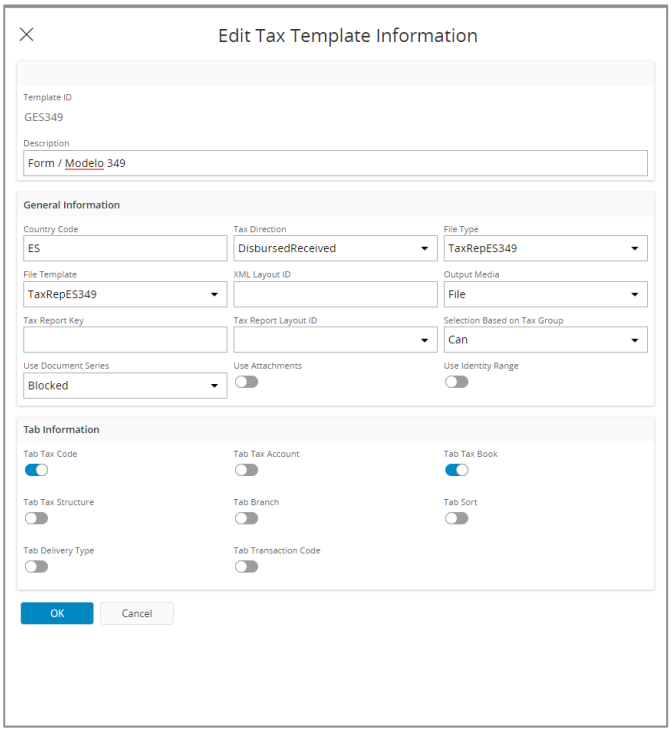
A new tax template, *GES349: Modelo 349,* is introduced. This makes it possible to report tax based on the IFS Tax Ledger. In addition to this, the new external file type “TaxRepES349” and the new external file template “TaxRepES349” are introduced.

2.4.2 TAX TEMPLATE FIELD CONTROLS

The *Tax Template Field Control Basic* is introduced for the new tax template. The field control entered for the template will apply when selecting the fields to be used in a tax report based on the template.

Go to *Financials/Tax Ledger/Basic Data/Tax Templates* and for the template ID ‘GES349’ open the context menu and click **Field Control Basic Context**. Select **Details** to view *Template Field Details*.





Similarly, details must be defined for the field controls introduced.

2.4.3 TAX GROUP: MODELO 349

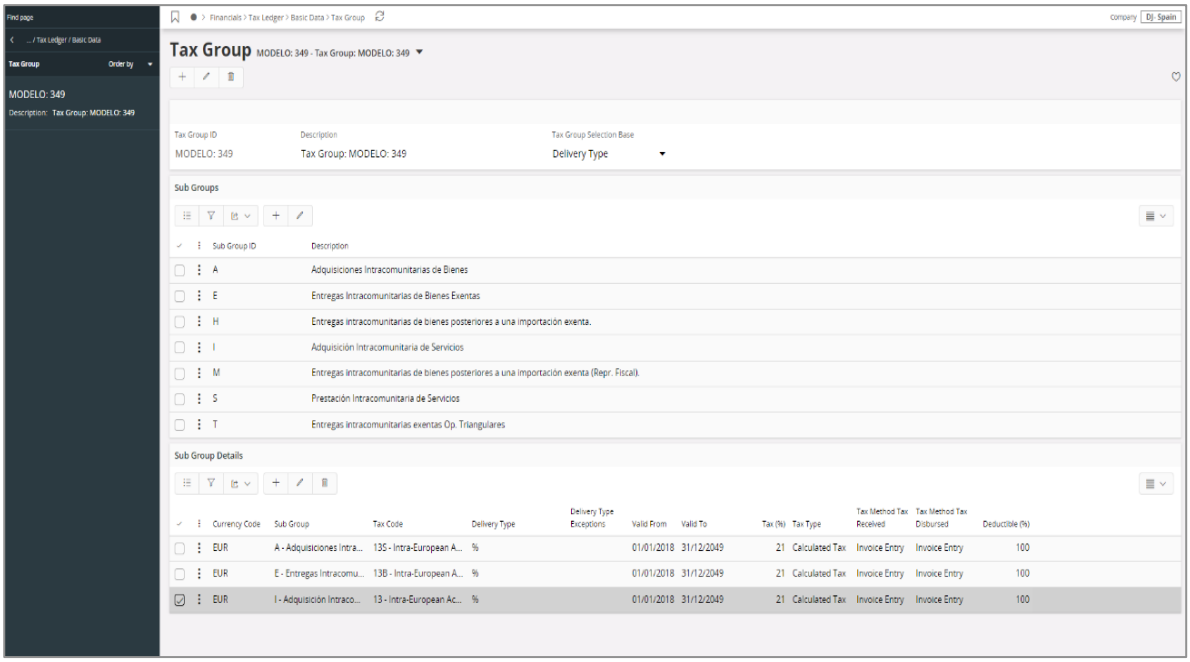
The tax reporting must be structured and grouped according to the local legislation for Modelo 349. The report is grouped based on operation keys. As per the Spanish tax legislation for Modelo 347, the tax transactions should be declared under operation keys as follows:

- (A) Intra community acquisition subject to tax.
- (E) Intra community deliveries exempt
- (H) Intra community supply following an exempt Import (Legal Represent.)
- (I) Intra community Services delivery.
- (M) Intra community supply following and exempt Import.
- (S) Intra community supplies of services by the declaring.
- (T) Deliveries in other member states resulting from an exempt intra-community acquisition in the context of triangular operations.

The file must hold a sum for each tax identity and operation key.

A new Tax Group ID: “MODELO: 349” is introduced to handle the operation keys. Open the ***Tax Group*** page via *Financials/Tax Ledger/Basic Data* to find this new tax group and the system defined sub groups A, E, H, I, M, S, and T.

Different tax codes can be connected under each sub group (Operation Key) via the *Sub Group Details* tab.



2.5 Define Tax Report

Follow the standard process to define a tax report and connect the tax template, “GES349: Modelo 349” and the tax group “Modelo 349” described in previous chapters. Output media should be file only.

These are the basics needed to define a Tax Report to facilitate the Modelo 349 tax report. Except for the tax template and the system define tax group, all the other information may be defined based on user requirements.

2.6 Create Tax Report

Once the tax report is defined as explained above, follow the standard process to create a Spanish Modelo 349 tax report. Read more in the IFS Cloud Documentation if needed.

In Spanish Modelo 349, the tax reporting is done by uploading a file with tax transactions. Printing definitive *Report* will create a .txt file that will contain the legally required information.

2.6.1 CORRECTION INVOICES

In case when correction invoice is registered for an invoice which was already reported in the previous period, then we create additional correction rows (in Spanish “registro de rectificaciones”) in the 349 text file.

In IFS Cloud a corrections invoice is detected by:

- Check box **Correction Invoice** selected on customer or supplier invoice type present on invoice header. This check box is also copied to the invoice header and tax transaction.
- Reference invoice series and number filled on invoice header. This is also copied to tax transactions.

When a correction invoice refers to an invoice that was already reported in the previous period then additional correction rows are created in 349 TXT file with two new fields containing new tax base amount including the correction invoice and old tax base amount from the original invoice. These fields are in positions 153..165 and 166..178 in the text file.

2.7 Delimitations

N/A

3 Spanish Tax Reporting Modelo 347

3.1 Overview Legal Requirement

Form 347 tax report is a legal requirement in Spain under RD 1065/2007 dated 27th July 2007.

As per the Spanish tax legislation, the tax transactions should be grouped based on operation keys as below:

- "A": Purchases
- "B": Sales
- "C": Mediations;
- "D": Non-business purchases by public bodies correction;
- "E": Grants or Subsidies;
- "F": Travel agencies sales;
- "G": Travel agencies purchases.

3.2 Process Overview

3.3 Prerequisites

The company must be set-up to use Spanish localization, see the Company Set up chapter and the "Spanish Tax Reporting Modelo 347" parameter must be enabled.

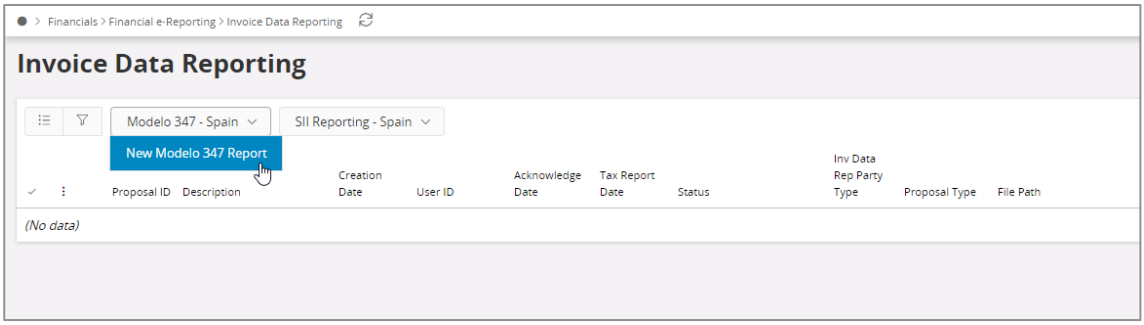
All invoices that should be reported under Modelo 347 must be in any of the posted statuses. A default communication method needs to be set up for the company and the Document Tax Information must also be set up for each Customer and Supplier that have been used.

3.4 Enter Basic Data

A phone number to the reporting company is required in the report file and this information is taken from the ***Company/Communication Methods*** page. Therefore, make sure that the **Communication Method** "Phone" has been defined. It is the default per method phone number that will be used in the report file.

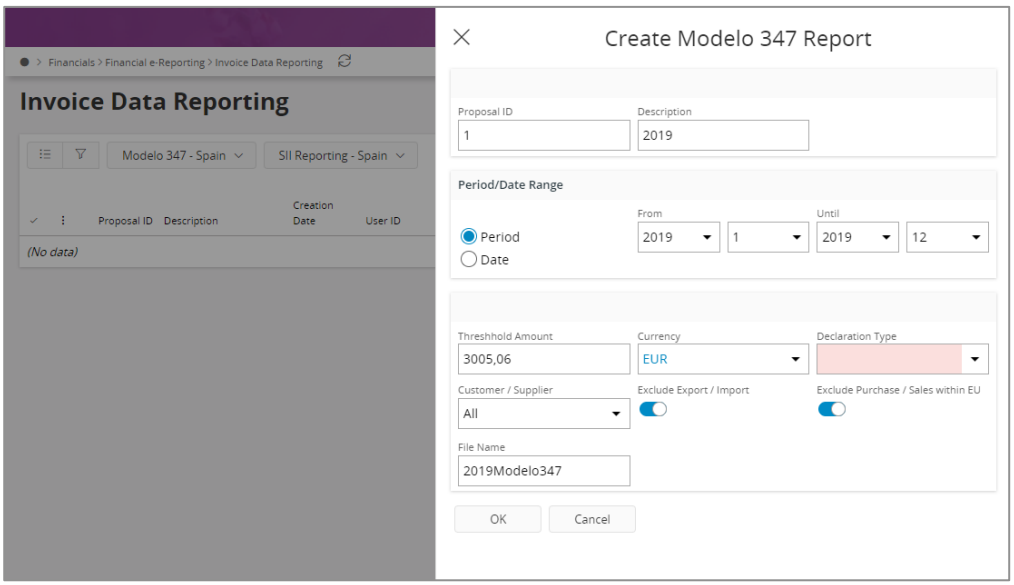
3.5 Create Report Proposal

Modelo 347 is reported from the ***Financials/Financial e-Reporting/Invoice Data Reporting*** page. Select the command “New Modelo 347 – Spain” to create a new proposal.



Specify the following details in the dialog to complete the proposal:

- **Period/Date Rage.** Select the Period/Date you want to create the report for.
- **Threshold Amount.** The minimum amount of accumulated invoices per customer/supplier for the report. The default value is 3005, 06 (based on Spanish regulations and reporting in EUR) but this is editable.
- **Currency.** Select which currency to report, e.g., invoices in the specified currency will be included.
- **Declaration Type**: From the drop-down option you can select Declaration type. When the report is created for the first time keep this field empty. When there are correction transactions to be included select whether the report created is "Complementary" or "Substitute". The option selected will be visible in the file created.
- **Customer/Supplier -** Select whether the report is to be created for “Supplier” “Customer” or “All”.
- **Exclude Non-EU Export/Import -** If selected, customers/suppliers belonging to non-EU member countries are excluded in the report.
- **Exclude Purchase /Sales within EU -** If selected, Customers/suppliers belonging to EU member countries are excluded from the selection/report.
- **File Name –** Text file name for the Spanish -Modelo 347 tax reporting file. The file will be saved to the default download folder of the browser.



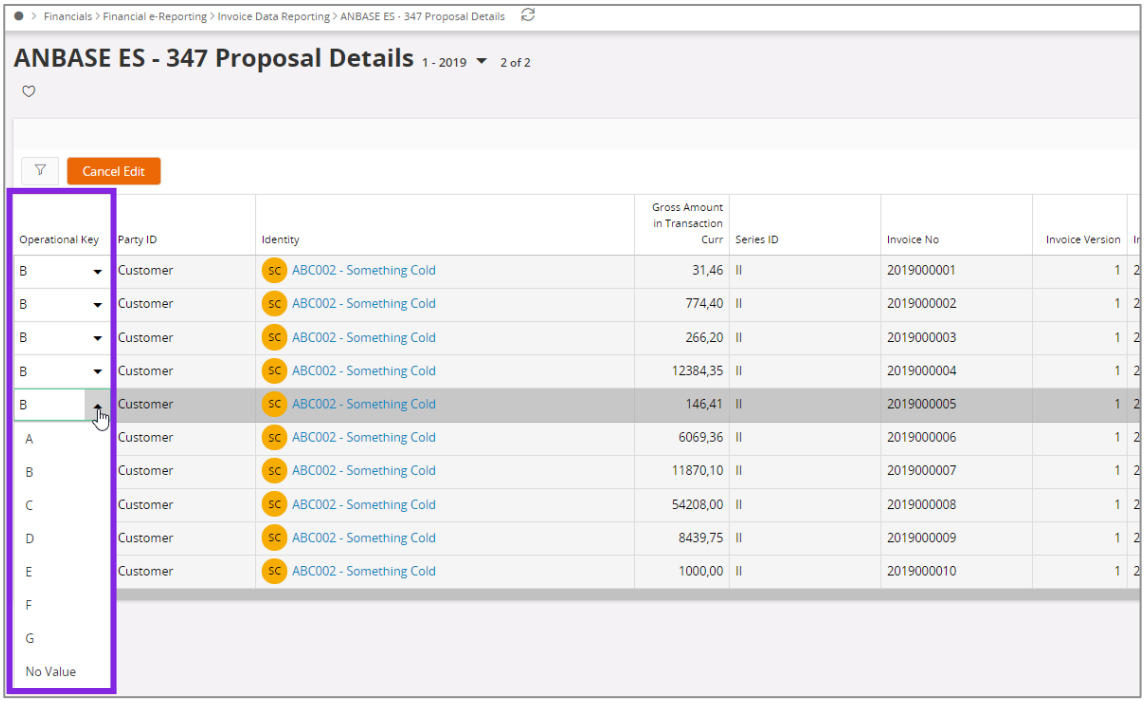
3.6 Modelo 347 Details

Once the proposal is created, select the details command to see the proposal details. From this page, you can see the invoice information fetched for tax reporting. Make sure to review the **Operation Key** for accuracy.

3.6.1 Operation Key

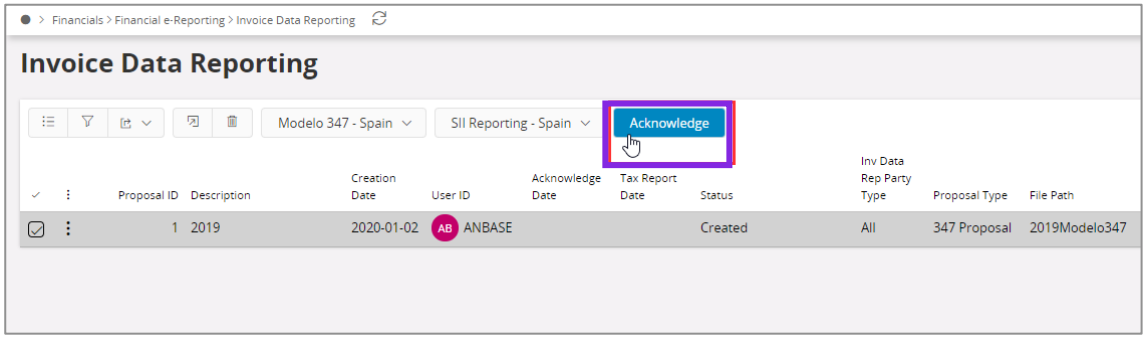
As per the Spanish tax legislation for Modelo 347, the tax transactions should be grouped according to operation keys as follows:

- "A" marks purchases and "B" sales and is automatically set based on the Supplier and Customer party type.
- The other Operation Keys are marking special transactions and can be changed manually for each invoice:
  - "C": Mediations;
  - "D": Non-business purchases by public bodies correction;
  - "E": Grants or Subsidies;
  - "F": Travel agencies sales;
  - "G": Travel agencies purchases.



3.7 Acknowledge Proposal

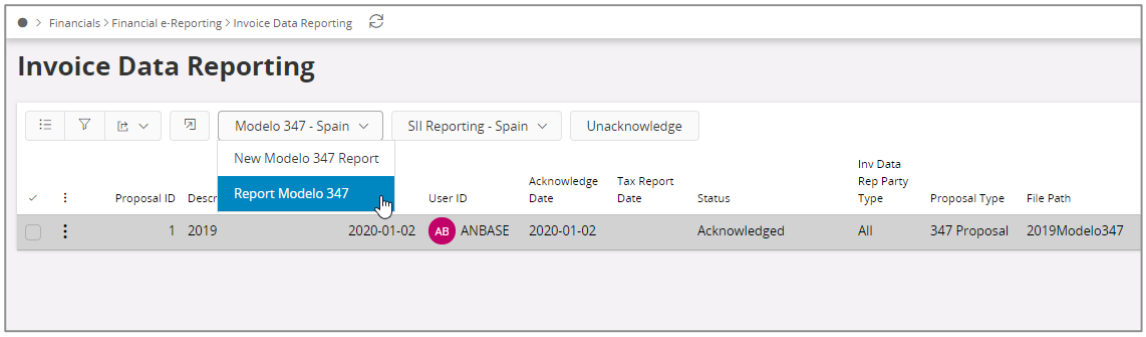
Once all necessary amendments are done to the tax reporting information via ***the Modelo 347 Details*** page, the tax proposal can be acknowledged. This is done by selecting the **Acknowledge** command from the ***Invoice Data Reporting*** page.

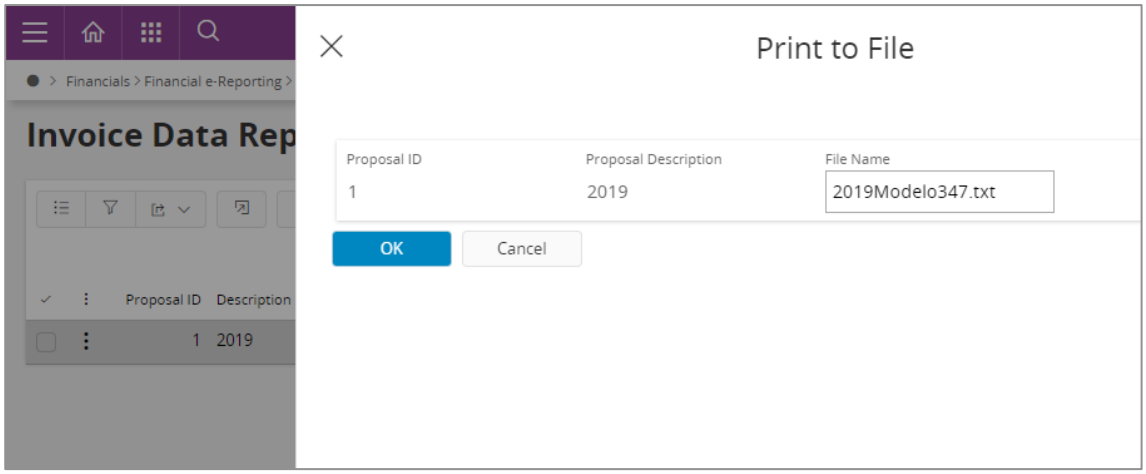


3.8 Create Tax Report (File)

Once the tax proposal is acknowledged the final step is to create the report (create the file). This is done by selecting the command **Report Modelo 347** on the ***Invoice Data Reporting*** page. This will open a dialog box. A file path defined in the Create Modelo 347- Spanish Tax Reporting dialog box is suggested. Once generated, a text file can be overwritten, or another text file name can be provided if necessary.

In addition, the **Print Preliminary Report** option can be used to create a preliminary report before the final output and this option can be also used to reprint the file reported via **Report Modelo 347**.





Once the tax report/file is created, the tax proposal status is set to “Reported”. It will still be possible to view the details or **Print to File**.

3.9 Delimitations

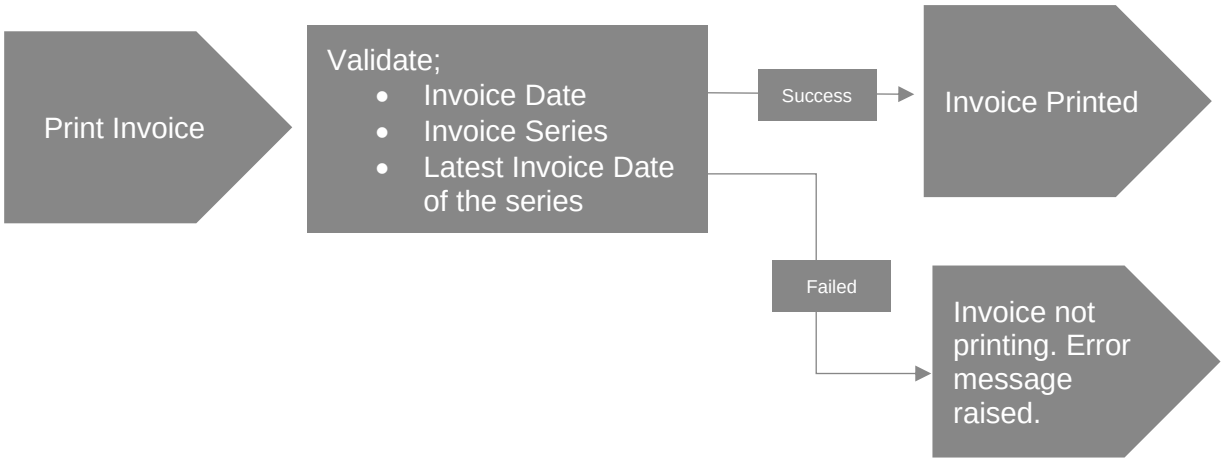
N/A

4 Invoice Date and Number Control

4.1 Overview Legal Requirement

According to Spanish legislation, the customer invoice numbers within a series must be sequential and follow the invoice date in chronological order. This means that it is not allowed to set the customer invoice date at convenience. The enumeration of customer invoices must follow a chronological order.

4.2 Process Overview

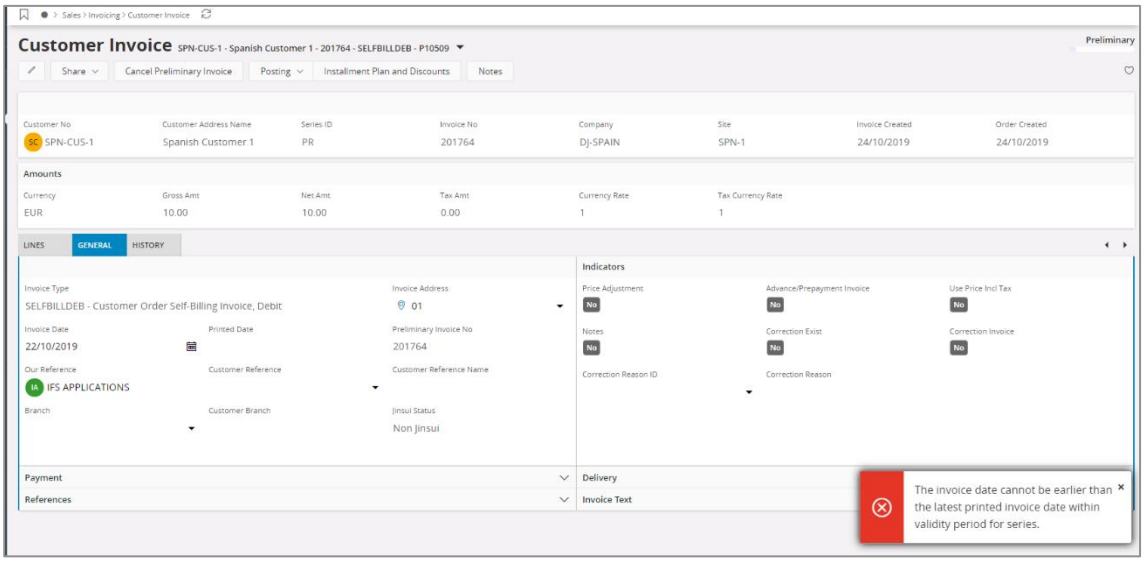


4.3 Prerequisites

The company must be set up to use Spanish localization, see the Company Set up chapter and the "Invoice Date and Number Control" localization functionality must be enabled.

4.4 Printing, sending and e-mailing customer invoices

When any of the pages below are used to print, send, or email customer invoices, the invoice date and number control validation is made. An error message will be displayed on the page if the validation fails. If invoices are printed as a background job, then a warning will be displayed in the Background Job.



Application Page	Can process multiple invoices (Yes / No)	Pop-up error / Warning in background job	Comments
Instant Invoice	No	Error message displayed	
Print Invoice	Yes	Warning in Background Job	
Customer Invoice	No	Error message displayed	
Print Customer Invoices	Yes	Warning in Background Job	
Batch Print Customer Invoices	Yes	Warning in Background Job	
Project Invoice	No	Error message displayed	Release invoice
Project Invoices	Yes	Error message displayed	Release invoice
Batch Invoice (Project)	Yes	Warning in Background Job / Error in Batch Invoice Results	Release invoice

When processing multiple invoices, if there are one or more invoices that fail the validation, IFS Cloud will process the invoices that comply with the validation.

When the invoices are printed, sent, and emailed automatically (Customer order flow), IFS Cloud will raise the error message during the automatic flow.

4.5 Delimitations

N/A

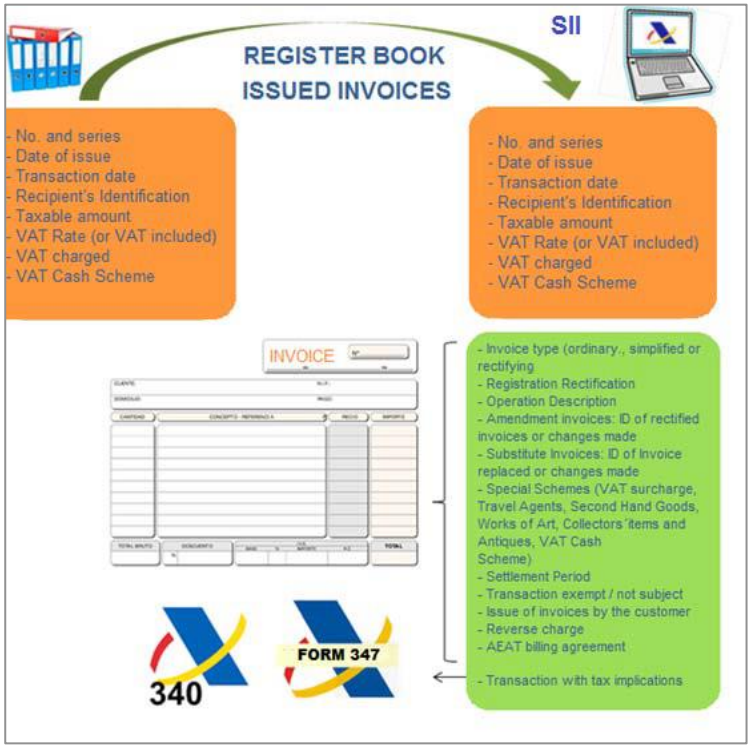
5 SII Reporting

5.1 Overview Legal Requirement

The Tax Agency in Spain has introduced a new VAT management system based on Immediate Supply of Information (SII). This means that all issued and received invoices must be reported to the Tax Agency in XML format. It should be done within four calendar days from the time an invoice was issued or registered. It is mandatory from July 1st, 2017 for 63000 tax payers in Spain.

The invoice information from the first half of 2017 should also be sent to the Tax Agency between July 1st and December 31st, 2017. In the future, no other tax reporting than SII reporting must be provided.

The Tax Agency provides the following web page for information about the SII reform: http://www.agenciatributaria.es/AEAT.internet/en_gb/SII.html
This is how the Tax Agency describes how issued invoices are handled:

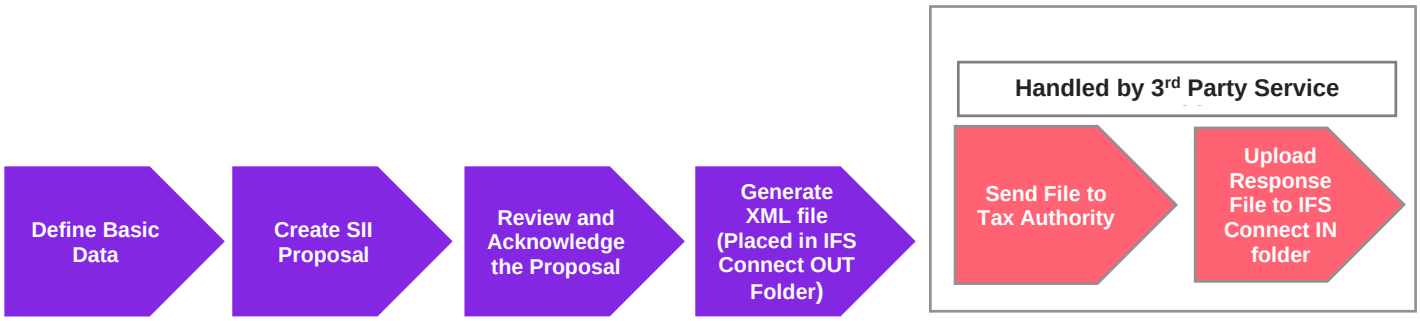


This is how the Tax Agency describes how received invoices are handled.

5.2 Solution Overview

- The following LCC parameter is introduced to support the requirement:
  - SII - Immediate Supply of Information
- Define Basic Data. Four new pages are available under the *Financials/Financial e-Reporting/SII Basic Data* folder.
  - ***SII Exemption Reasons***. This page is used to enter the reasons for tax exemption.
  - ***SII Invoice Types***. This page is used to enter types of invoices defined by the law.
  - ***SII Business Transaction Types.*** This page is used to enter the type of business transaction used on the invoice. It is defined separately for customer invoices and separately for supplier invoices.
  - **SII Building Locations***.* This page is used to enter the locations of the buildings defined by the law.
- Create SII proposals for either supplier or customer invoices. Review and acknowledge the proposal.
- Generate XML file containing customer or supplier invoices from the proposal. The file is placed in the IFS Connect Out Folder
- Use a 3rd party service provider to send the file to the tax agency and to upload the response file to IFS Connect in Folder
- The response file is automatically read, and the invoice status is updated.

5.3 Process Overview



5.4 Prerequisites

The company must be set up to use the Spanish localization, see the Company Set-Up chapter and the "SII - Immediate Supply of Information" functionality must be enabled.

Invoices must be posted, updated to the general ledger, and fetched to the tax ledger to be included in the SII reporting.

Check that different **Invoice Number Series** are used for "Instant Invoice"- and "Instant Invoice Correction" **Invoice Type**. (***Customer Invoice Type*** page)

5.5 Define Basic Data

5.5.1 SII BASIC DATA

Three new pages are available under the *Financials/Financial e-Reporting/SII Basic Data* folder. The following pages are available:

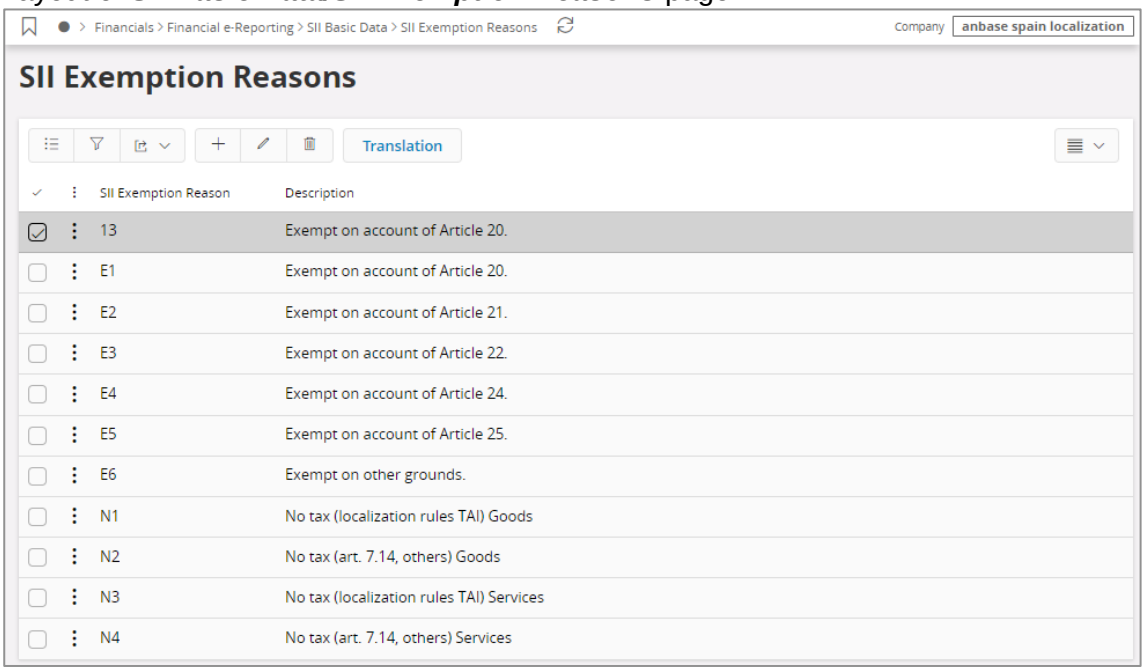
- ***SII Exemption Reasons***. This page is used to enter the reasons for tax exemption. It includes the following columns:
  - **SII Exemption Reason**: Code to be used in XML file.
  - **Description**: Description of the article applicable for the exemption.
- ***SII Invoice Types.*** This page is used to enter types of invoices defined by the law. It contains the following columns:
  - **SII Invoice Type**: Code to be used in XML file. Codes F1 and F6 are used for debit invoices, and codes R1..R5 are used for credit or correction invoices.
  - **Description**: Description of the invoice type – article of the law.
- ***SII Business Transaction Types.*** This page is used to enter the type of business transaction used on the invoice. It is defined separately for customer invoices and separately for supplier invoices. It contains the following columns:
  - **SII Business Transaction Type**: Code to be used in XML file.
  - **Description**: Describe the business transaction used on the invoice.
  - **Party Type**: Defines whether a given code is to be used on customer or supplier invoice.
- ***SII Building Locations.*** This page is used to enter the locations of the buildings defined by the law. It contains the following columns:
  - **SII Building Location:** Code to be used in XML file.

- **Description:** Description of the Building Location - article of the law

Default values will automatically be added from the company template “STD-ES”.

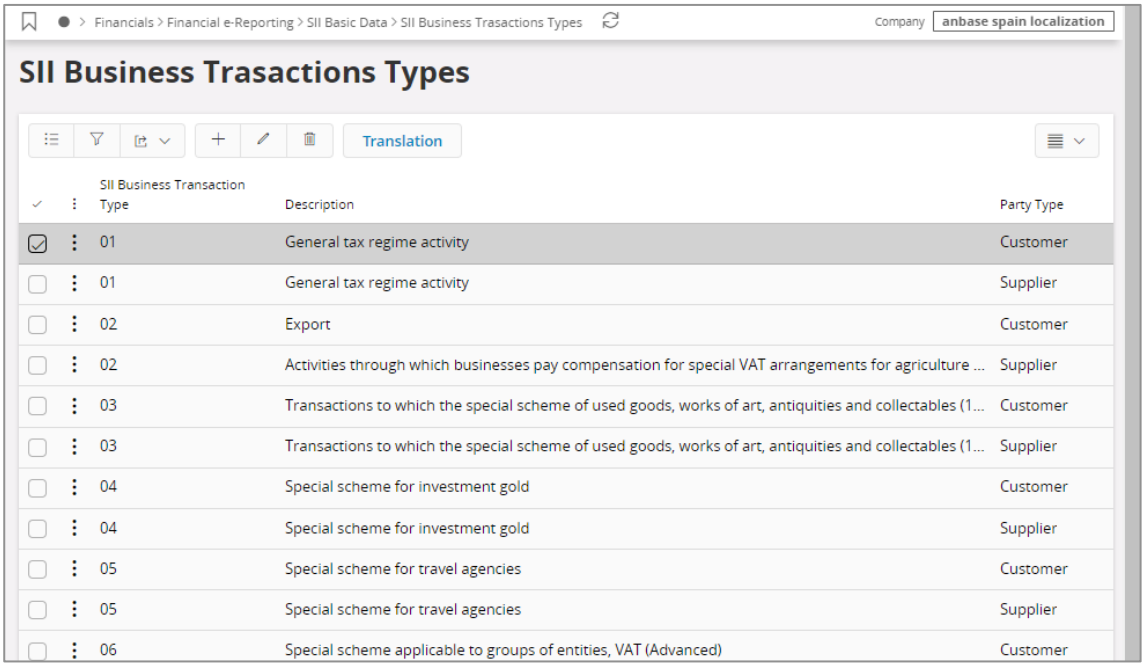
On each tab, there is the **Translation** command available which allows to translate of English descriptions to Spanish or other languages if needed.

Layout of ***SII Basic Data/SII Exemption Reasons*** page.



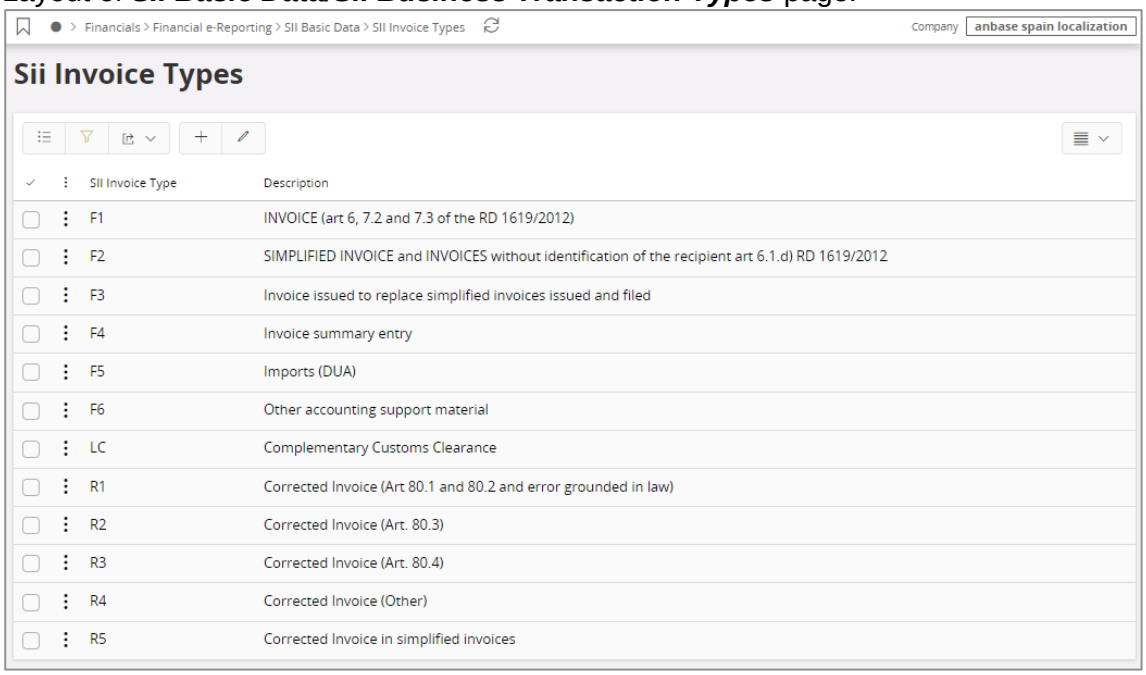
SII Exemption Reason	Description
13	Exempt on account of Article 20.
E1	Exempt on account of Article 20.
E2	Exempt on account of Article 21.
E3	Exempt on account of Article 22.
E4	Exempt on account of Article 24.
E5	Exempt on account of Article 25.
E6	Exempt on other grounds.
N1	No tax (localization rules TAI) Goods
N2	No tax (art. 7.14, others) Goods
N3	No tax (localization rules TAI) Services
N4	No tax (art. 7.14, others) Services

Layout of ***SII Basic DataISII Invoice Types*** page.



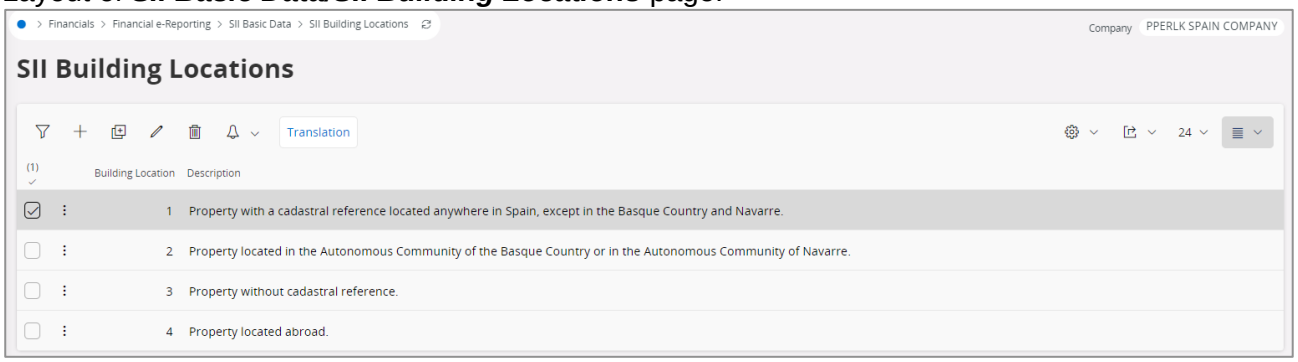
SII Business Transaction Type	Description	Party Type
01	General tax regime activity	Customer
01	General tax regime activity	Supplier
02	Export	Customer
02	Activities through which businesses pay compensation for special VAT arrangements for agriculture ...	Supplier
03	Transactions to which the special scheme of used goods, works of art, antiquities and collectables (1...	Customer
03	Transactions to which the special scheme of used goods, works of art, antiquities and collectables (1...	Supplier
04	Special scheme for investment gold	Customer
04	Special scheme for investment gold	Supplier
05	Special scheme for travel agencies	Customer
05	Special scheme for travel agencies	Supplier
06	Special scheme applicable to groups of entities, VAT (Advanced)	Customer

Layout of ***SII Basic Data/SII Business Transaction Types*** page.



SII Invoice Type	Description
F1	INVOICE (art 6, 7.2 and 7.3 of the RD 1619/2012)
F2	SIMPLIFIED INVOICE and INVOICES without identification of the recipient art 6.1.d) RD 1619/2012
F3	Invoice issued to replace simplified invoices issued and filed
F4	Invoice summary entry
F5	Imports (DUA)
F6	Other accounting support material
LC	Complementary Customs Clearance
R1	Corrected Invoice (Art 80.1 and 80.2 and error grounded in law)
R2	Corrected Invoice (Art. 80.3)
R3	Corrected Invoice (Art. 80.4)
R4	Corrected Invoice (Other)
R5	Corrected Invoice in simplified invoices

Layout of ***SII Basic Data/SII Building Locations*** page.

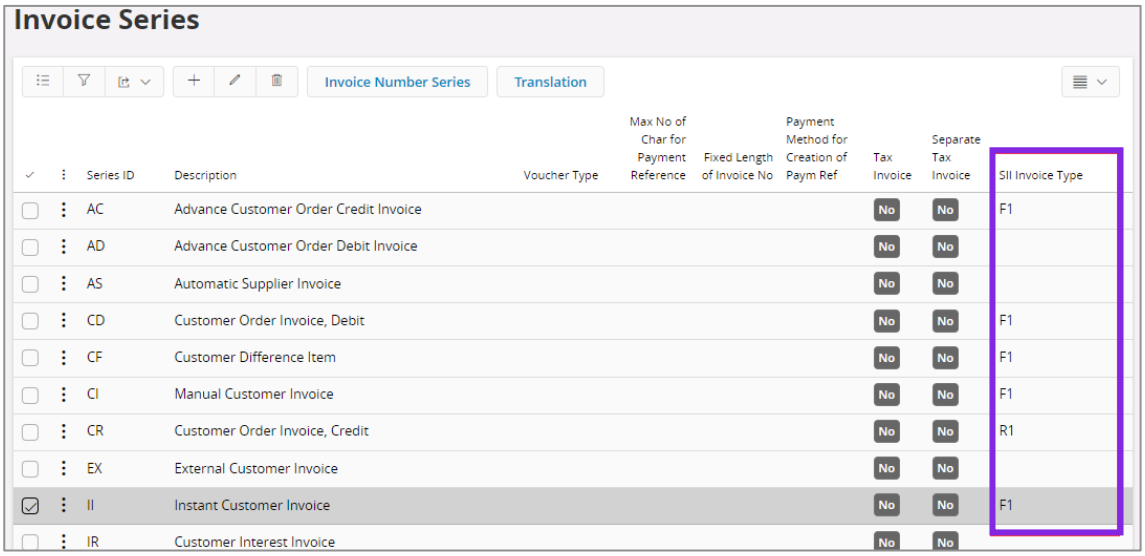


Building Location	Description
1	Property with a cadastral reference located anywhere in Spain, except in the Basque Country and Navarre.
2	Property located in the Autonomous Community of the Basque Country or in the Autonomous Community of Navarre.
3	Property without cadastral reference.
4	Property located abroad.

5.5.2 DEFINE INVOICE SERIES

A new column, **SII Invoice Type**, is added to the ***Financials/Customer Invoice/Basic Data/Invoice Series*** page.

This is used to connect SII invoice types to invoice series. The list of values and validation for the new column refer to the *SII Invoice Types* basic data described earlier. The codes starting with the letter “F” are used on debit invoices. The codes starting with the letter “R” are used on credit or correction invoices.

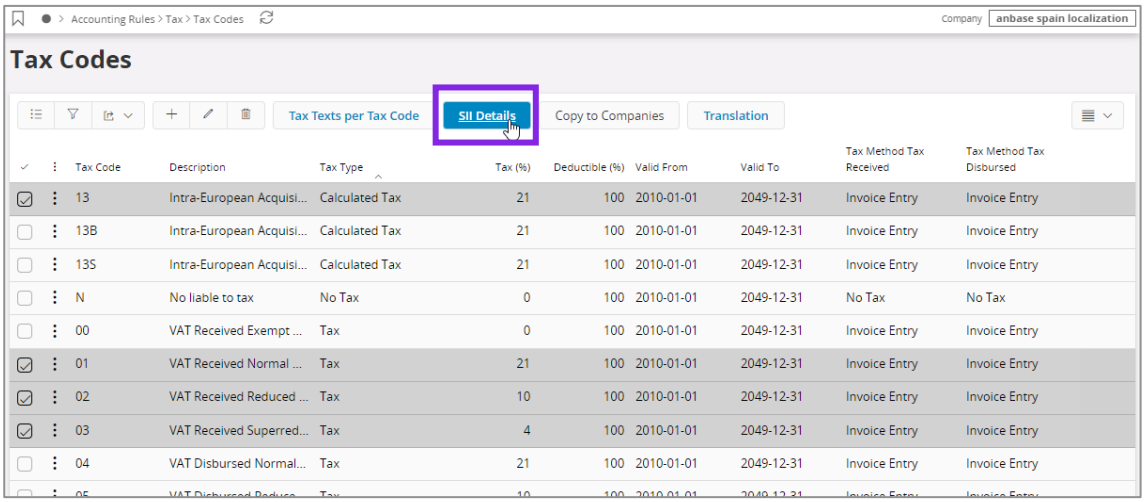


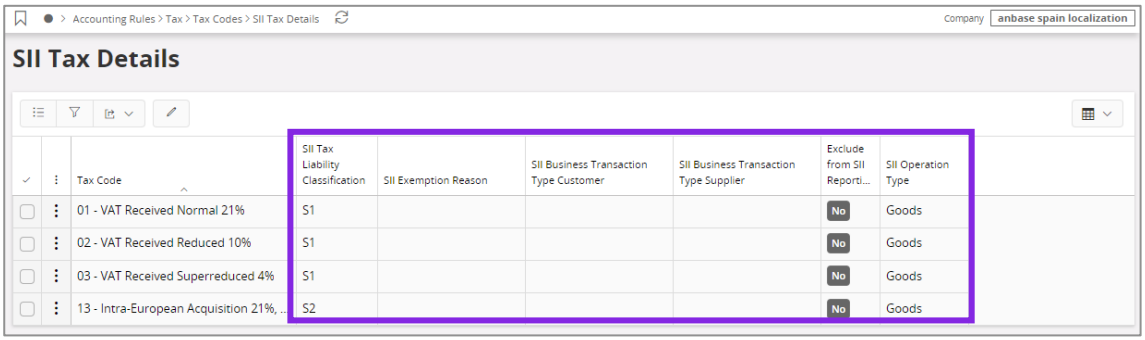
Series ID	Description	Voucher Type	Max No of Char for Payment Reference	Fixed Length of Invoice No	Payment Method for Creation of Paym Ref	Tax Invoice	Separate Tax Invoice	SII Invoice Type
AC	Advance Customer Order Credit Invoice					No	No	F1
AD	Advance Customer Order Debit Invoice					No	No	
AS	Automatic Supplier Invoice					No	No	
CD	Customer Order Invoice, Debit					No	No	F1
CF	Customer Difference Item					No	No	F1
CI	Manual Customer Invoice					No	No	F1
CR	Customer Order Invoice, Credit					No	No	R1
EX	External Customer Invoice					No	No	
II	Instant Customer Invoice					No	No	F1
IR	Customer Interest Invoice					No	No	

5.5.3 DEFINE TAX CODES

A new sub-page is added to the ***Accounting Rules/Tax/Tax Codes*** page. Select the tax codes that you would like to update and click the command “SII Details”:

- **SII Exemption Reason**: It is used for <CausaExencion> tag in XML files that are specified as SII exemption reasons, see above. It can only be specified on the tax code having a tax percentage equal to 0. To report NonVATable operations, tax codes having tax type “Tax”, tax percentage 0, and SII exemption reason NX (see above) should be used. The value of these operations is reported in the relevant <NoSujeta> section in the XML file.
- **SII Tax Liability Classification:** It is used to distinguish normal VAT-taxed sales (S1 code) from reverse charge cases when the buyer is responsible for VAT to the government (S2 code). It is a combo box with two values: S1, S2. This value is used for <TipoNoExenta> tag in the XML file.
- **SII Business Transaction Type Customer:** It will have LOV from SII Business Transaction Type having Party Type equal to “Customer”. This value is used for customer invoices for the tag <ClaveRegimenEspecialOTrascendencia> in the XML file.
- **SII Business Transaction Type Supplier:** It will have LOV from SII Business Transaction Type having Party Type equal to “Supplier”. This value is used for customer invoices for the tag <ClaveRegimenEspecialOTrascendencia> in the XML file.
- **Exclude from SII Reporting** – When selected, the invoice line containing this tax code will not be presented in SII XML.
- **SII Operation Type** – can be set to “Goods” or “Services. It is used when reporting sales to foreign customers. For goods block “Entrega” is created and for services block “PrestacionServicios”.

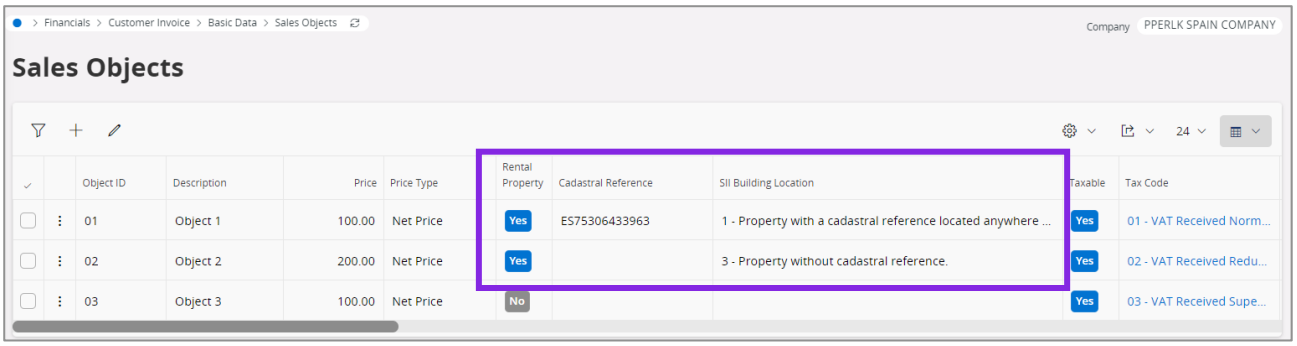




5.5.4 DEFINE SALES OBJECTS FOR RENTAL PROPERTIES

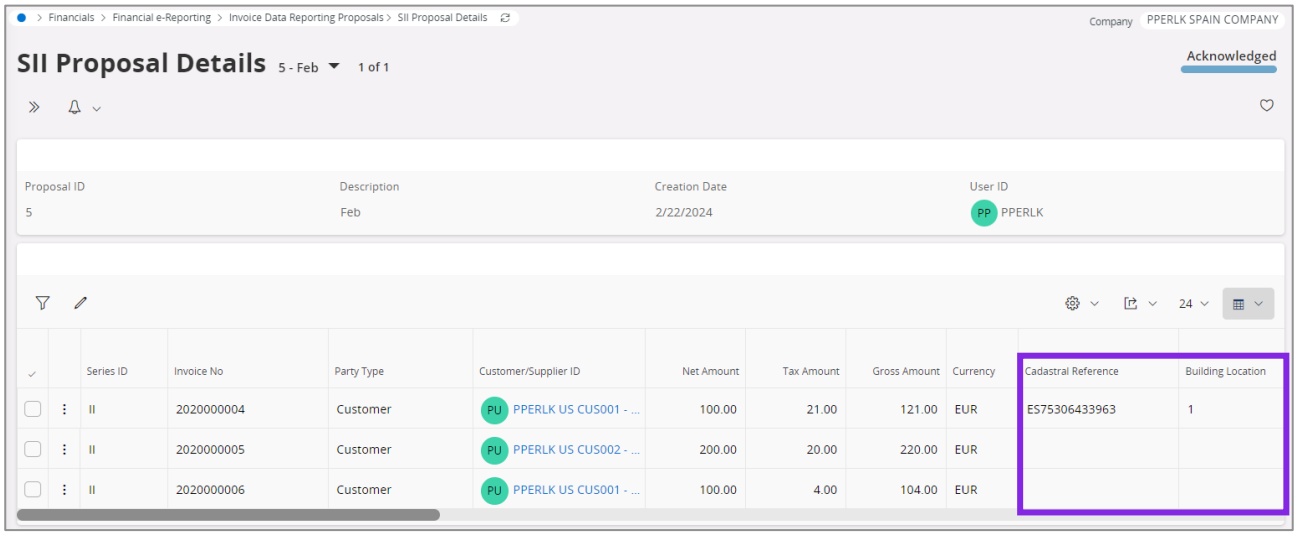
New columns **Rental Property**, **Cadastral Reference,** and **SII Building Location** are added to the ***Financials/Customer Invoice/Basic Data/Sales Object*** page to identify rental properties of the company. Users can enable the rental property toggle if the specific Sales Object is a rental property. Enabling the toggle would make the Building Location field mandatory and the Cadastral Reference field optional.

The Cadastral Reference field is limited to a character length of 25 characters. SII Building Location field values are available via an LOV from the values entered in the ***SII Building Location*** page.



Further, a warning message is introduced when a Cadastral Reference is duplicated.

Values for the two new fields will get fetched automatically to the ***SII Proposal Detail*** page when an Instant Invoice is created with a Sales Objects (Rental Property) with a tax code connected with either **12** or **13** for **SII Business Transaction Type Customer** in the ***Accounting Rules/Tax/Tax Codes/SII Tax Details*** *page.*

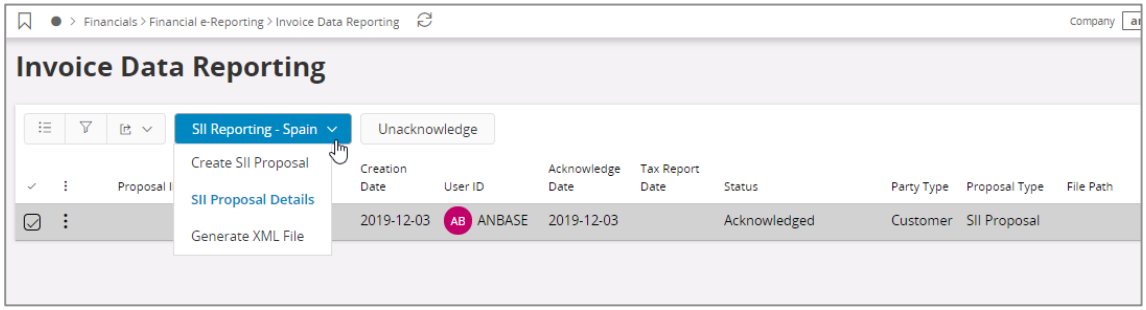


Please see Chapter 11 Appendix SII XML Mapping Structure for more details.

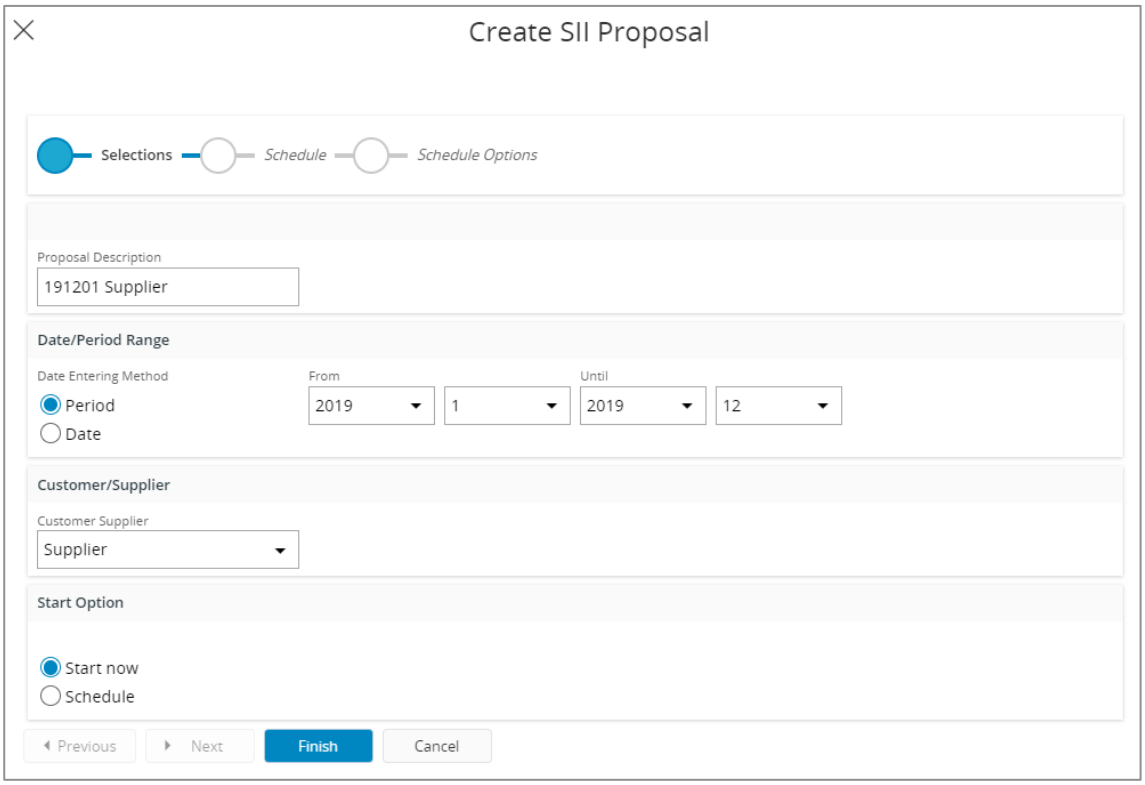
5.6 Create SII Proposal

SII proposal is created from the ***Financials/Financial e-Reporting/Invoice Data Reporting*** page. Depending on the status of the proposal, the command **SII Reporting – Spain** contains three options:

- Create SII Proposal
- SII Invoice Tax Details
- Generate XML File



Select the command **Create SII proposal** to create a new proposal. The following dialog is then opened.

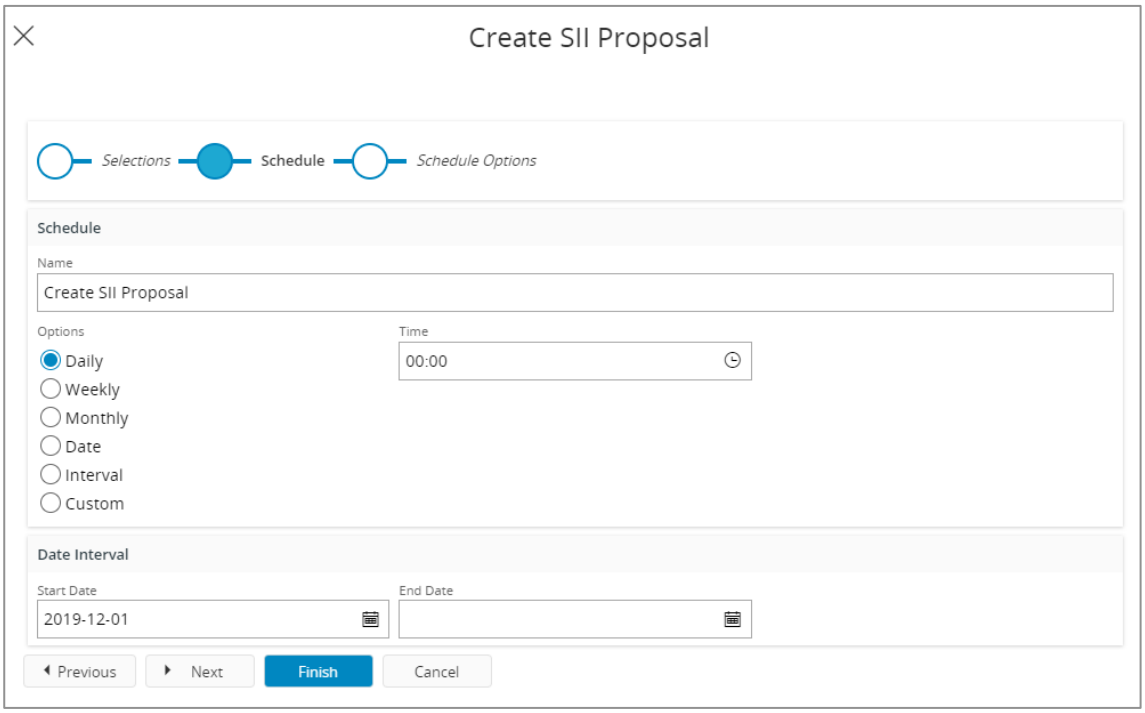


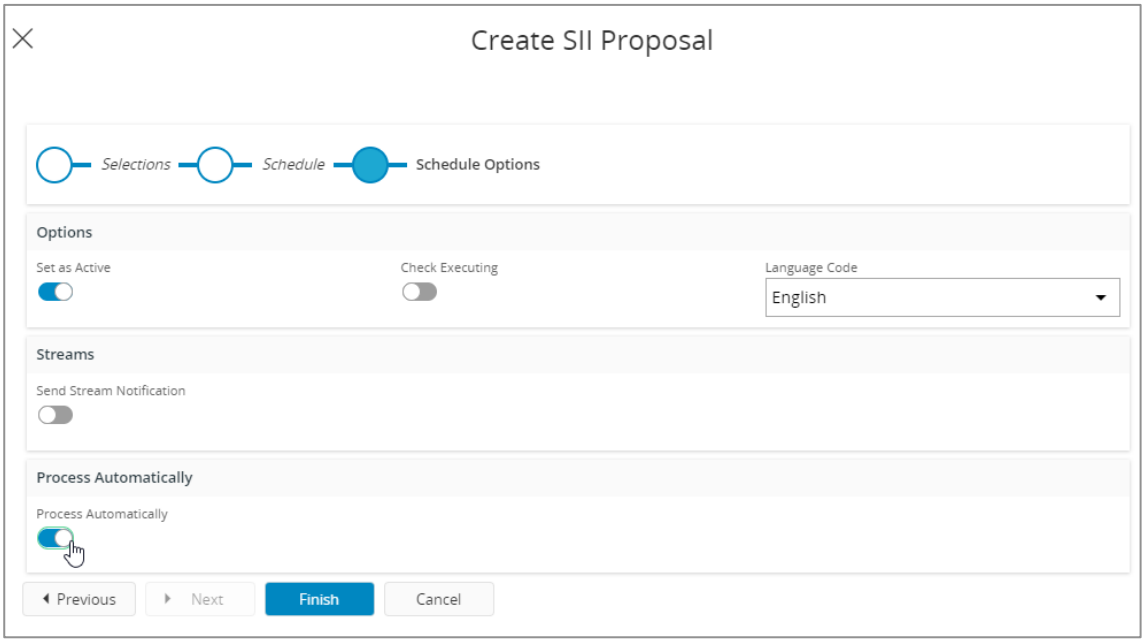
Add a description to the proposal, set a range for which invoices to be included, and select if the proposal should include customer or supplier invoices. The invoice must meet the following criteria to be included in the proposal:

- Invoice is posted
- Invoice voucher is transferred to GL
- Fetch Tax Ledger Info should be performed
- Invoice Voucher Date is within a specified date or period range
- The tax code used has the tax type “Tax”
- The invoice is not included in other proposal of type “SII Proposal” in this company.

5.6.1 SCHEDULE TASK FOR SII PROPOSAL CREATION

Select **Schedule** and click **Next** in the *Create SII Proposal* assistant to define the rules and settings for the automatic creation of SII proposals.





If the **Process Automatically** switch is turned on. Then the proposal will be acknowledged, and the XML file automatically be created once the proposal is created.

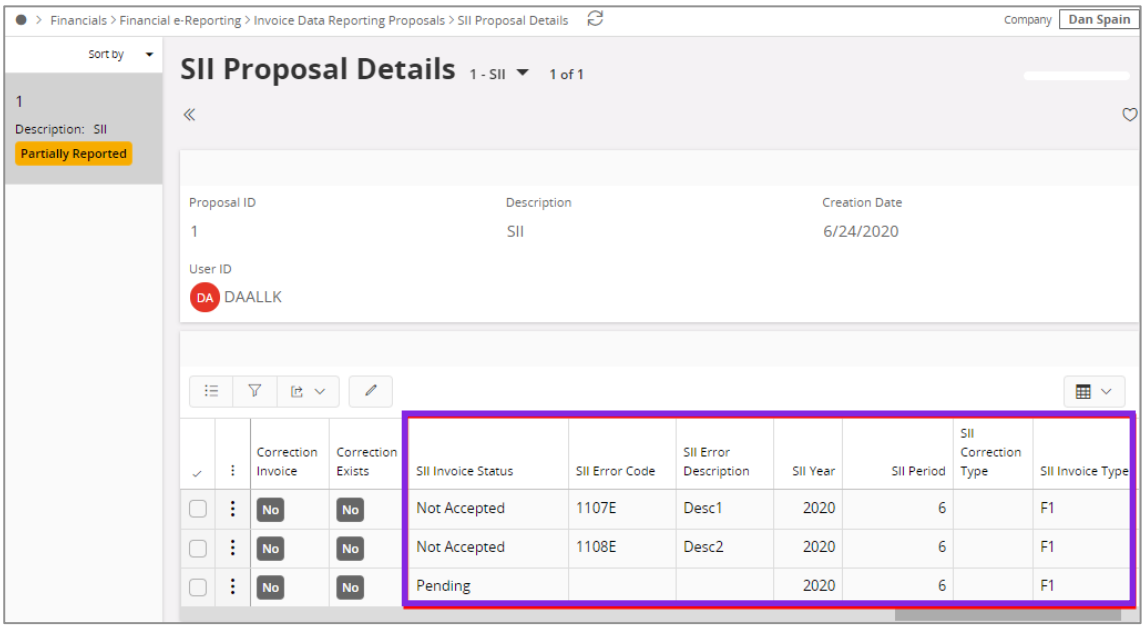
If there are errors, then the error message will be displayed in the background job. Correct the error and generate the XML manually from the proposal.

5.7 Review and acknowledge proposal

Use the command **Proposal Details** to view invoices included in the proposal. The ***SII Proposal Details*** page is opened with the details of the proposal.

In the header part of the page, you can see the following fields: **Proposal ID**, **Description**, **Creation Date**, **User ID** and **Proposal Status**.

In the detail part of the page you can see basic information about the invoice such as invoice number, invoice date, gross amount, net amount, tax amount, and others. We can also see information specific to SII reporting displayed in the: **SII Invoice Status**, **SII Error Code**, **SII Error Description, SII Year, SII Period, SII Correction Type** columns.



The **SII Invoice Status**, **SII Error Code** and **SII Error Description** columns are set automatically when the response file is uploaded and are not editable.

The **SII Year and SII Period** columns are set automatically based on the tax liability date of the invoice. They are not editable.

The **SII Correction Type** column is a combo box with two values: “S” and “I”. It is automatically set to “S” for correction invoices. It is automatically set to “I” for credit invoices created from customer order flow with invoice types CUSTORDCRE and CUSTCOLCRE. For other credit invoices and for credit supplier invoices user should set the value manually to “I”.
The SII correction type is only possible to edit manually when the proposal is in status “Created” and SII Invoice Status is equal to “Not accepted” or “Accepted with errors”.

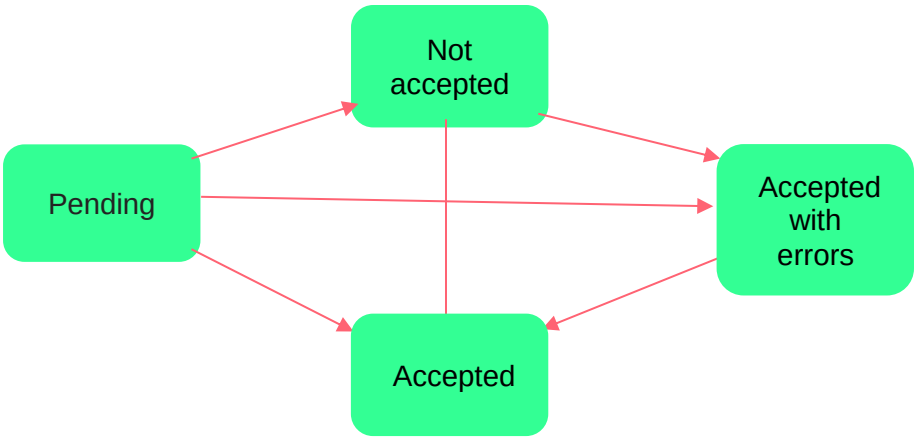
It is possible to remove invoices from the SII proposal when the proposal status is “Created”. It is also possible to remove the whole proposal and create it again.

5.7.1 SII INVOICE STATUS

The **SII Invoice Status** columns indicate the status of the invoice with the SII perspective. The following statuses are used:

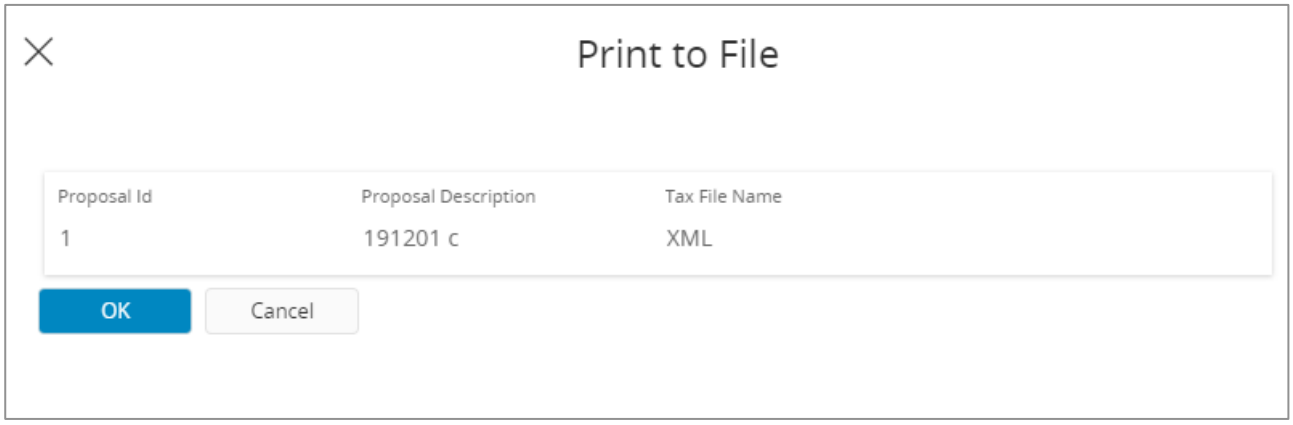
- “Pending” is set when the invoice is included in the proposal.
- “Not accepted” corresponding to “Incorrecto” in the response file
- “Accepted with errors” corresponding to “AceptadoConErrores” in the response file
- “Accepted” corresponding to “Correcto” in response file

See below for all possible statuses and transitions:



5.8 Generate XML File

When the proposal is acknowledged, select the command **Generate XML File**. The dialog below will be displayed.



10,000 invoices can be included in one XML file. If there are more invoices a separate file will be created for each 10 000. Communication type in tag <TipoComunicacion> informs SII web service whether the new invoice is reported (A0) or it is an amendment for an invoice reported earlier (A1). It will be set to A0 for the first XML file generated for the proposal.

The file will be created in the outgoing folder defined in the IFS Connect setup. Read more about IFS Connect in IFS Cloud technical documentation.

5.8.1 REPORTING OF NO-TAX OPERATIONS

NonVATable customer operations (invoice amounts) are reported in the SII XML file in three relevant <NoSujeta> sections:

1. Section for **Spanish customer: goods or services**, grouped by Exemption Reason (under the respective tag, depending on exemption reason)
2. Section for **foreign customer**, **services**, grouped by Exemption Reason (under the respective tag, depending on exemption reason)
3. Section for **foreign customer**, **goods**, grouped by Exemption Reason (under the respective tag, depending on exemption reason)
4.

These kinds of operations are included in SII and reported in XML files only if the tax code used on the customer invoice has tax type: “Tax”, 0 percentage and SII exemption reason “N1”, “N2”, “N3” or “N4”.

5.9 Send XML File to Tax Authority

The customer is responsible for sending the generated XML file to tax authorities.

The response file, received in XML format, which contains a status for each invoice reported can be uploaded into IFS Cloud. You can analyze an updated SII status and based on it, take required actions toward invoices contained in the SII.

5.10 Upload Response File to IFS Cloud

The response file received from the SII web service must be uploaded to the IFS Cloud. This is done by placing the file in the IN folder defined in the IFS Connect setup. Read more about IFS Connect in IFS Cloud technical documentation.

The file is read automatically and the SII invoice status, error code, and description are set for each invoice included in the proposal. Possible values for the SII invoice status are:

- “Accepted”, in Spanish “Correcto”
- “Accepted with errors”, in Spanish “AceptadoConErrores”
- “Not accepted”, in Spanish “Incorrecto”.

5.10.1 SII Proposal Status

The SII proposal status will be changed from “Acknowledged” to “Reported” or “Partially Reported” when the response file is uploaded to the application. When all invoices in the proposal receive the status “Accepted” then the status of the proposal is changed to “Reported”. If there are invoices in the status “Not accepted” or “Accepted with errors” then the status of the proposal is set to “Partially Reported”.

Note:
In fetching the supplier details not only the company and tax id number parameters will be validated, but the response received for the supplier when uploaded to the IFS Cloud, will be validated based on the Company, Tax ID Number, Invoice Number and Invoice Date.

Limitation: The following scenario will not be supported

More than one supplier is defined with the same Tax ID Number, and if more than one invoice with the same invoice date for these different suppliers exist.

5.11 Handle Errors

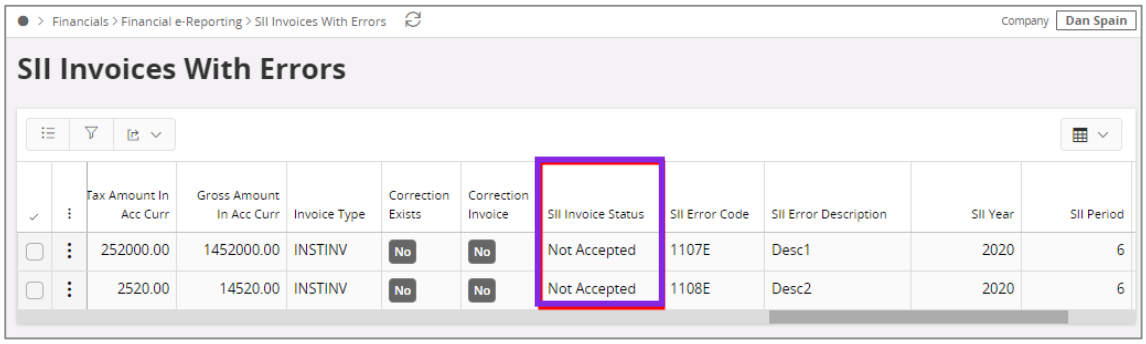
In case the SII proposal receives the status “Partially Reported” then there are invoices with the status “Not accepted” or “Accepted with errors”. Change the basic data used by the not accepted invoices and generate a new XML file for the proposal. Invoices with the status “Accepted” will not be included in the new file.

A separate XML file for invoices in the state “Accepted with errors” will be created with **Communication Type** “A1". Such invoices have present records in the SII database. This XML is to update that record with new data.

A separate XML file for invoices in the state “Not accepted” will be created with **Communication Type** “A0”. Such invoices do not have a record in the SII database.

5.11.1 ANALYSIS PAGE FOR ERRORS IN REPORTING

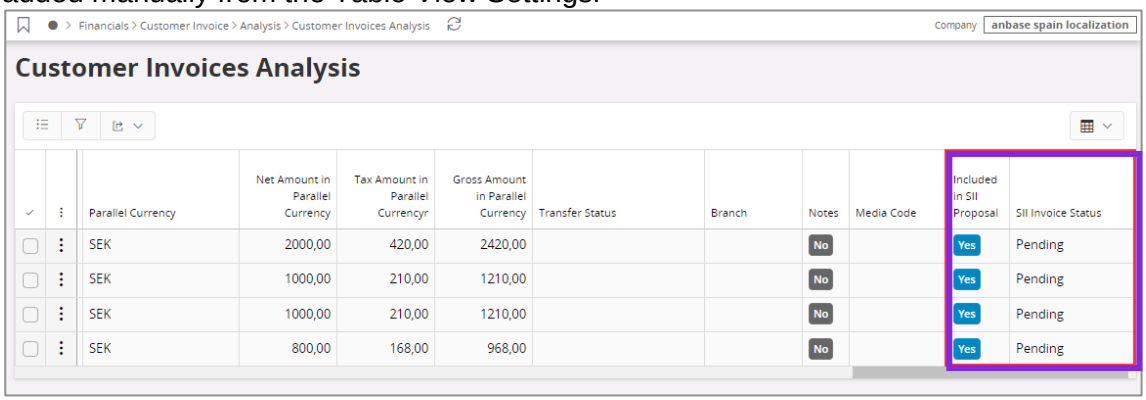
A new page ***SII Invoices with Errors*** is created to present invoices with **SII Invoice Status** equal to “Not Accepted” or “Accepted with errors”.



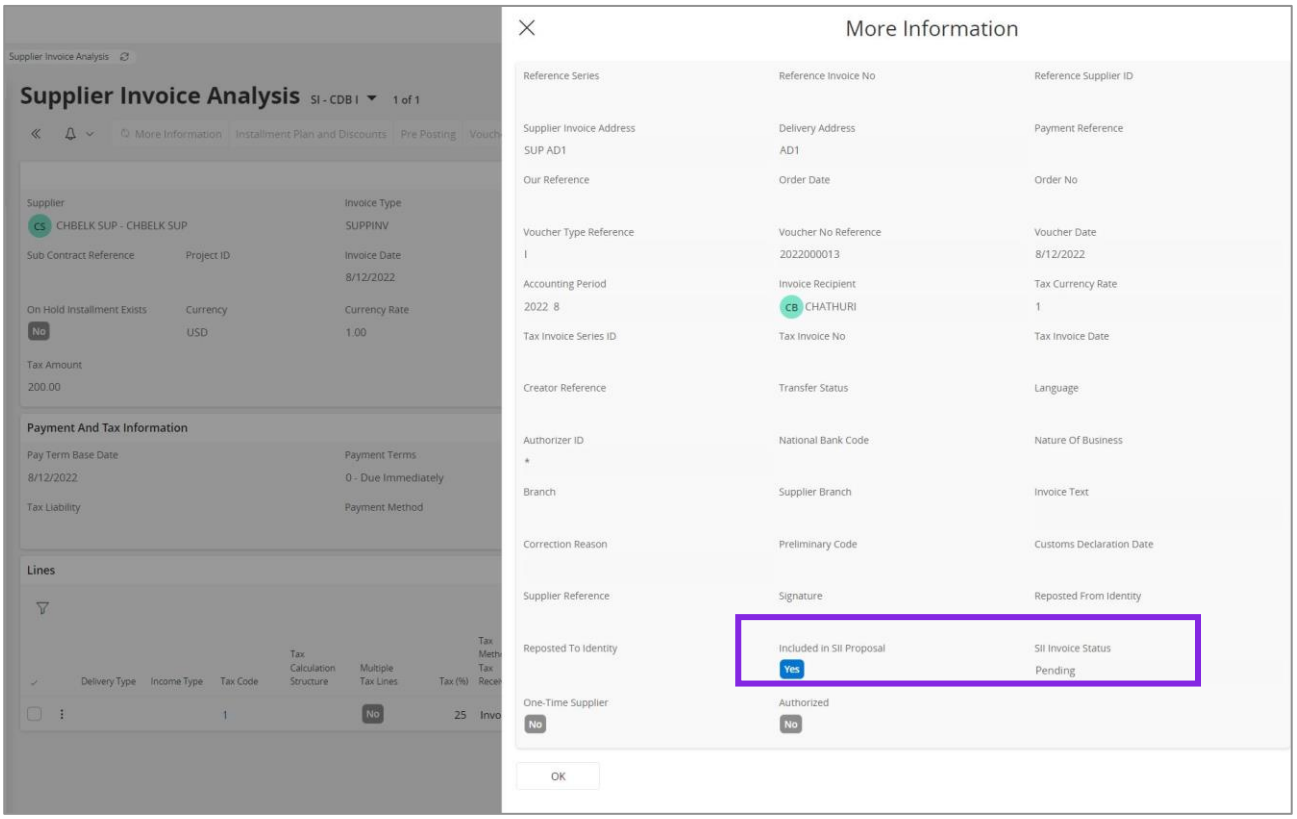
Tax Amount In Acc Curr	Gross Amount In Acc Curr	Invoice Type	Correction Exists	Correction Invoice	SII Invoice Status	SII Error Code	SII Error Description	SII Year	SII Period
252000.00	1452000.00	INSTINV	No	No	Not Accepted	1107E	Desc1	2020	6
2520.00	14520.00	INSTINV	No	No	Not Accepted	1108E	Desc2	2020	6

5.12 Analysis

To help the user control that all invoices have been reported to SII. The columns **Included in SII Proposal** and **SII Invoice Status** are added to the ***Customer Invoices Analysis*** and ***Supplier Invoice Analysis*** pages (***More Information*** tab). Please note that the columns might have to be added manually from the Table View Settings.



Parallel Currency	Net Amount in Parallel Currency	Tax Amount in Parallel Currencyr	Gross Amount in Parallel Currency	Transfer Status	Branch	Notes	Media Code	Included in SII Proposal	SII Invoice Status
SEK	2000,00	420,00	2420,00			No		Yes	Pending
SEK	1000,00	210,00	1210,00			No		Yes	Pending
SEK	1000,00	210,00	1210,00			No		Yes	Pending
SEK	800,00	168,00	968,00			No		Yes	Pending



5.13 Delimitations

The following message types will not be supported:

- Capital Assets Ledger
- Specific intra-community transactions ledger
- Collections in Cash
- Insurance Activities
- Supply of collections for Invoice Issued
- Supply of payments for Invoice Received

Supplier invoice cancellation is not handled in the flow of SII reporting. If a record in the SII database should be removed or updated (when a new supplier invoice is entered with the same number) then it should be done manually outside of IFS Cloud.

Users can enter multiple invoice lines connecting multiple Sales Objects in the Instant Invoice but when it comes to fetching the Cadastral Reference and Building location values to the ***SII Proposal Details*** page, it will always fetch values from the Sales Object connected with the first invoice line of the invoice.

6 TicketBai Invoicing in Spain (Basque Region)

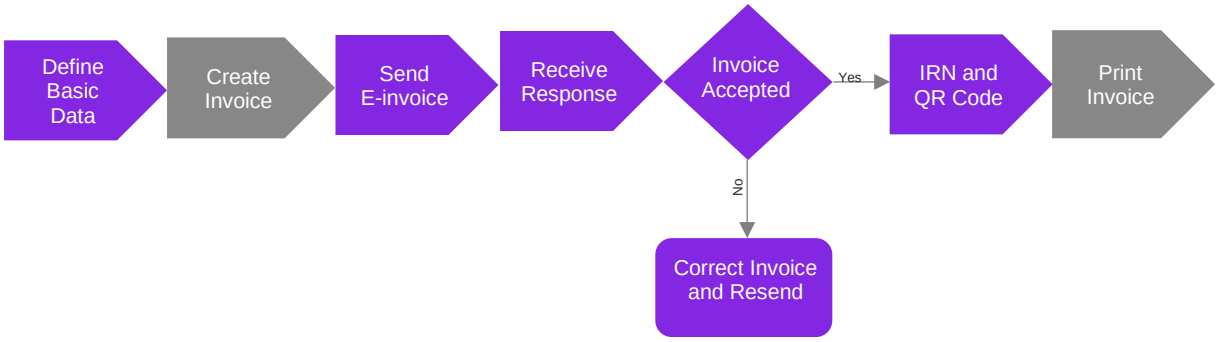
6.1 Overview of the Legal Requirement

TicketBAI is a shared project by the Regional (Provincial) Finance Authorities and the Basque Government to implement a series of legal and technical obligations regarding taxpayers' invoicing software. It will enable the tax authorities to monitor taxpayers' business income, particularly in sectors that deliver goods or perform services to end consumers that are largely paid for in cash.
Two of the main goals of the Basque authorities are to assist taxpayers in fulfilling their fiscal obligations and to combat tax fraud, thus ensuring that everyone contributes to public spending according to their financial means. The TicketBAI project is one of the most innovative elements in the field of assistance and monitoring of taxpayers with businesses. It aims to ensure that all transactions conducted by individuals and organizations in business are properly declared and draws on the experience of other countries in the region.

All invoicing software used to implement TBAI requirements must follow the process detailed below each time an invoice is issued:

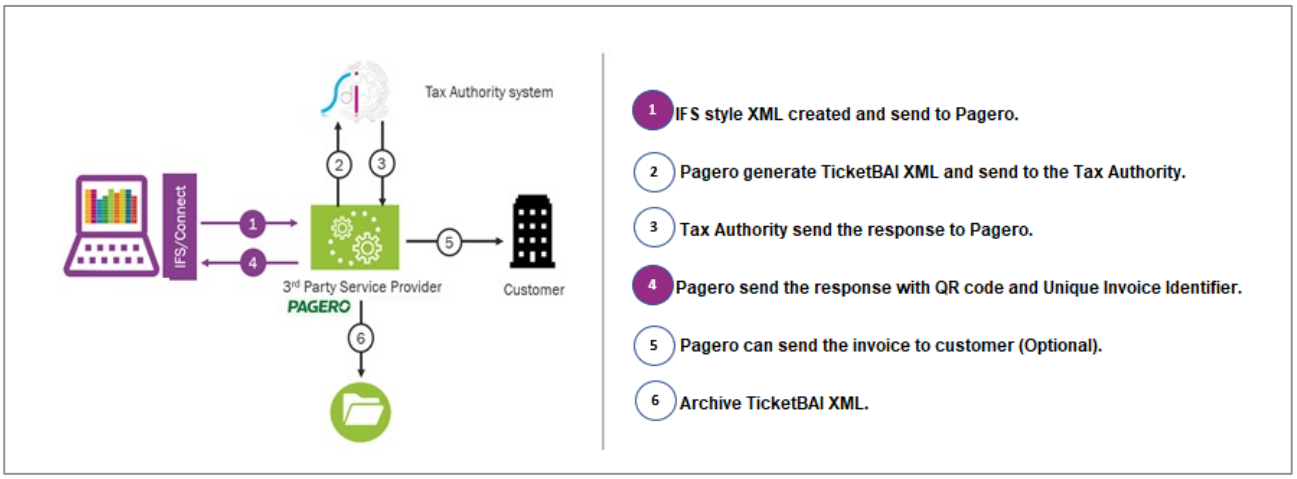
- An XML file must be generated that matches the design and content of the TBAI format schema. This file will be known as the TBAI file.
- The TBAI file must be electronically signed.
- The invoice image may be generated either physically or in electronic format. The invoice image must include QR Code and the Unique Invoice Identifier which is generated using the content of the signature of the TBAI file.
- The procedure MUST be in the following order: generation of the TBAI file; digital signing of the file; generation of the image on paper or in electronic format.

6.2 Process Overview



6.3 Solution Overview

The solution is based on IFS eInvoice which is using a 3rd party service provider to handle the communication of invoice information. The solution has been developed in cooperation with the IFS partner Pagero. The service provider is needed to transform the IFS style invoice file to the required format and to transform the response file to an IFS-style format.



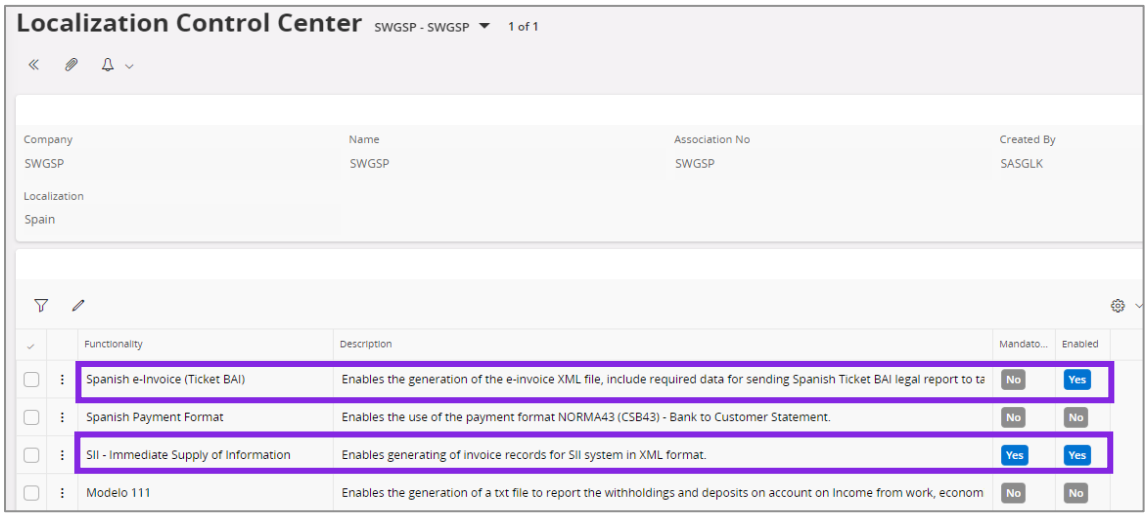
TicketBAI XML development is supported in all Live Invoices including Instant Invoices, Project Invoices, and Customer Order Invoice categories.
To fulfill these requirements of TicketBAI XML, the following tags are added to the IFS XML file.

TBAI Requirement	Mandatory/Optional	New tag introduced by IFS
Invoice Series	Optional	ESInvoiceSeries
Tax Point Date	Optional	ESTaxPointDate
Invoice Description	Mandatory	ESInvoiceDescription
ID Number	Conditional	ESIdNumber
Codes of VAT regime, codes, and taxable transactions	Mandatory	ESVatCode
VAT Withholding	Optional	ESVatWithholding
TAX Base at Cost	Optional	ESVatBaseAtCost
VAT Type	Mandatory	ESVAatType
VAT Exemption Reason Code	Conditional	ESVatExceptionReasonCode

6.4 Prerequisites

Following basic data set up needs to be done to enable the TicketBai Invoicing method.

The company must be set-up to use Spanish Localization, and both the ***SII - Immediate Supply of Information*** parameter and ***Spanish e-invoice (TicketBAI)*** parameter need to be enabled under the Localization Control Center.



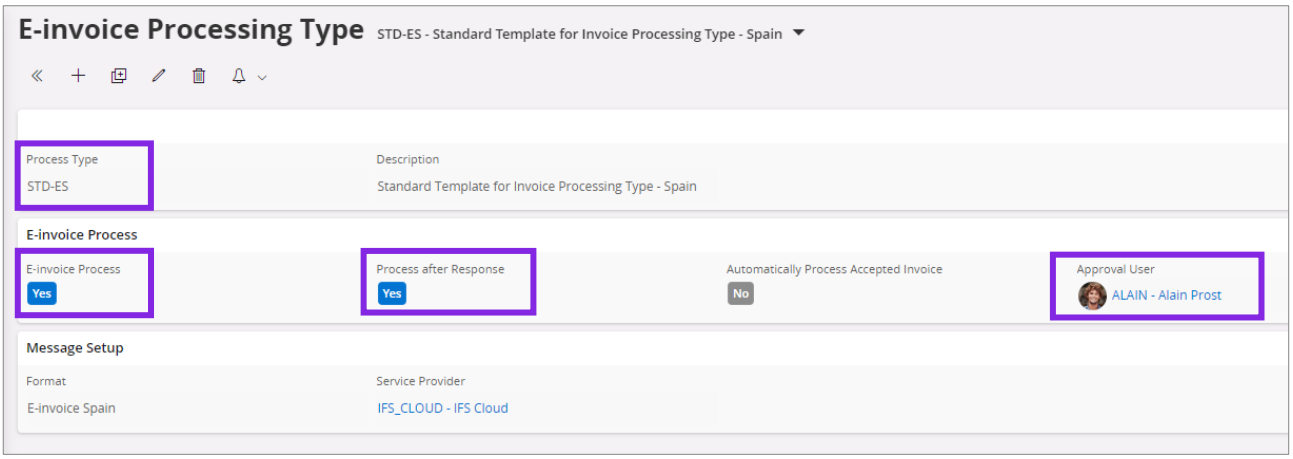
6.5 Basic Data Setup

Define the following basic data:

- Connect ***Process Type*** to ***Company*** and/or ***Customer*** Page.
- Routing rule and address for sending and receiving.

6.5.1 NEW PROCESS TYPE

A new Process type STD-ES has been introduced to handle the compliance process facilitating the mandatory e-invoice process.



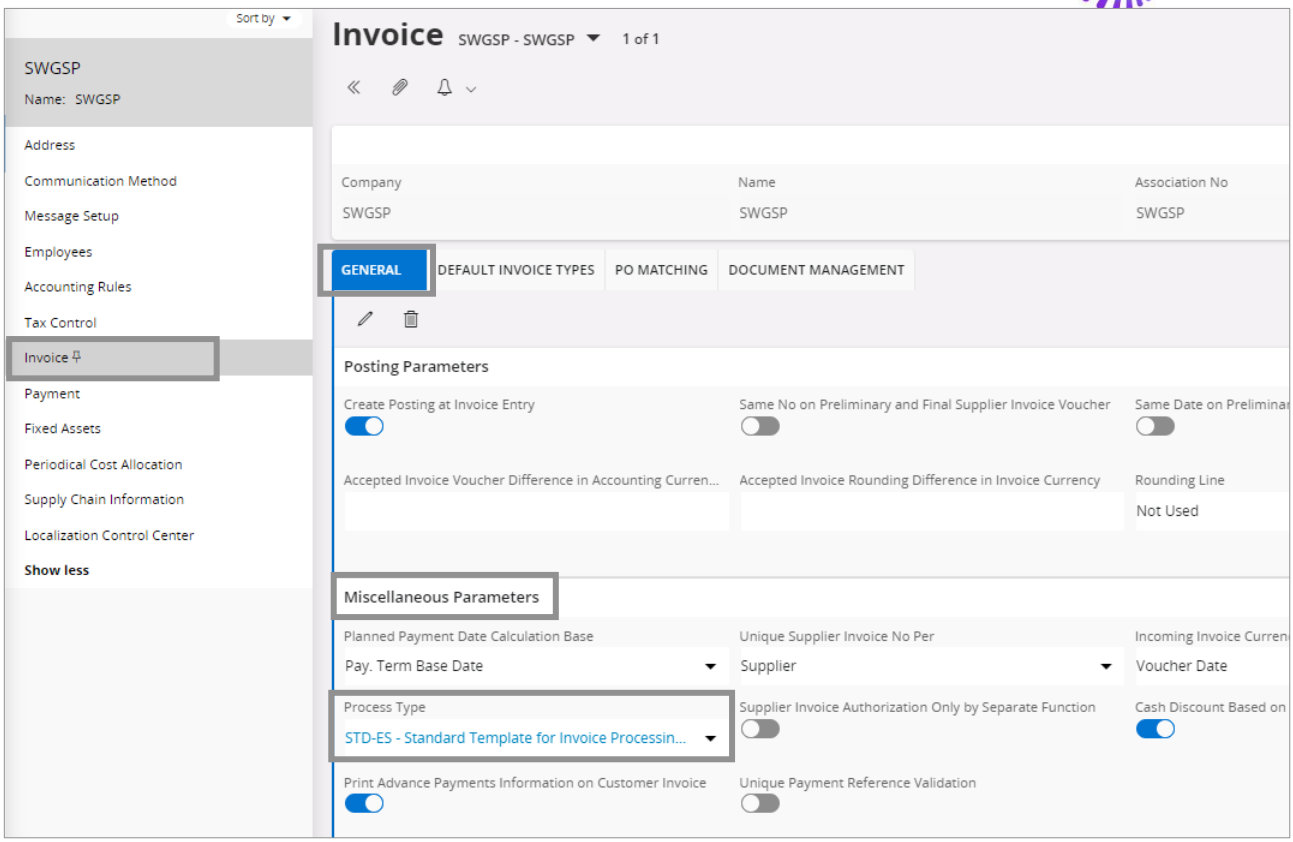
A new process type could be defined by the user with the parameters set as below:

- E-invoice Process = Yes
- Process after Response = Yes
- Format = E-invoice Spain
- Approval User needs to be added.

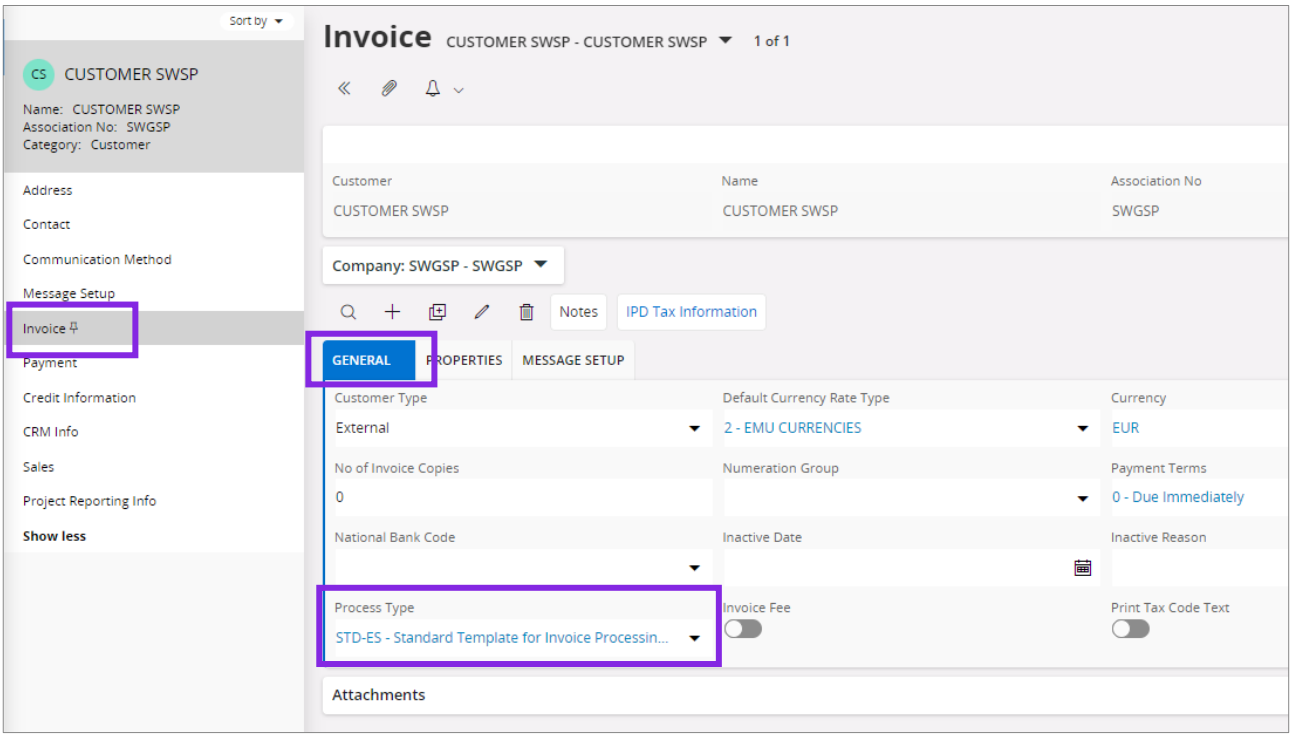
Format E-invoice Spain is added to distinguish the Spanish XML schema used for the generation of invoice files sent to the Tax Authority with mandatory E-invoice tags of Spanish TBAI from the standard XML schema.

6.5.2 E-INVOICE SETUP

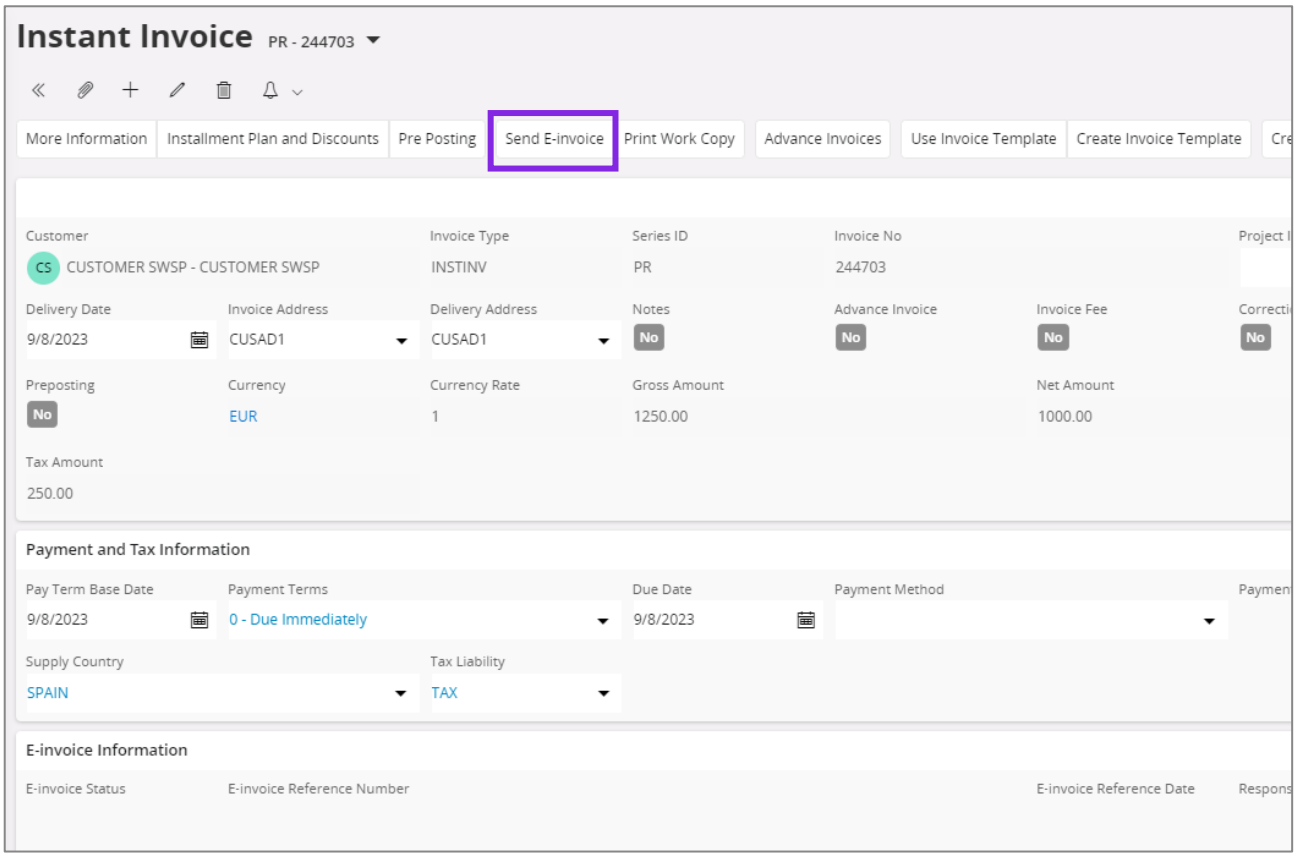
The user needs to connect the ***Process Type*** in the Company and/ or in the ***Customer*** page.
Basic data set up in ***Company*** Page/ ***Invoice /General*** tab/Miscellaneous Parameters



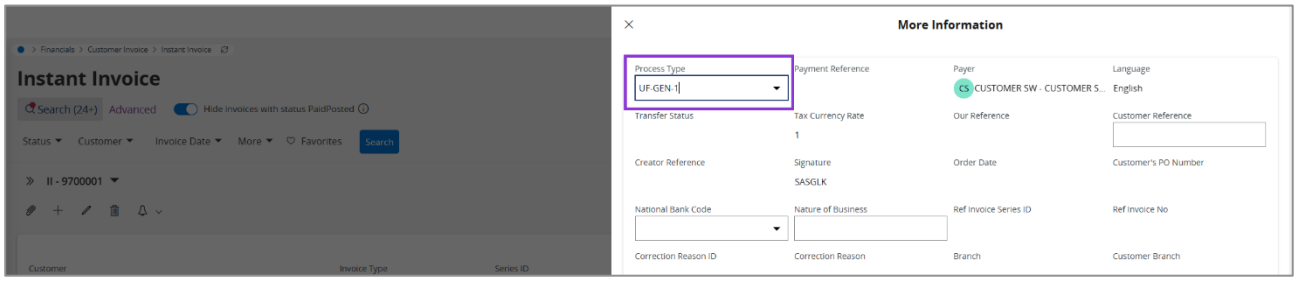
Basic data is set up in the ***Customer*** Page/ ***Invoice /General*** tab.

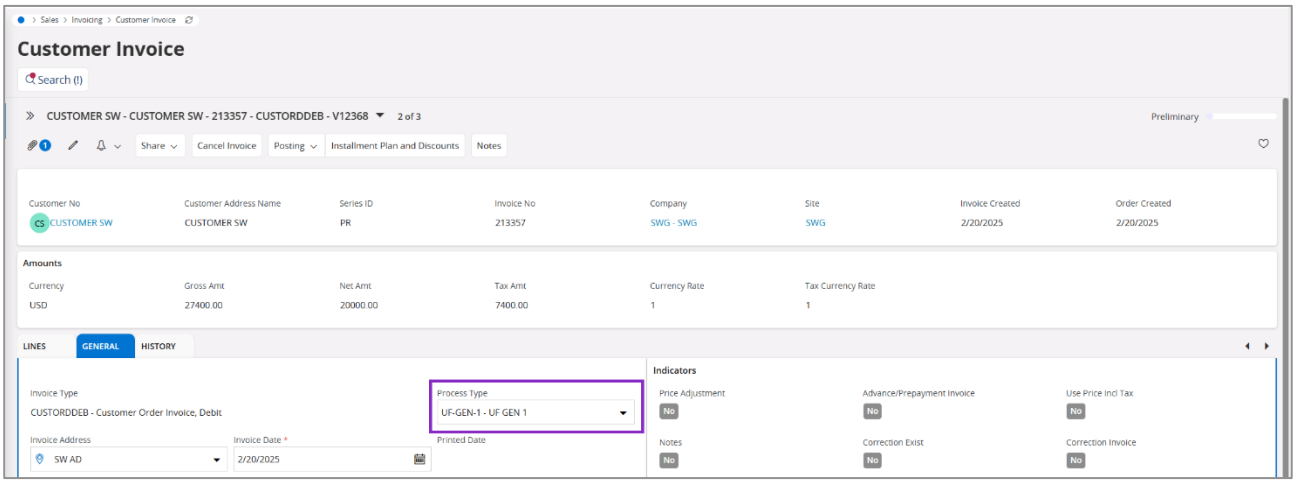


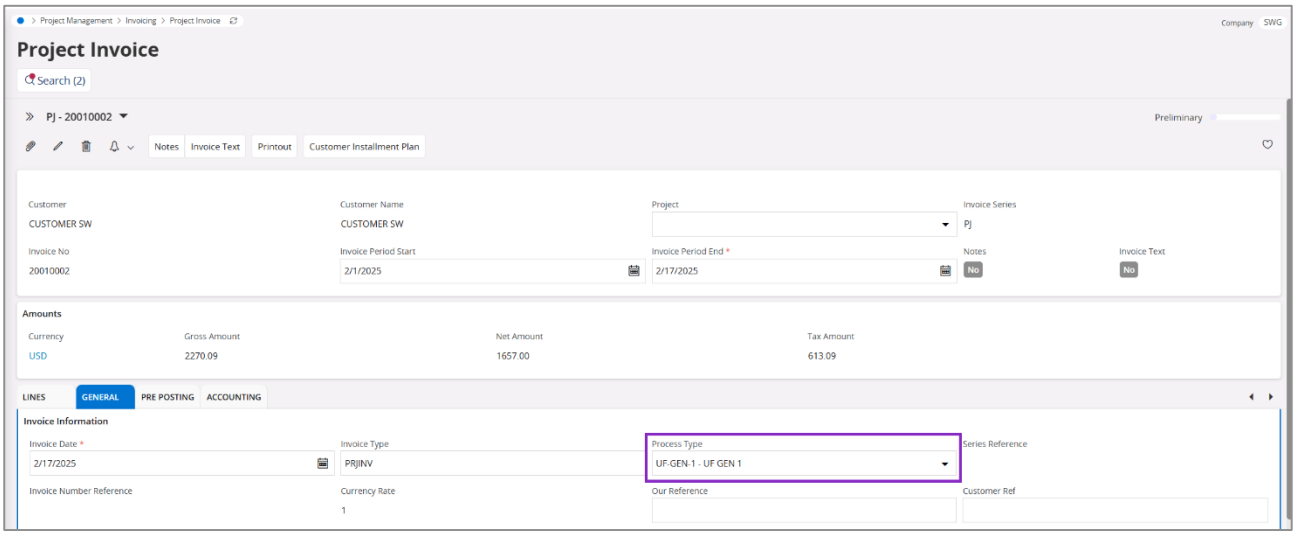
To have the **Send E-invoice** command enabled in ***Instant Invoice***, ***Customer Invoice***, ***Project Invoice***, ***Print Invoice***, ***Print Customer Invoices***, ***Project Invoices,*** *and* ***Batch Print Customer Invoice*** pages. Pages it requires to connect the above-defined process type in the ***Company***/***Customer*** page.



It is also possible to modify the process type at the invoice level (Instant Invoice/Customer Order Invoice/Project Invoice) when it is connected to the Company or Customer. In such cases, the system will automatically fetch the process type associated with the Company or Customer. Priority is given to the customer-level process type. This functionality enables the exclusion of non-liable invoices from being sent to Tax Authorities by selecting a process type that is not enabled for "**E-invoice Process**" at the invoice level.







6.5.3 ROUTING RULE AND ROUTING ADDRESS SETUP

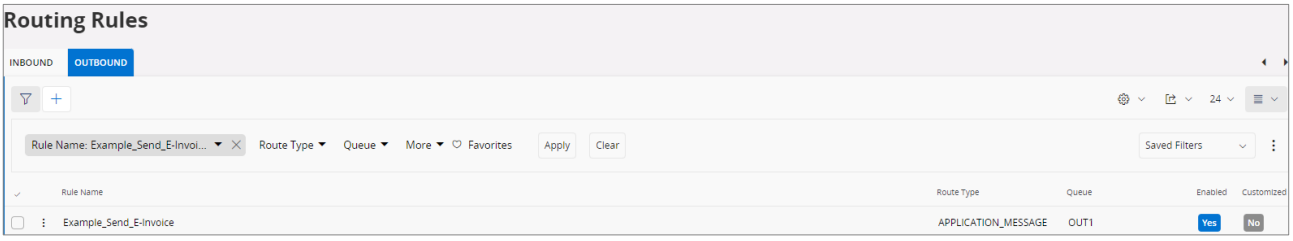
The Routing rules and routing addresses depicted below are only examples provided in the application and must be customized according to the user's localization requirement (It should be noted they are not enabled by default. The User is required to enable if required).

6.5.3.1 Sending

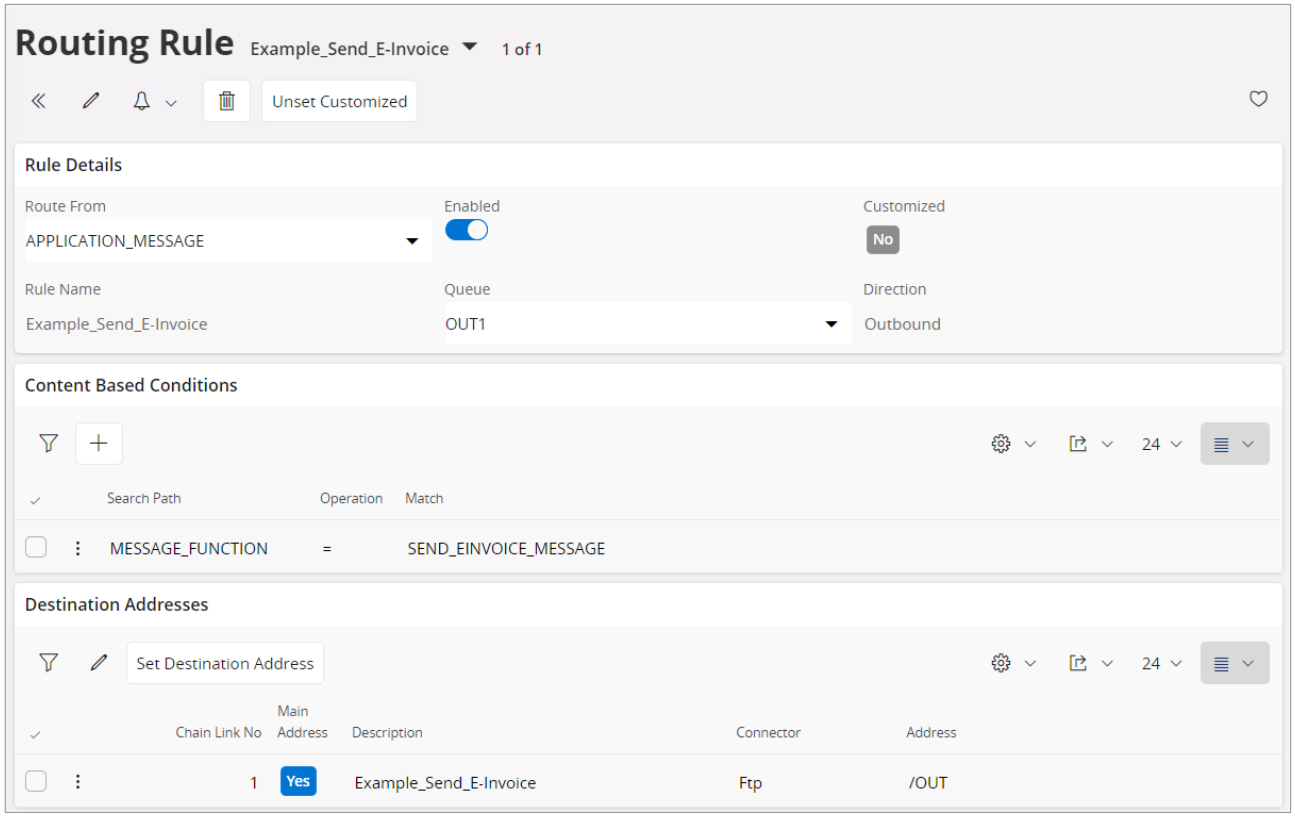
Routing rule Setup

Example_Send_E-invoice has been introduced to send the invoice.

Solution Manager/ Integration/IFS Connect/Routing Rules/ Outbound



The Routing Rule has been set up with the following condition.



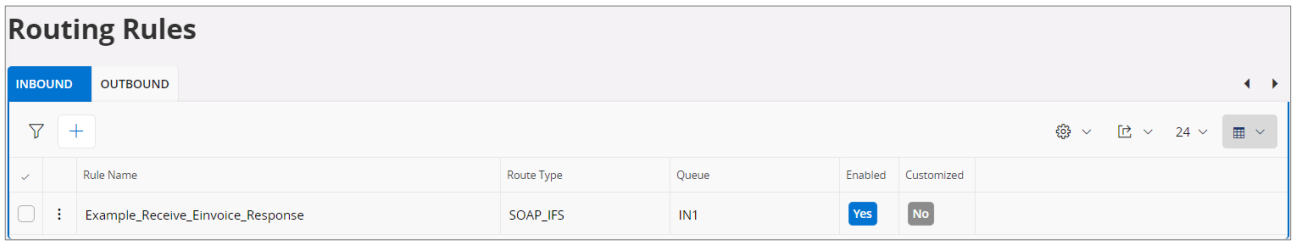
Routing Address Set Up

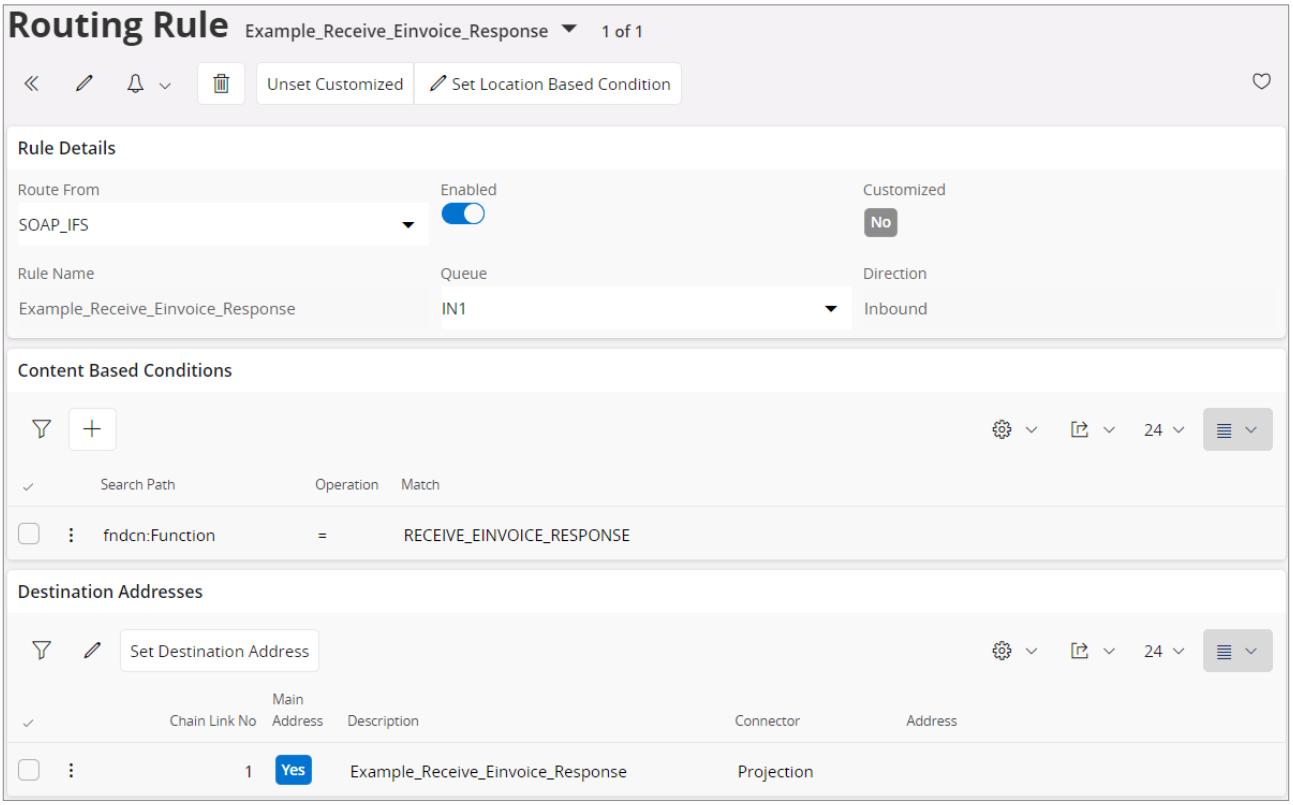
Example_Send_E-Invoice is the routing address used.

6.5.3.2 Receiving

Routing Rule Setup

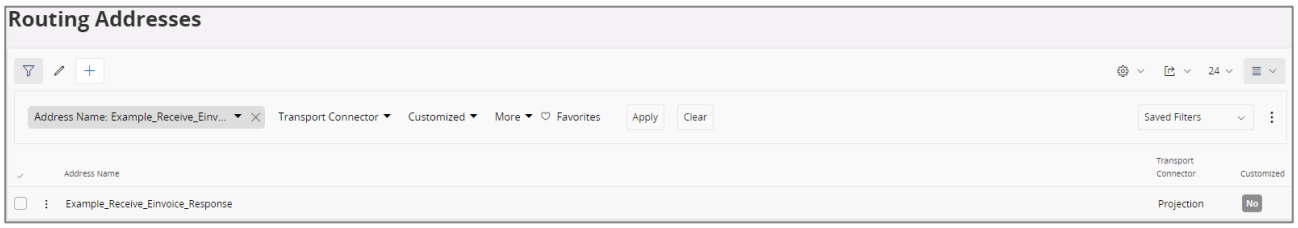
Example_Receive_Einvoice_Response has been introduced to handle the response file.

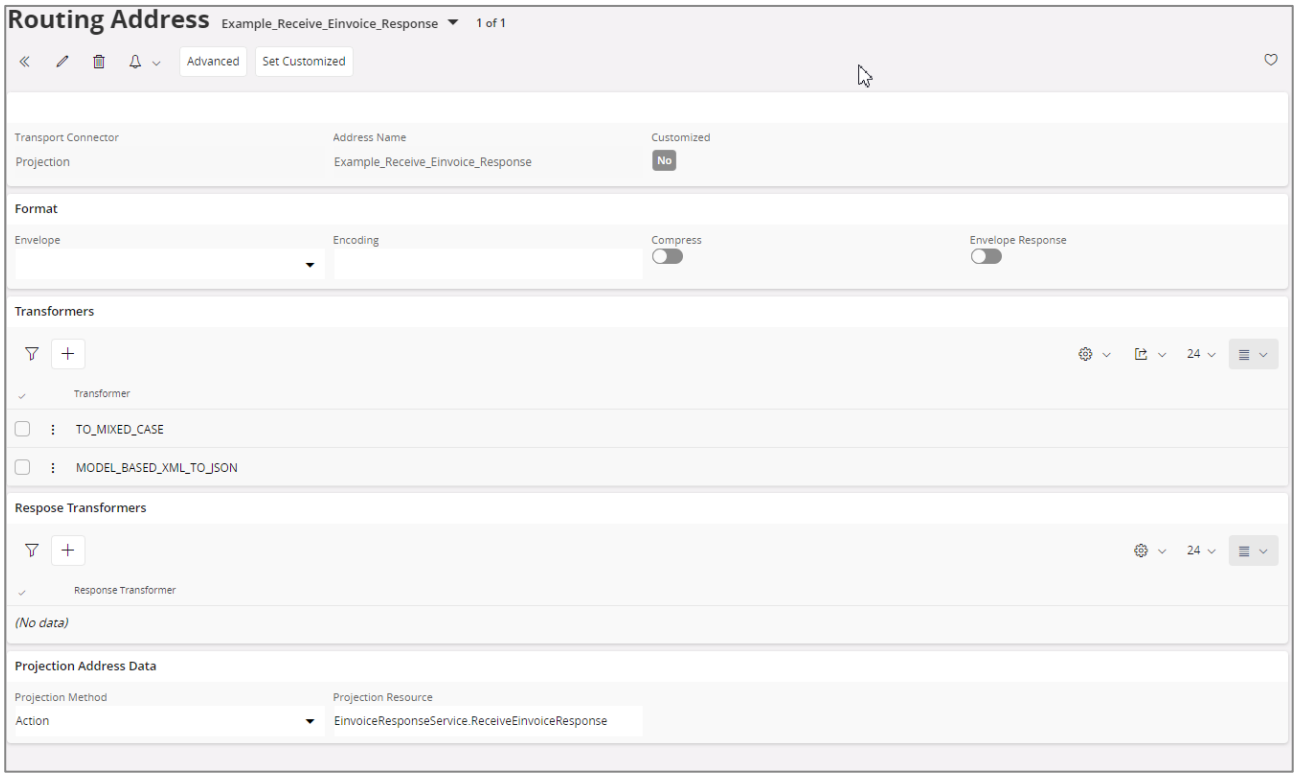




Routing Address Set Up

Example_Receive_Einvoice_Response is the routing address used.




Routing Address
Example_Receive_Einvoice_Response
1 of 1
Advanced
Set Customized
Transport Connector
Projection
Address Name
Example_Receive_Einvoice_Response
Customized
No
Format
Envelope
Encoding
Compress
Envelope Response
Transformers
24
Transformer
TO_MIXED_CASE
MODEL_BASED_XML_TO_JSON
Respose Transformers
24
Response Transformer
(No data)
Projection Address Data
Projection Method
Action
Projection Resource
EinvoiceResponseService.ReceiveEinvoiceResponse

6.6 Basic data setup for TBAI XML requirement

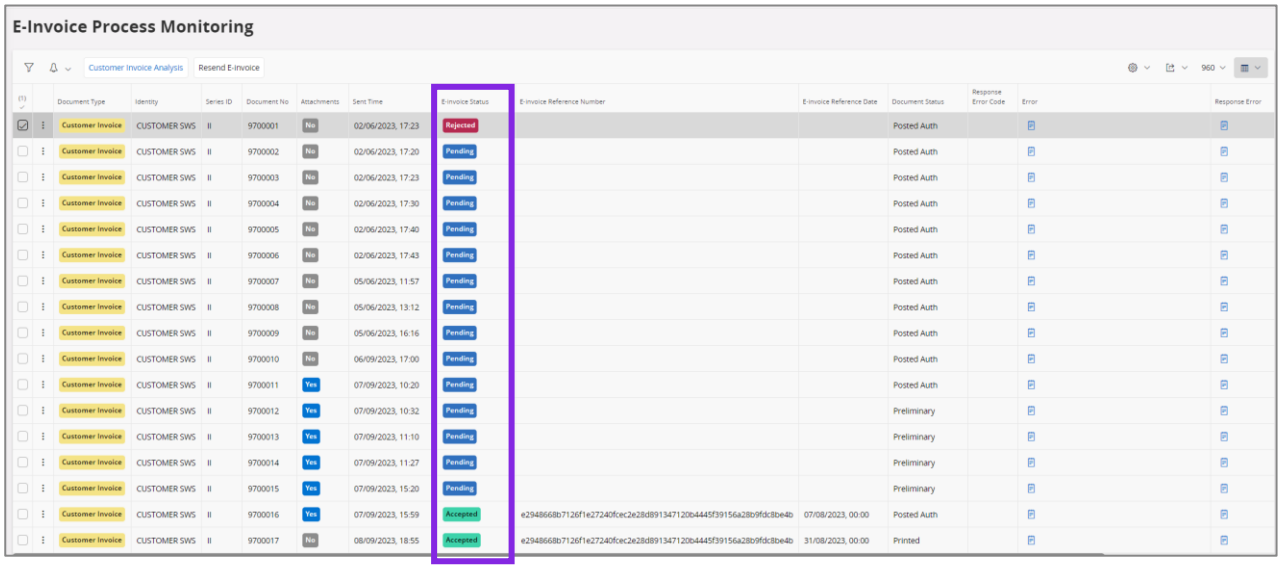
Define basic data as mentioned in the table to fulfill the requirement of TBAI XML.

TBAI Requirement	New tag introduced by IFS	Basic Data Setup
Invoice Series	ESInvoiceSeries	Invoice Series
Tax point Date	ESTaxPointDate	Same as Invoice Date
Invoice Description	ESInvoiceDescription	Define Invoice Text ID
ID Number	ESIdNumber	ID type (03,04,05) other than organization tax ID number (i.e., 02 - NIF or VAT Number) need to be define under the ***Tax ID Types*** page based on the relevant country code. The ID Type/Tax ID Type and the Number need to be defined under the ***Document Tax Information*** tab on the Customer Page. Any value related to this ID Type will be shown under ***"BuyerOrganizationTaxCode"*** tag in the XML. Following are the different ID types commonly used in Spain. 02: NIF or VAT Reg. Number (Main Tax ID Number) 03: Passport 04: Official ID document issued by country or territory of residence 05: Residence certificate 06: Other identifying document
Codes of VAT regime, codes, and taxable transactions	ESVatCode	Tax Codes - SII Business Transaction Type Customer
VAT Withholding	ESVatWithholding	***Customer*** Page - Withholding Taxes
TAX Base at Cost	ESVatBaseAtCost	Customer Page - Withholding Taxes
VAT Type	ESVAatType	Tax Codes - SII Tax Liability Classification - S1, S2, S3
VAT Exemption Reason Code	ESVatExceptionReasonCode	Tax Codes - SII Exemption Reason

Please see Chapter 11 Appendix TicketBAI Mapping Structure for more details.

6.7 TicketBAI Invoice Process

The E-invoice Process Monitoring page has been introduced to monitor the invoices sent to authorities. This page will show the information on the invoice file sent to the Tax Authority and the response from Tax Authorities. Possible statuses of the response are **Pending**, **Accepted**, **Failed,** and **Rejected**.

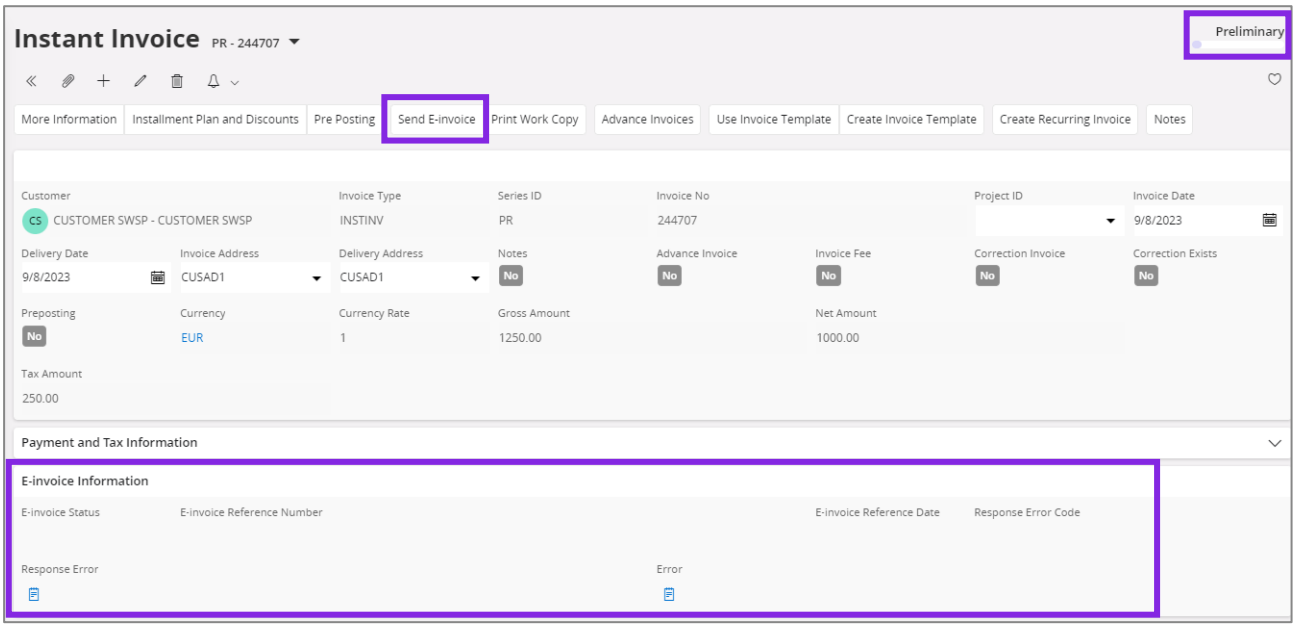


6.7.1 CREATE INVOICE AND RESPONSE HANDLING PROCESS

Process Type with **Process after Response** is connected in ***Company*** or ***Customer*** page will enable the '***Send E-invoice***' command from ***Instant Invoice***, ***Customer Invoice***, ***Project Invoice***, ***Print Invoice***, ***Print Customer Invoices***, ***Project Invoices,*** *and* ***Batch Print Customer Invoice*** pages.

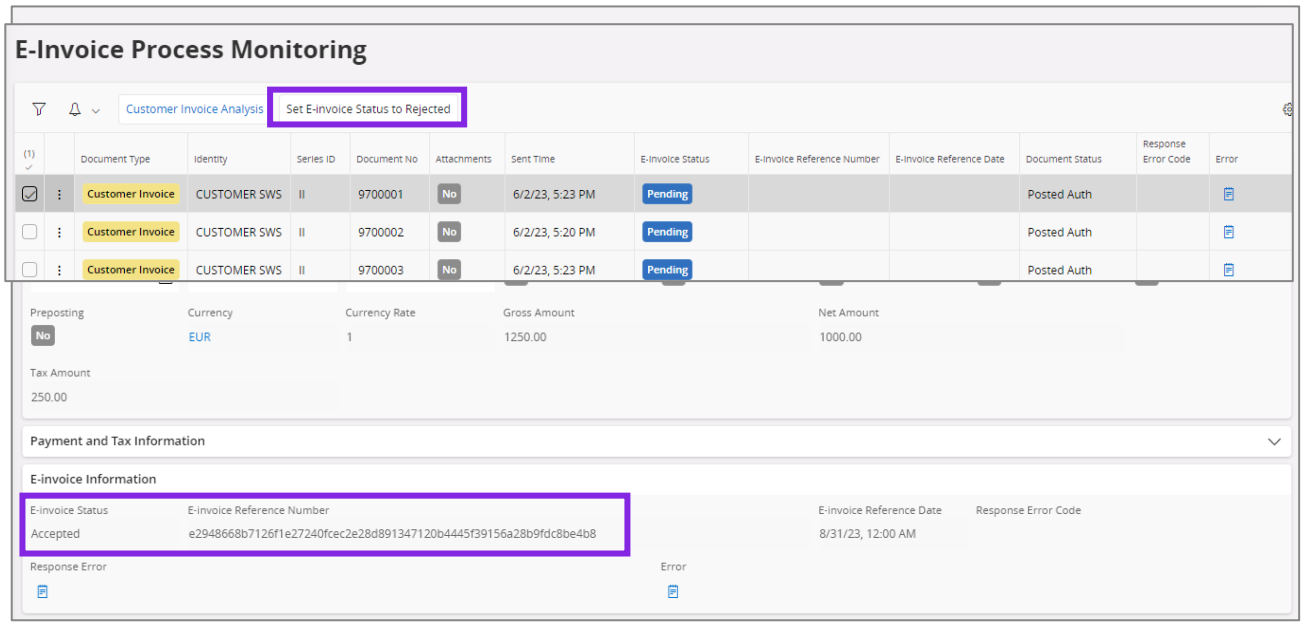
Preliminary status invoice will enable the command ***Send E-invoice***.

A sub-section ***E-invoice Information*** shows the information of the invoice file sent to the Tax Authority.



To send invoice XML to the authority, the user is required to select the ***Send E-invoice*** option.

A TBAI XML file in IFS style format is created and placed in the IFS Connect out-folder which can be verified in the out-folder.
3rd party service provider validates the file, converts it to the required format, and transfers the file to Tax Authority.
Once the invoice XML is sent to the authorities, based on the status of the response the ***E-invoice Information*** sub section will be updated in the Invoice.

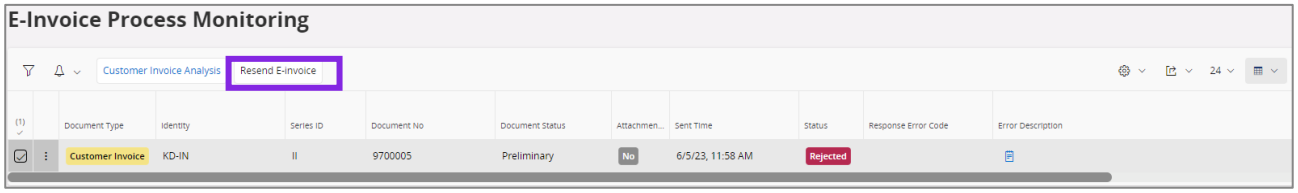


- E-invoice Status: Response status after invoice XML sent to authority. Possible statuses are Pending, Accepted, Rejected and Failed.
- E-invoice Reference Number: The unique number (IRN) generated by the Tax Authority and sent with the response file.
- E-invoice Reference Date: Date on which the response with IRN is received by the Tax Authority
- Response Error Code: Error code pertaining to the invoice rejected reason.
- Response Error: Description of the error pertaining to the invoice rejected reason.
- Error: The errors that have occurred at the time of sending and posting the Invoice.

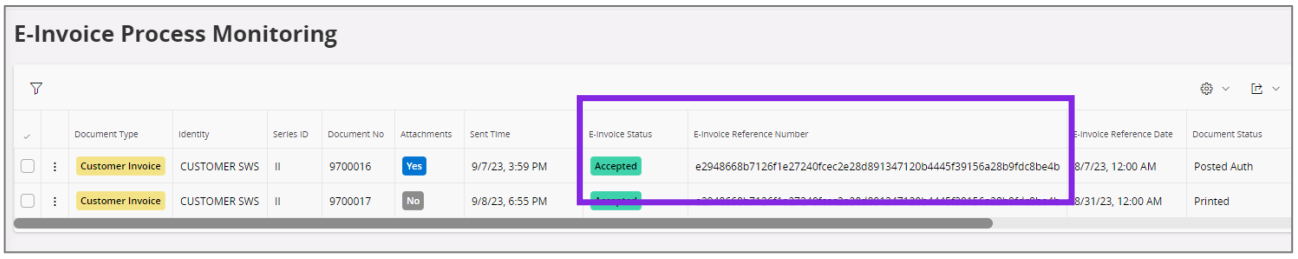
The E-invoice Process Monitoring Page will depict and be updated on the response information. Rejected invoices could be modified and resent.

Set E-Invoice Status to Rejected Option is enabled for invoices in response status 'Pending' to enable any modification required and to resend the invoice to Tax Authority.

Rejected responses from the tax Authority or invoices set to rejected could be modified and resent using the ***Resend E-invoice*** option.



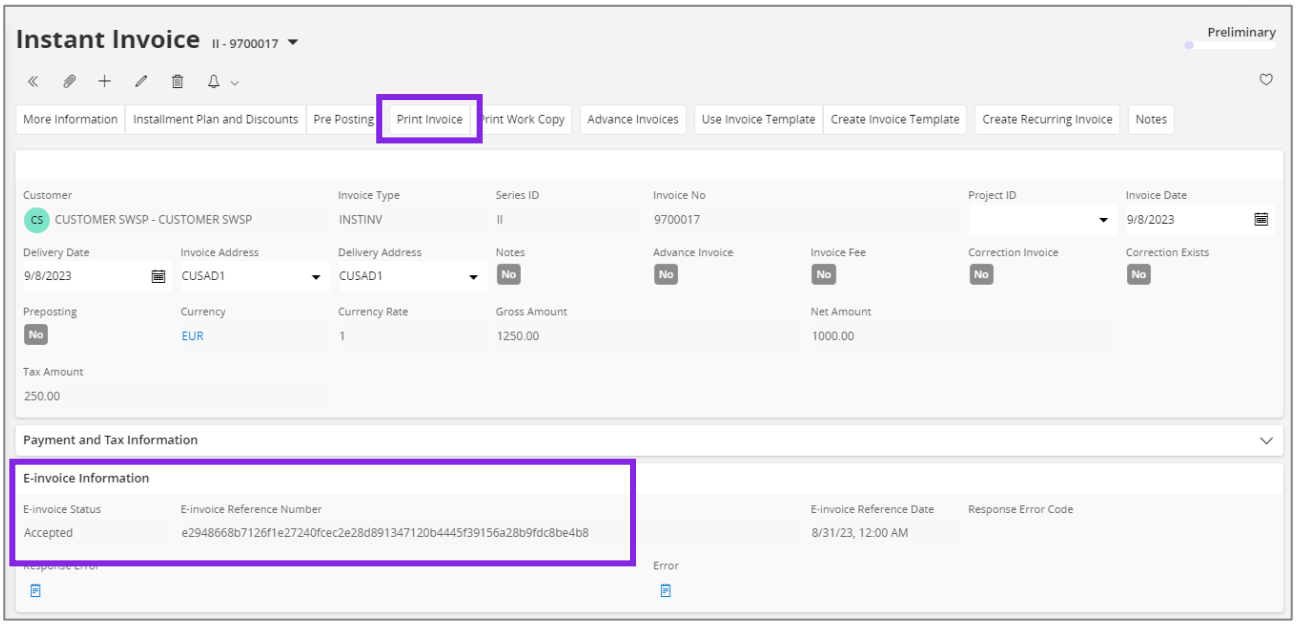
Response ***Accepted*** invoices are updated with a ***Unique Reference Number (IRN)*** on the ***E-Invoice Process Monitoring*** Page.



Status changes in the ***E-invoice Process Monitoring*** page will be updated in the Instant Invoice, sub-section ***E-invoice Information***. If the Invoice is rejected, the user also has the possibility to cancel the invoice and send a new invoice to the Tax Authority.

6.7.2 PRINT INVOICE INCLUDING IRN AND QR CODE

Invoices with state ***Accepted*** can be printed and send to the customer which includes the IRN and QR-code. Upon printing the invoice, the status will be updated to ***PostedAuth***.



If the option ***Automatically Process Accepted Invoice*** option enabled ***Process Type*** is connected, after receiving an accepted response the invoice will continue the ordinary flow and be printed and posted automatically.

Note: Please refer to the core documentation **E-invoice Process** (2.9.15.1) for more information since the country-specific E-invoice models have been handled as generic solutions in core.

6.7.3 UPLOADING RESPONSE FILE

Response File received from the 3rd party service provider should be uploaded to the IN Folder.

ReceiveEInvoiceResp
onseSampleACCEPTEI

6.8 Update General Ledger

Follow the IFS Cloud core process to update vouchers to General Ledger (Update GL Vouchers Assistant).

6.9 Fetch Tax Ledger Information

Follow the IFS Cloud core process to fetch tax ledger information (*Fetch Tax Ledger Information* Assistant).

6.10 Delimitations

The following invoice types will not be supported:

- Customer Self-Billing Invoices
- Out-Going Supplier Invoices

7 NORMA43 Payment Format

7.1 Overview of Business Requirements

Standard 43 is a banking standard that regulates and standardizes sending current account bank statements. It was developed by Spanish credit institutions through their respective associations, with the special participation of the Spanish Banking Association (AEB).

It is a file that has a defined structure where all the entries of a company's bank accounts are reflected over a given time interval.

Electronic account statements play an important role within companies' treasury departments. More specifically, Standard 43 facilitates more agile communication with financial institutions.

7.2 Solution

To meet the requirement for external payment creation, a new payment format and file template have been added.

Payment Format - **NORMA43 - Bank to Customer Statement (NORMA 43)**
File Template - **MXP_NORMA43**

7.2.1 Process Overview

7.2.2 Assumption

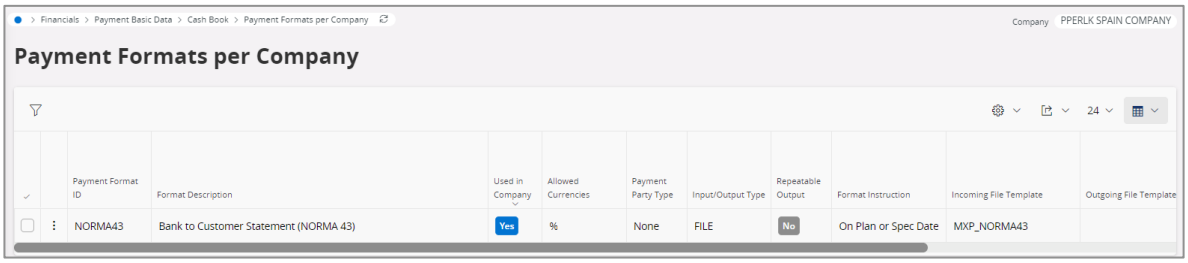
It´s assumed that the user is familiar with the IFS Application's standard process of creating external payments.

7.3 Prerequisites

- The company must be set up to use **Spain** localization, see the Company Setup chapter.
- The **Spanish Payment Format** localization parameter must be enabled on the ***Company/Localization Control Center*** tab.

7.4 Define Basic Data

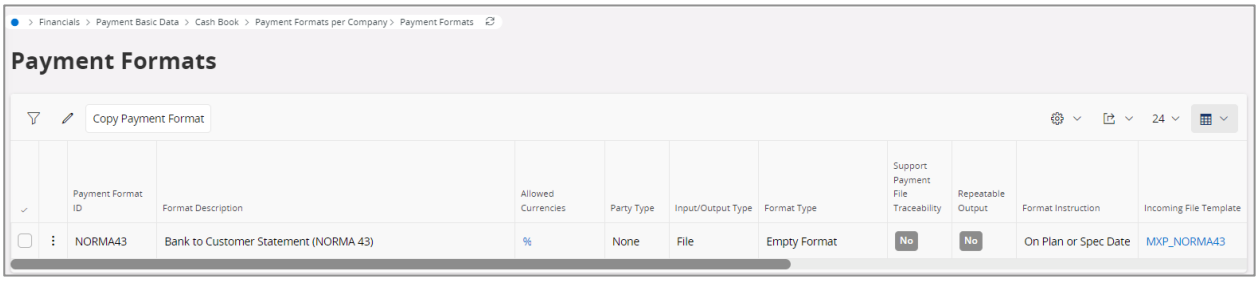
Setup of basic data is required to use the payment format in creating mixed payments without any errors.

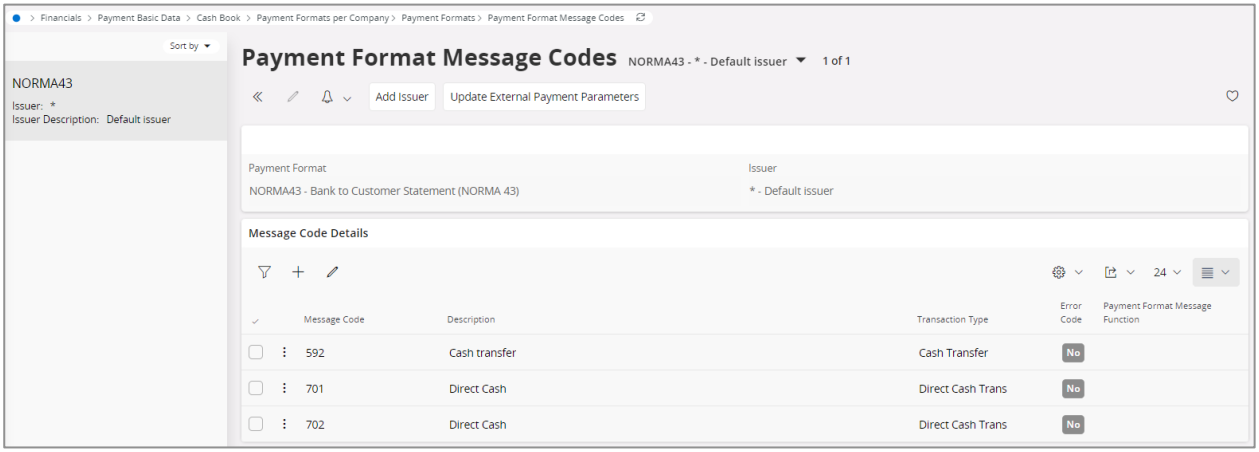


7.4.1 Enable Norma43 Payment Format for the Company

Enable the NORMA43 payment format in ***Financials/Payment Basic Data/Cash Book/Payment Formats per Company*** page.

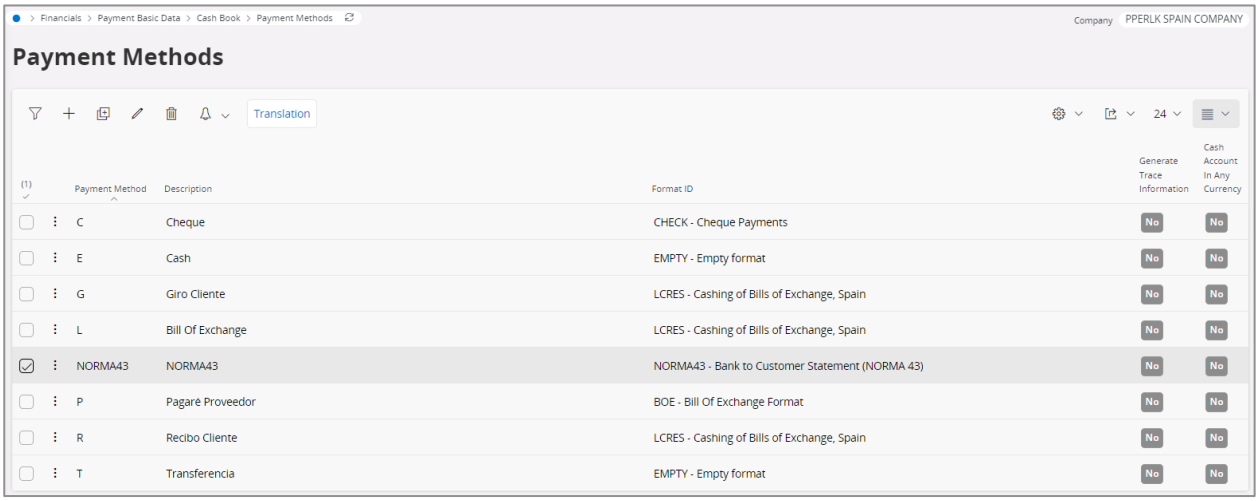
Connect message codes to the above payment format by **Payment Formats per *Company/ Payment Format/Message Codes.***



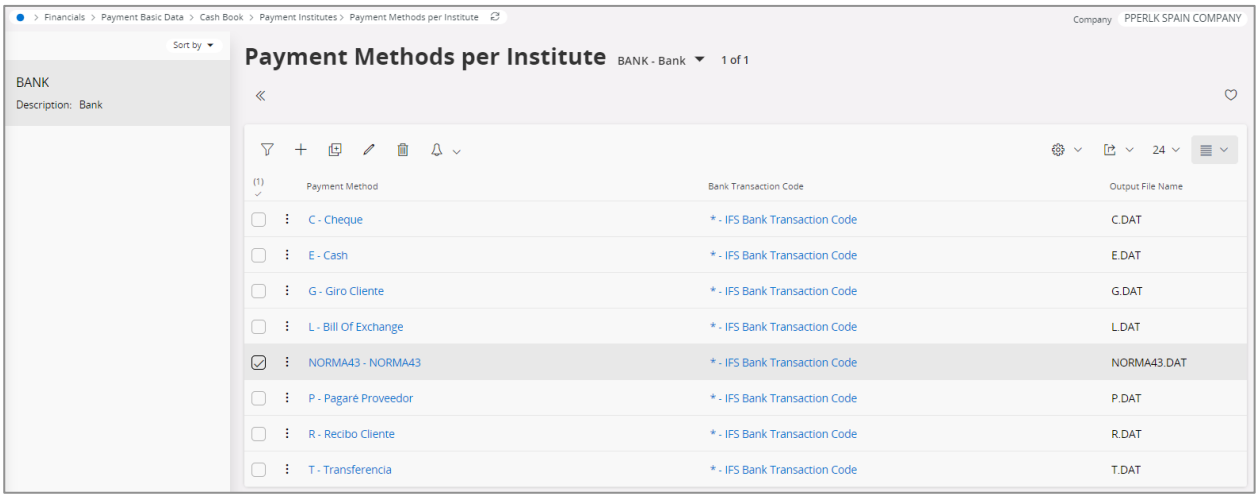


7.4.2 CREATE A PAYMENT METHOD AND CONNECT TO THE PAYMENT INSTITUTE

Create a payment method connecting the above payment format in the ***Financials/Payment Basic Data/Cash Book/Payment Methods*** page.



Use the context menu option **Payment Methods per Institute** to define the payment method used for the relevant payment institute.

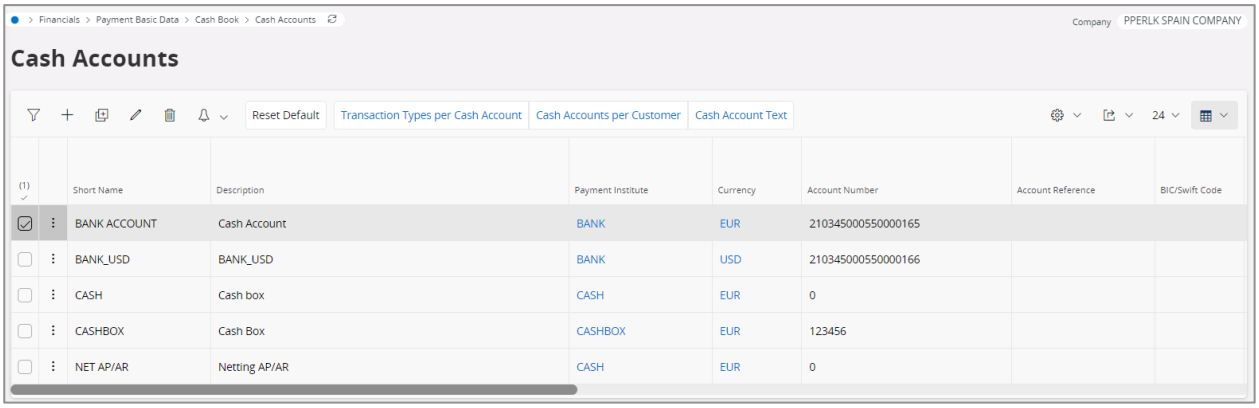


7.4.3 COMPANY CASH ACCOUNT

Go to ***Financials/Payment Basic Data/Cash Book/Cash Account*** to create the company cash account for the payment institute.

Account Number column character composition should be as follows:

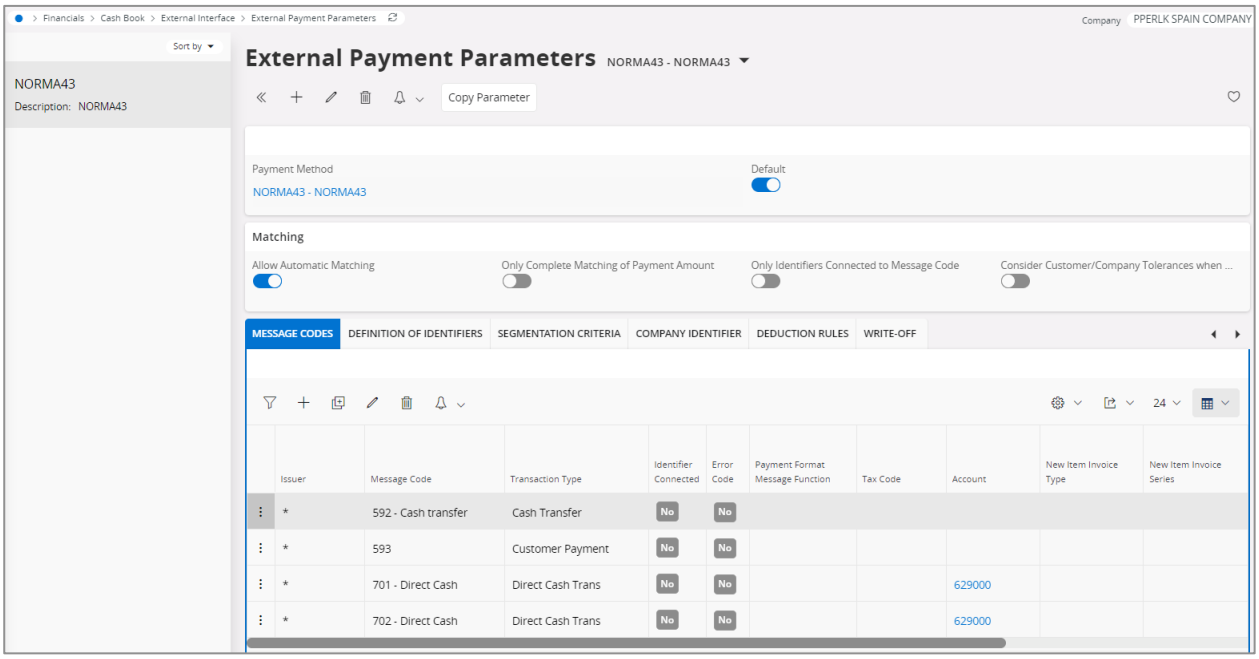
Component	Bank Key	Office Code	Account Number	Total
Characters	4	4	10	18



7.4.4 EXTERNAL PAYMENT PARAMETERS

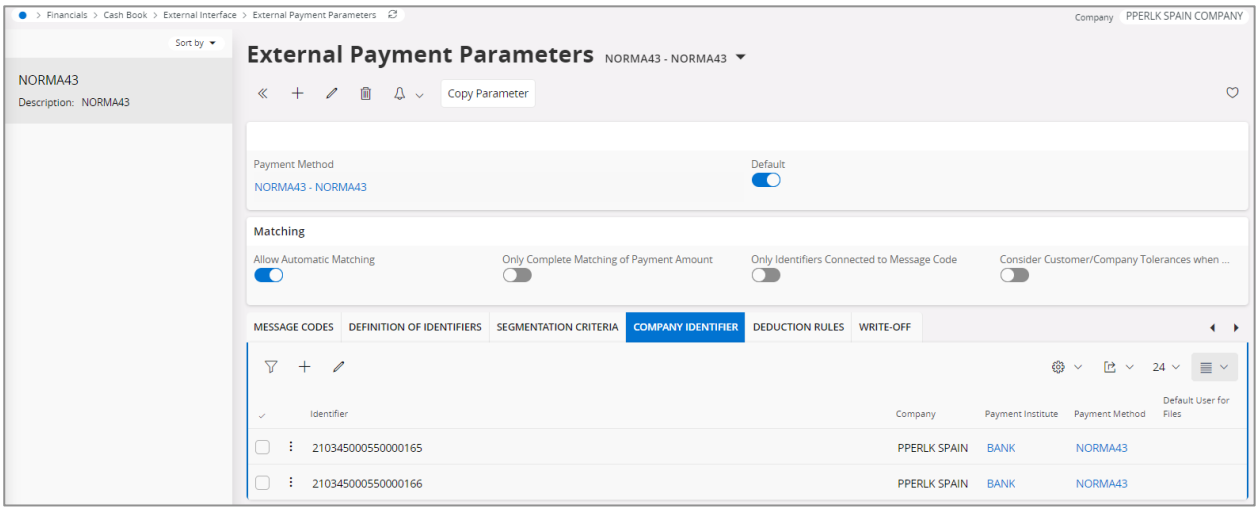
Go to the ***Financials/Cash Book/External Interface/External Payment Parameters*** page. Create new external payment parameters for the above payment method.

Message codes defined in the Payment Formats Per Company will be available in the ***Message Codes*** tab. Users can modify the message codes which are stored in external payment parameters.



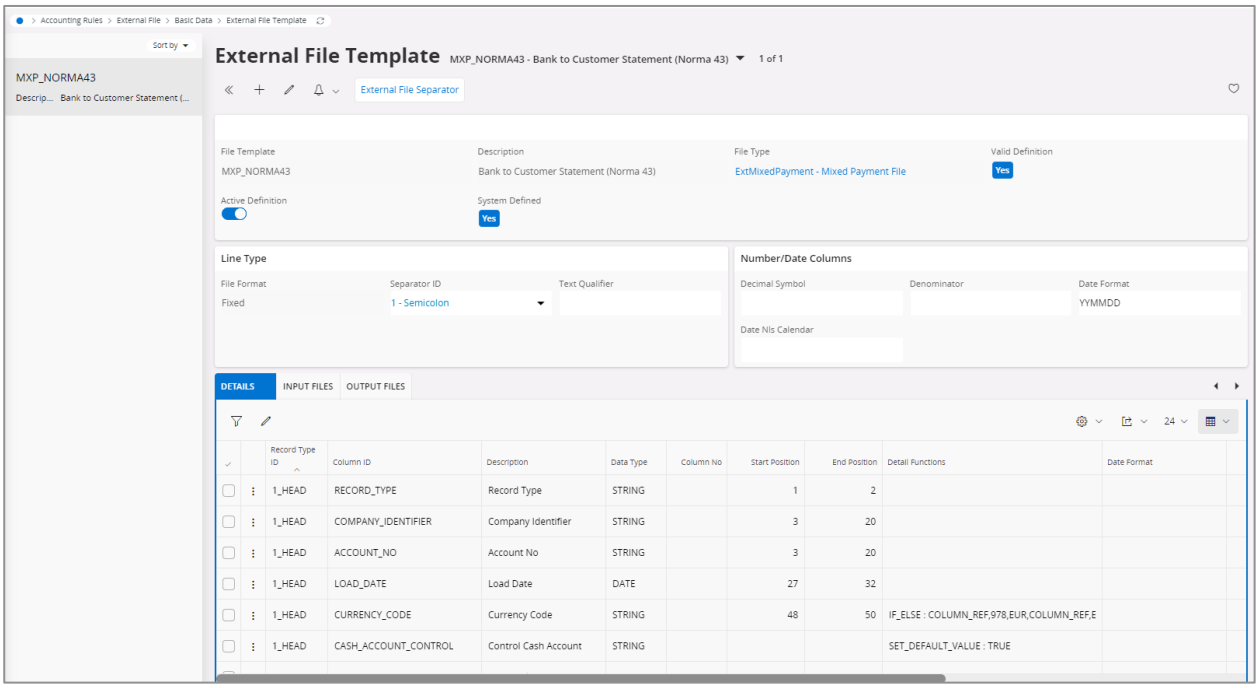
Enter identifier details by connecting the relevant information to the ***Company Identifiers*** tab of the External Payment Parameters. The payment methods of the identifiers must refer to the same payment format, which is linked to the payment method displayed at the top of the window.

The Account Number in the Cash Account window and the Company Identifier in the External Payment Parameters window should be the same values which consist of Bank Key, Office Code, and Account Number (18 characters).

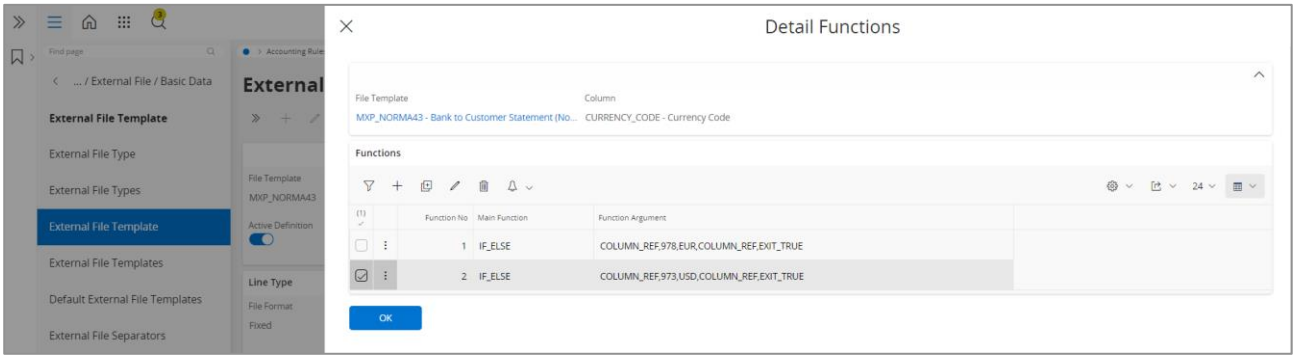


7.4.5 EXTERNAL FILE TEMPLATE

Go to the **Accounting Rules/External files/Basic data/External File Template** page and query for the Template ID **MXP_NORMA43**. Users can modify the details functions of the Details section of the template.



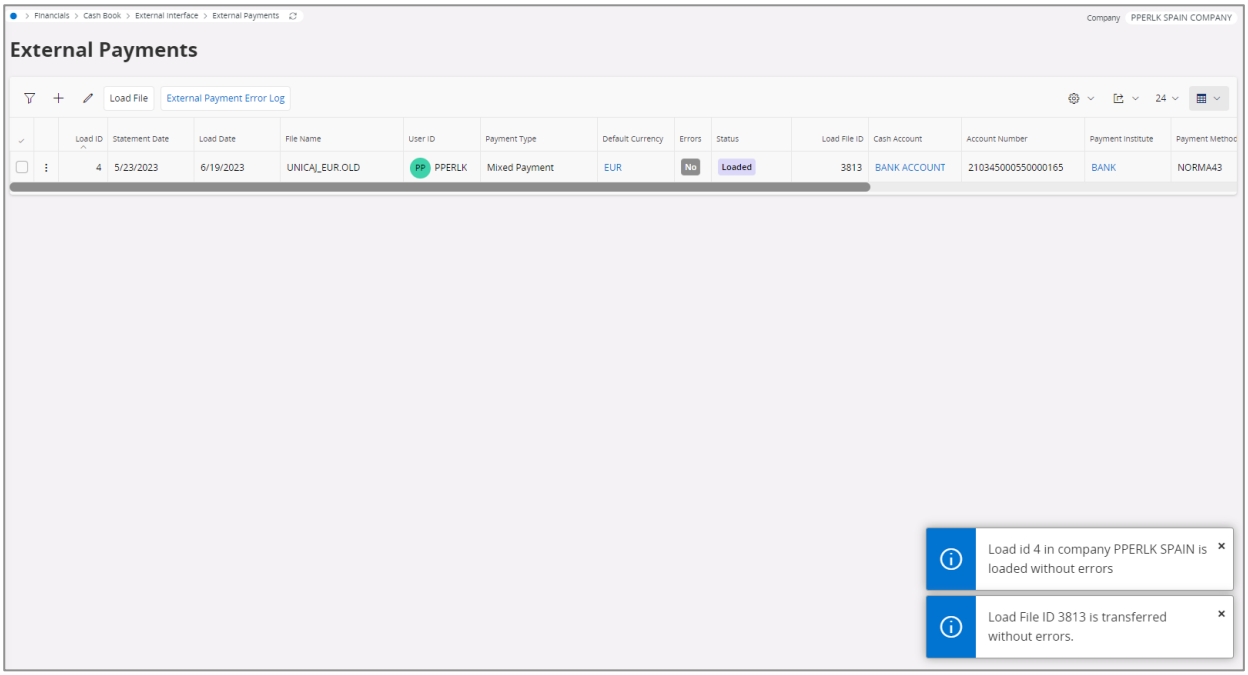
For instance, if the user is loading a file with a currency other than EUR, another line can be added to the existing details function as below (i.e., function No 2 by defining 973 as the currency code for USD).



7.5 External Payment - Load File

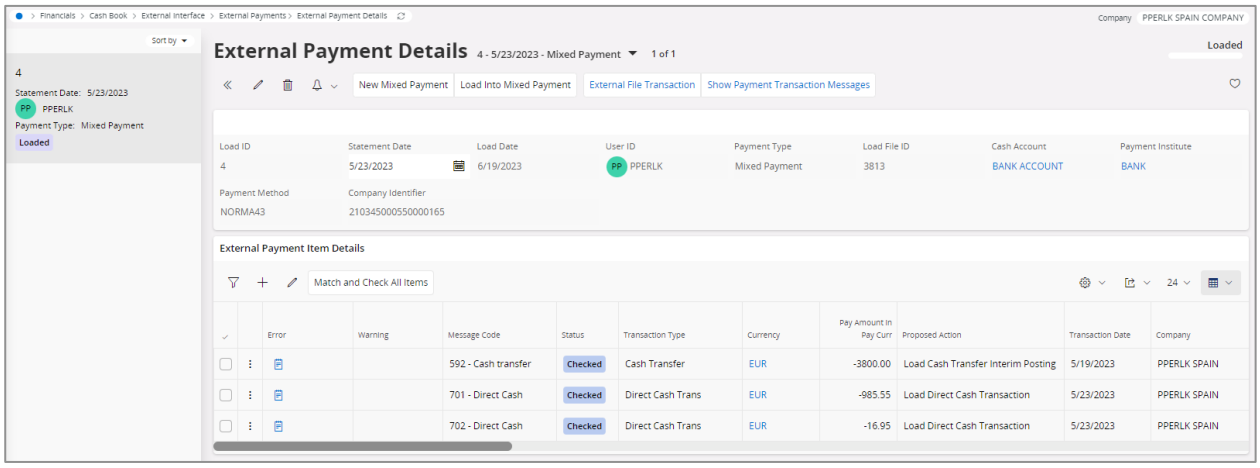
Go to the ***Financials/Cash Book/External Interface/External Payments*** page to load payment files from a payment institute.

Upon loading the payment file, the following information messages will appear.



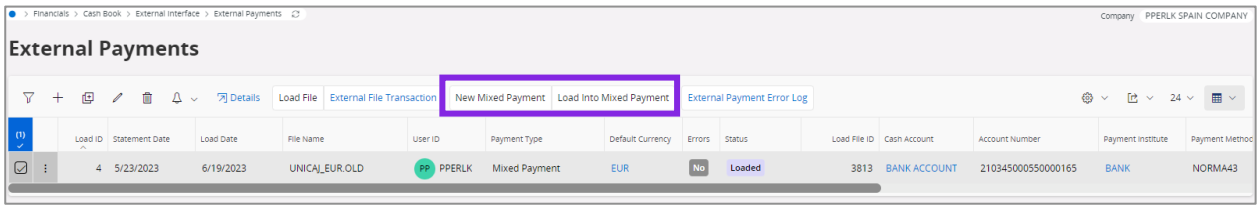
For payment formats that use an external file template that identifies the message code in the external file, the external payment detail lines can be created by using the parameters set on the message code.

Manual postings for a direct cash transaction loaded with a message code may include the account and tax code for the message code.



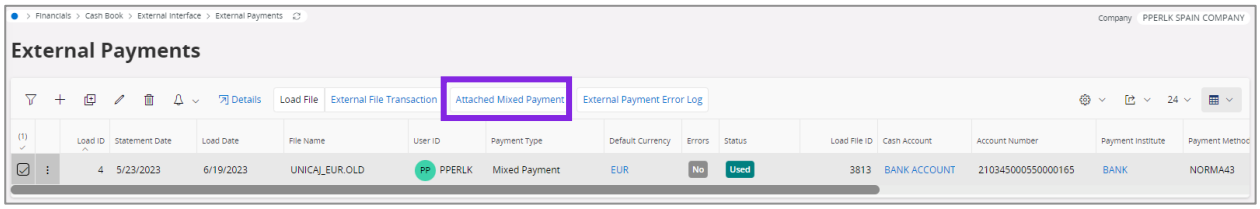
7.6 Load Into or Create Mixed Payment

Users can either use the **Load into Mixed Payment** or **New Mixed Payment** options after the payment file is loaded to the External Payment window.



7.7 Attached Mixed Payment

The user will be directed to its Mixed Payment statement through the **Attached Mixed Payment** option in the External Payment window for the selected Load ID. Where the Mixed Payment can be approved.



7.8 Delimitations

None.

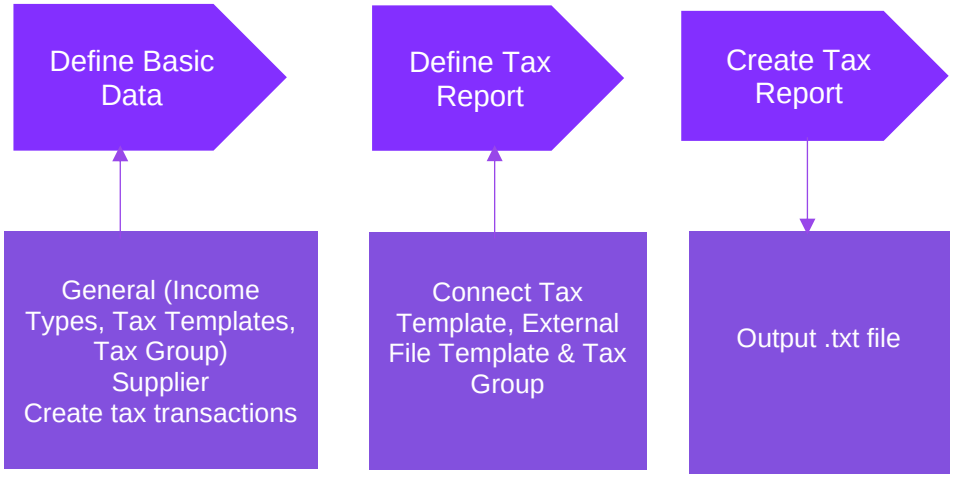
8 Spanish Withholding Tax Reporting: Modelo 111

8.1 Overview Legal Requirement

This fiscal form has been mandatory since the 30th of March 2007. All persons and entities obliged to withhold or deposit on account under the provisions of article 74 of the Tax Regulations that satisfy or pay income, in cash or in kind, subject to withholding are obliged to present Modelo 111 to any of the following categories: Income from employment, income from economic activities, monetary prizes, forestry exploitation and transfer of image rights.

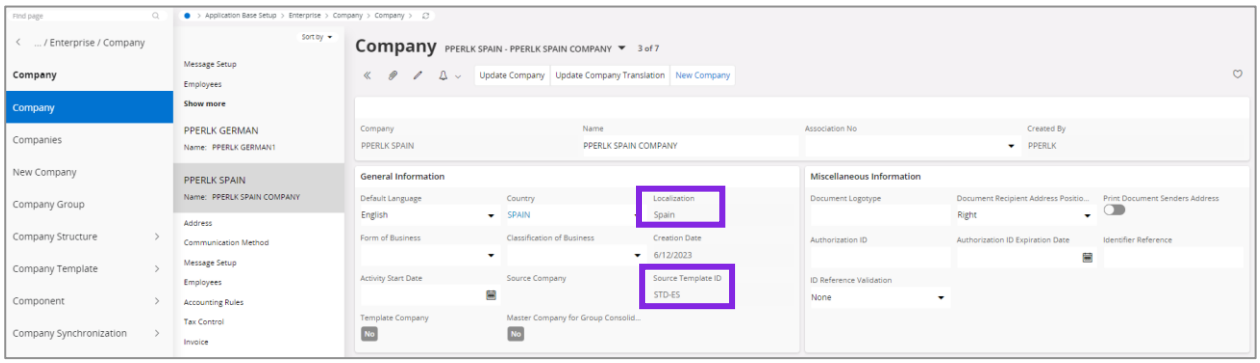
The periodicity (quarterly or monthly tax filing) and the form of presentation (submission electronically or by paper) of the self-assessments of withholdings and payments on account of the IRPF in Modelo 111 are determined by the type or category in which the taxpayer is included (i.e., large companies, public administrations with an annual budget of more than 6 million euros, Entities with the legal form of a public limited company or limited liability company, etc.)

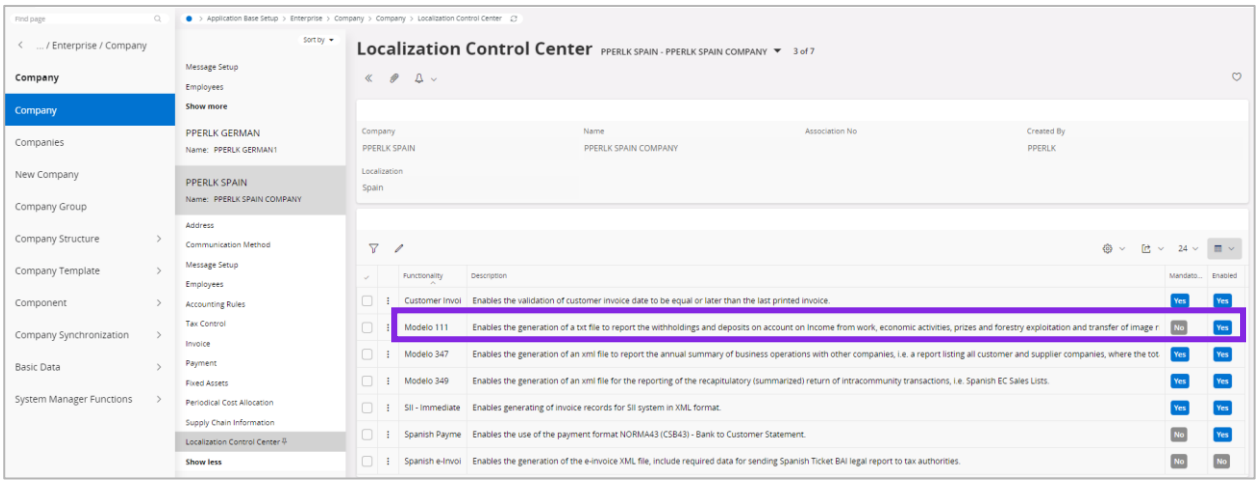
8.2 Process Overview



8.3 Prerequisites

The company must be set up to use **Spain** localization and Spain company template (**STD-ES**), see the Company Set up chapter and the **Modelo 111** functionality must be enabled in the Localization Control Center.





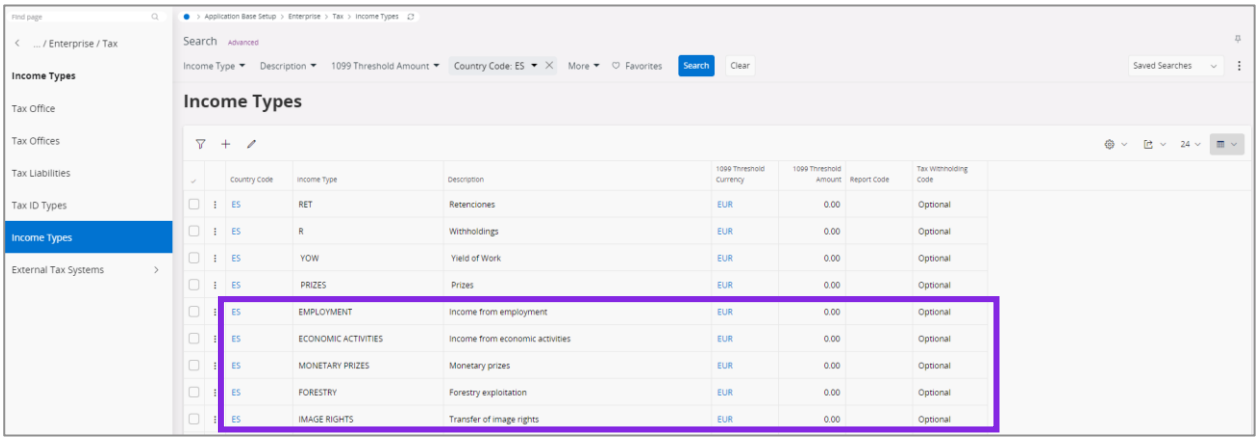
Withholding Tax Code with Tax Method **Invoice Entry** must be defined in the ***Accounting Rules/ Tax / Tax Codes*** page to capture the withholding tax posted when the supplier invoice is entered.

8.4 Define Basic Data / Basic Data Changes Introduced

8.4.1 INCOME TYPES

Five new **Income Types** and descriptions are introduced for Spain on the ***Enterprise/Tax/Income Types*** page. Supplier income type identifies the category of income each invoice line from the supplier represents. This information is used to report and withhold taxes.

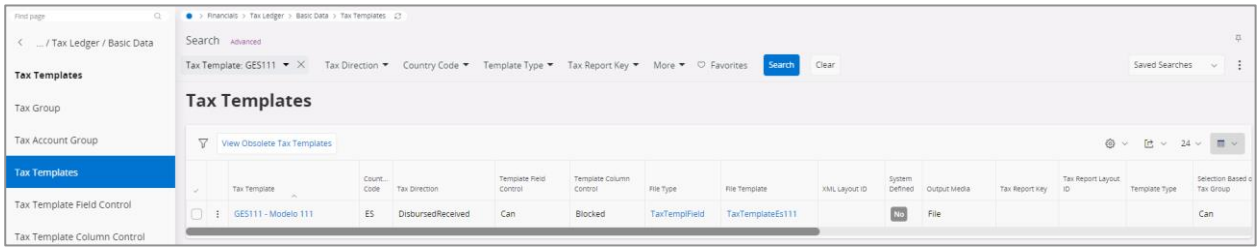
Income Type ID	Description
EMPLOYMENT	Income from employment
ECONOMIC ACTIVITIES	Income from economic activities
MONETARY PRIZES	Monetary prizes
FORESTRY	Forestry exploitation
IMAGE RIGHTS	Transfer of image rights



Income type-related data are added in the **STD-ES** template and the user will get them automatically if a new company is created using the template. Otherwise, the user needs to update the company and get the changes into the existing template.

8.4.2 TAX TEMPLATE MODELO 111

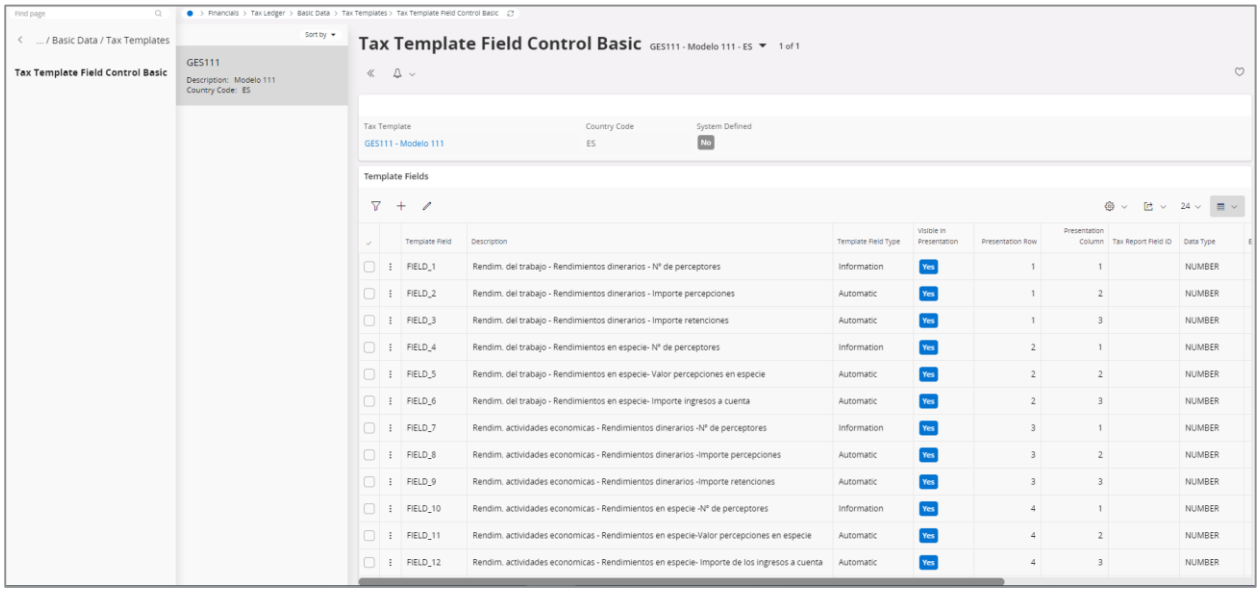
A new tax template, **GES111: Modelo 111**, is introduced. This makes it possible to report tax based on the IFS Tax Ledger. Further, a new external file template **TaxTemplateEs111** is also being introduced.



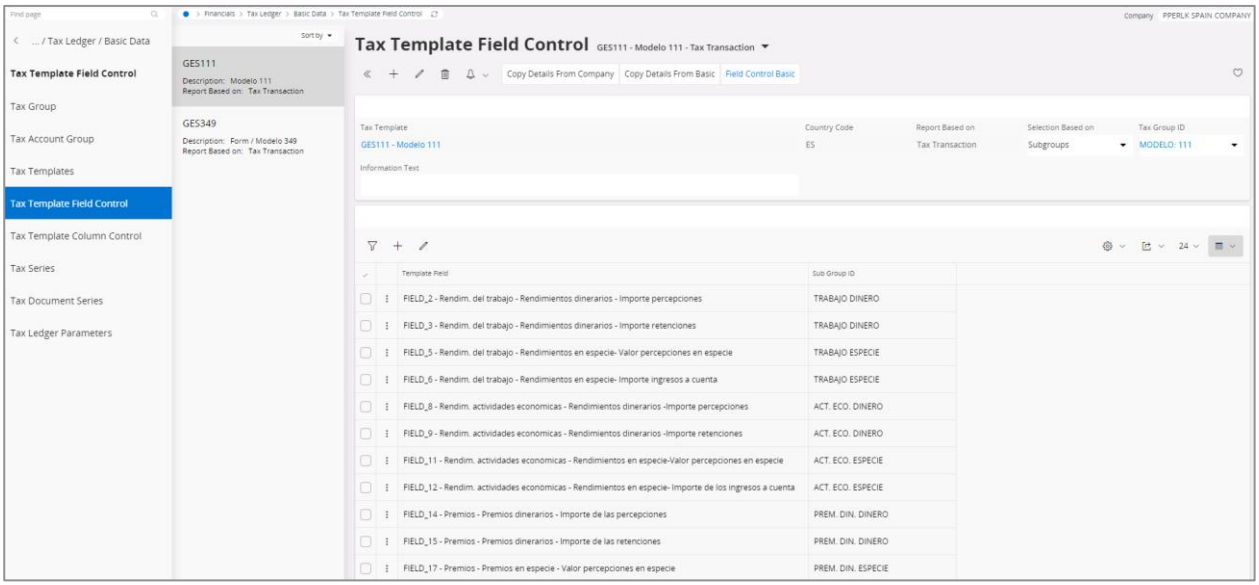
8.4.3 TAX TEMPLATE FIELDS

The ***Tax Template Field Control Basic*** is introduced for the new tax template.

Go to ***Financials/Tax Ledger/Basic Data/Tax Templates*** and query for the template ID **GES111** and click the **Field Control Basic** command button.



Tax Template Field Control is added to the **STD-ES** template and the user will get them automatically if a new company is created using the template. Otherwise, the user needs to update the company and get the changes into the existing template.

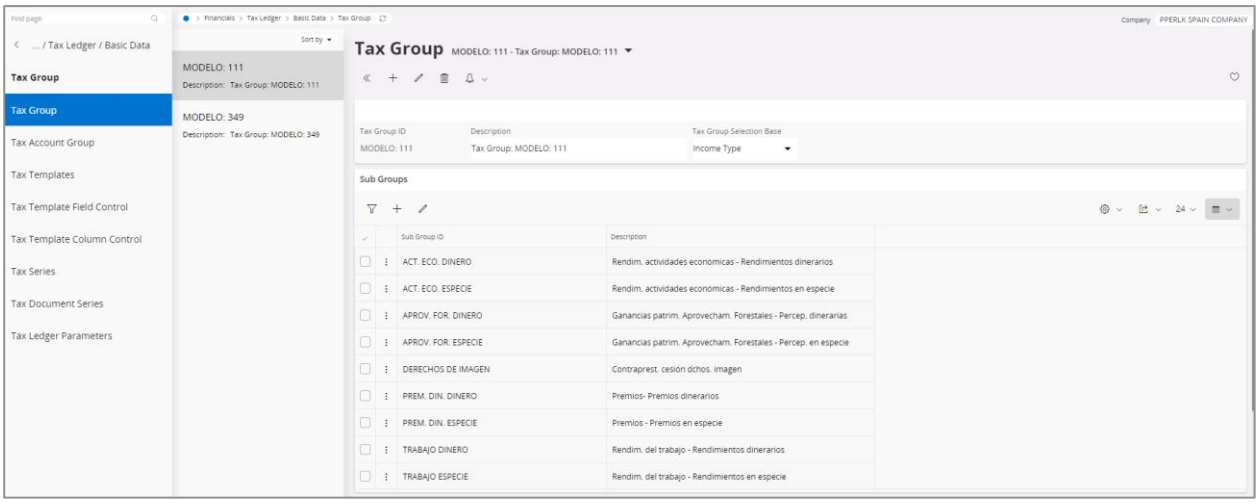


8.4.4 Tax Group: Modelo 111

The tax reporting must be structured and grouped according to the local legislation for Modelo 111. Below tax group and sub group details are added to the **STD-ES** company template.

Sub Group ID	Description
TRABAJO DINERO	Rendim. del trabajo - Rendimientos dinerarios
TRABAJO ESPECIE	Rendim. del trabajo - Rendimientos en especie
ACT. ECO. DINERO	Rendim. actividades económicas - Rendimientos dinerarios
ACT. ECO. ESPECIE	Rendim. actividades económicas - Rendimientos en especie
PREM. DIN. DINERO	Premios- Premios dinerarios
PREM. DIN. ESPECIE	Premios - Premios en especie
APROV. FOR. DINERO	Ganancias patrim. Aprovecham. Forestales - Percep. dinerarias
APROV. FOR. ESPECIE	Ganancias patrim. Aprovecham. Forestales - Percep. en especie
DERECHOS DE IMAGEN	Contraprest. cesión dchos. imagen

Go to the ***Tax Group*** page via ***Financials/Tax Ledger/Basic Data*** to find the new tax group **MODELO: 111**.



Users can manually connect the different tax codes and income type combinations to each sub group via the **Sub Group Details** section.

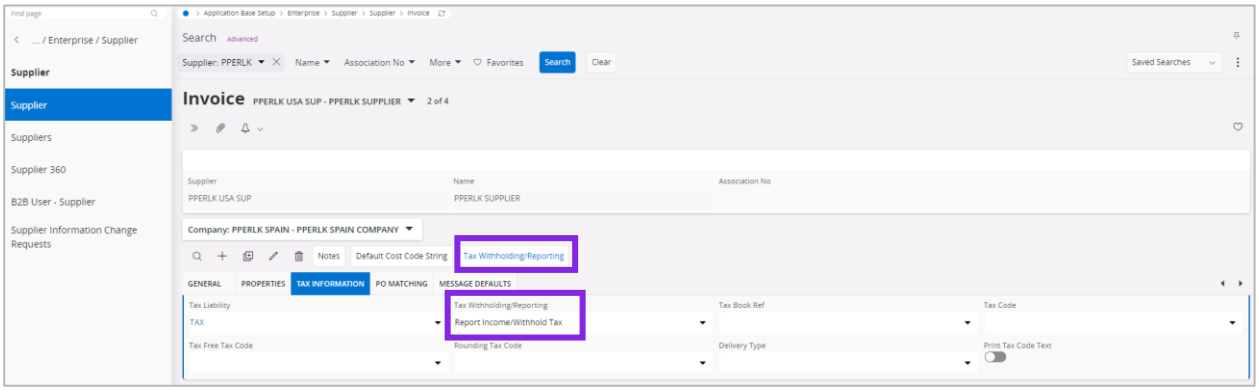
Sub Group Details

Currency Code	Sub Group	Tax Code	Tax (%)	Tax Type	Tax Method Tax Received	Tax Method Tax Disbursed	Dedu... (%)	Income Type	Valid From	Valid To
EUR	ACT. ECO. DINERO - Rendim. actividades economicas - Rendimientos dinerarios	R2 - Tax withhold 20%	20	Tax Withhold	Invoice Entry	Invoice Entry	100	ECONOMIC ACTIVITIES - Income from econ...	1/1/2023	12/31/2049
EUR	ACT. ECO. ESPECIE - Rendim. actividades economicas - Rendimientos en especie	R1 - Tax withhold 18%	18	Tax Withhold	Invoice Entry	Invoice Entry	100	ECONOMIC ACTIVITIES - Income from econ...	1/1/2023	12/31/2049
EUR	APROV. FOR. DINERO - Ganancias patrim. Aprovecham. Forestales - Percep. dinerarias	R1 - Tax withhold 18%	18	Tax Withhold	Invoice Entry	Invoice Entry	100	FORESTRY - Forestry exploitation	1/1/2023	12/31/2049
EUR	APROV. FOR. ESPECIE - Ganancias patrim. Aprovecham. Forestales - Percep. en especie	R2 - Tax withhold 20%	20	Tax Withhold	Invoice Entry	Invoice Entry	100	FORESTRY - Forestry exploitation	1/1/2023	12/31/2049
EUR	DERECHOS DE IMAGEN - Contraprest. cesion dchos. imagen	R4 - Tax withhold 5%	5	Tax Withhold	Invoice Entry	Invoice Entry	100	IMAGE RIGHTS - Transfer of image rights	1/1/2023	12/31/2049
EUR	PREM. DIN. DINERO - Premios- Premios dinerarios	R3 - Tax withhold 10%	10	Tax Withhold	Invoice Entry	Invoice Entry	100	MONETARY PRIZES - Monetary prizes	1/1/2023	12/31/2049
EUR	PREM. DIN. ESPECIE - Premios - Premios en especie	R2 - Tax withhold 20%	20	Tax Withhold	Invoice Entry	Invoice Entry	100	MONETARY PRIZES - Monetary prizes	1/1/2023	12/31/2049
EUR	TRABAJO DINERO - Rendim. del trabajo - Rendimientos dinerarios	R4 - Tax withhold 5%	5	Tax Withhold	Invoice Entry	Invoice Entry	100	EMPLOYMENT - Income from employment	1/1/2023	12/31/2049
EUR	TRABAJO ESPECIE - Rendim. del trabajo - Rendimientos en especie	R4 - Tax withhold 5%	5	Tax Withhold	Invoice Entry	Invoice Entry	100	EMPLOYMENT - Income from employment	1/1/2023	12/31/2049

8.4.5 Supplier Level Basic Data

Enter Tax information to the Supplier

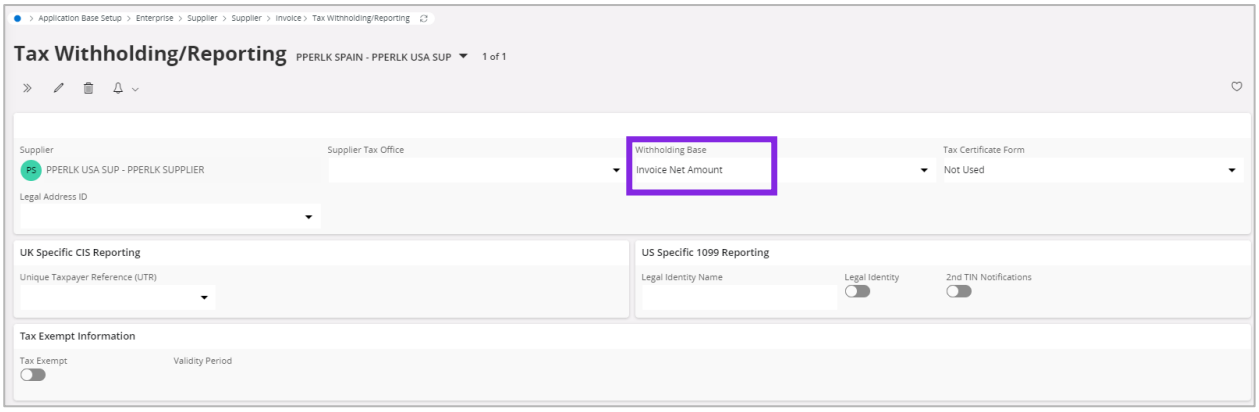
Go to the ***Supplier/Invoice/Tax Information*** sub tab and set the Tax Withholding/Reporting option as **Report Income/Withhold Tax** which will enable the **Tax Withholding/ Reporting** command button.



N.B: Tax ID numbers for the suppliers must be defined before setting up for withholding.

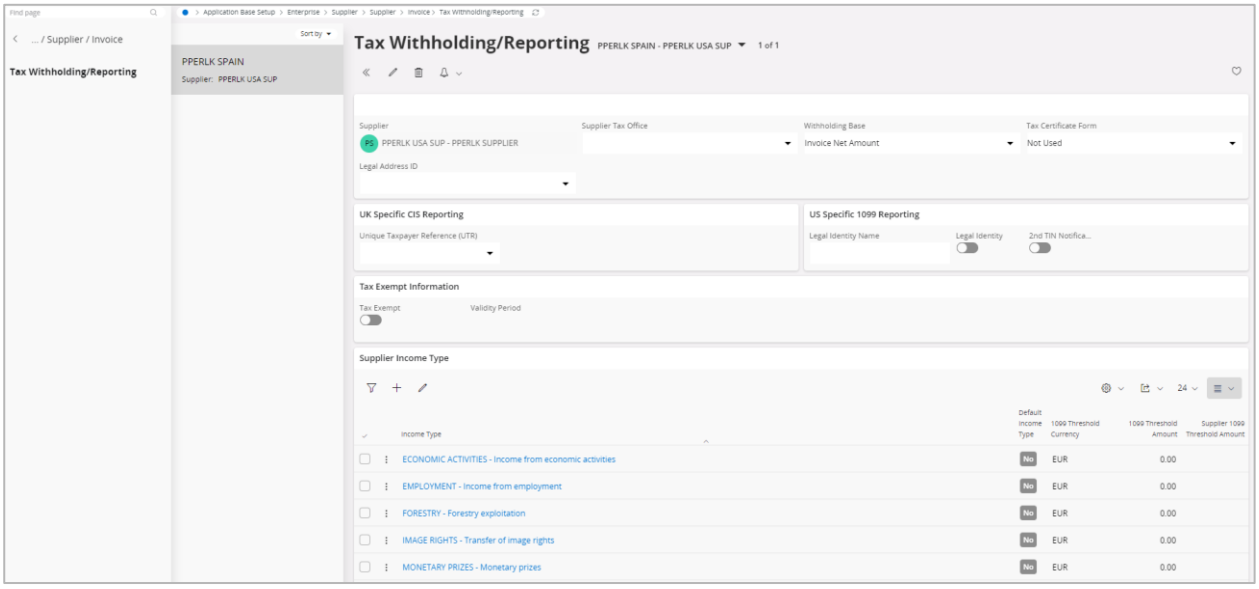
The base amount to be used for the calculation of the withheld tax amount should be **Invoice Net Amount**.

Go to ***Enterprise/ Supplier/ Invoice tab/Tax Withholding/ Reporting***.



Connect Income types to the Supplier

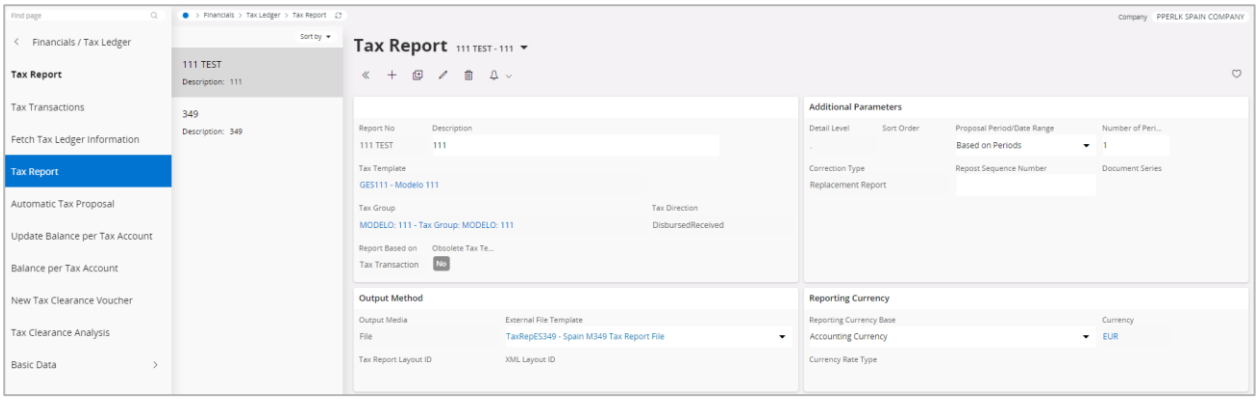
Income types relevant to each supplier must be defined in the ***Enterprise/ Supplier/ Invoice tab/ Tax Withholding Reporting*** page. **Default Income Type** must be set to "Yes" to be fetched automatically when an invoice line is registered/created.



If there are income types other than the default or no income type selected as default, the relevant income type must be entered in the column **Income Type Identity** in the ***Financials/ Manual Supplier Invoice*** Page.

8.5 Define Tax Report

Follow the standard process to define a tax report and connect the tax template, **GES111 - Modelo 111,** and the tax group **MODELO: 111** described in previous chapters. Output media should be file only.



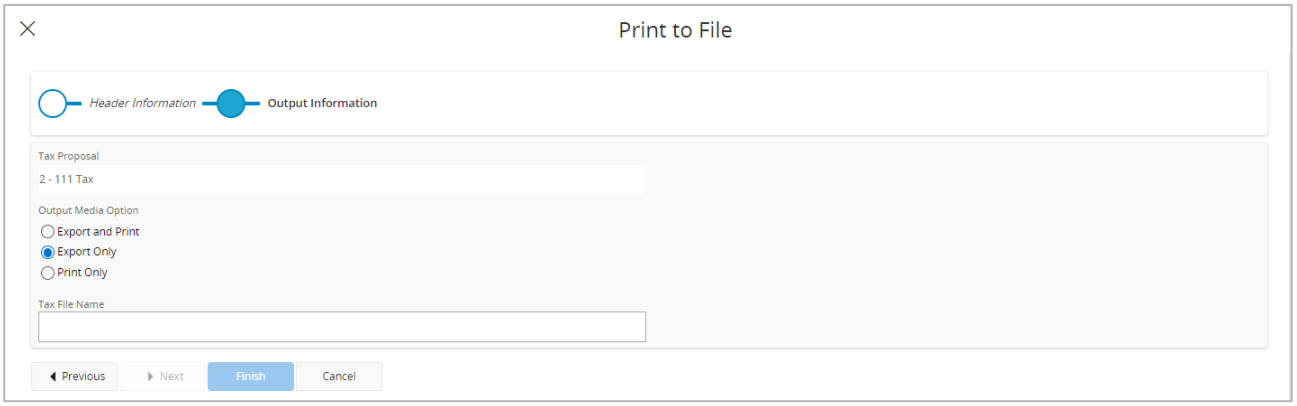
8.6 Create Tax Report

Once the tax report is defined as explained above, follow the standard process to create a Spanish Modelo 111 tax report.

For Spanish Modelo 111, the tax reporting is done by uploading a file with tax transactions to the tax authority's system. **Print Definitive Report** will create a .txt file that will contain the legally required information.

A new Step in the **Print to File** assistant is introduced to capture the declaration type of the tax proposal. Mandatory field **Declaration Type** is introduced with an enumerator which includes the options: **Income**, **Direct debit**, **Income to be recorded in CCT,** and **Negative**. This selection will be reflected in the output txt file as an abbreviation I (income), U (direct debit), G (income to be recorded in CCT), or N (negative).

A new radio button is introduced in the last step of the **Print to File** assistant as **Export Only** to generate the output file only.



8.6.1 CORRECTION PROPOSAL

The correction proposal for the Modelo 111 fiscal form will always be a **Replacement Report** replacing the information of a reported original tax proposal with the status reported/valid with the original information and the changes to that period.

8.7 Delimitations

None.

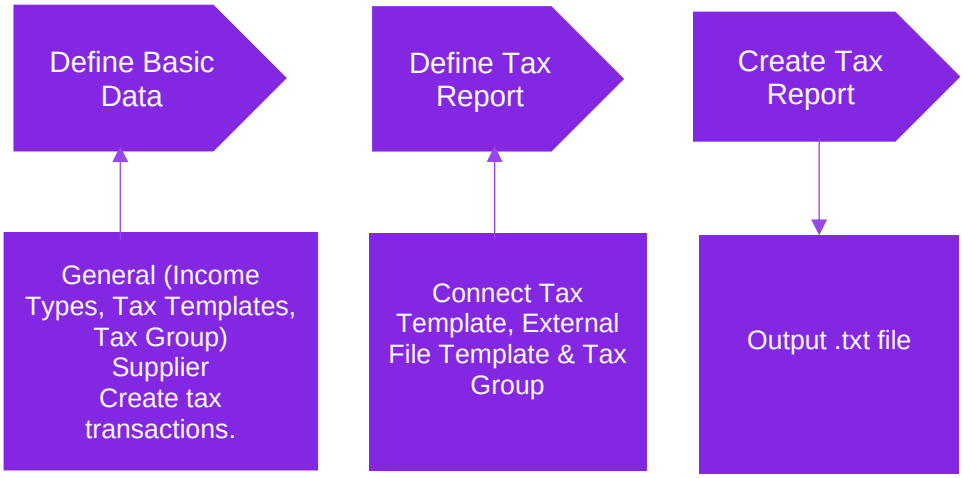
9 Spanish Withholding Tax Reporting: Modelo 115

9.1 Overview Legal Requirement

Modelo 115 form is to be filed by all those persons or entities, including Public Administrations, that are obliged to withhold or pay on account of Personal Income Tax, Corporate Income Tax, and Non-Resident Income Tax (permanent establishments) and pay income subject to withhold or payment on account for income from real estate capital and economic activities from the lease or sublease of urban real estate corresponding to recipients who are considered taxpayers for Personal Income Tax or satisfy income from the lease or sublease of urban real estate corresponding to corporate income taxpayers, as well as income corresponding to permanent establishments of non-resident income taxpayers.

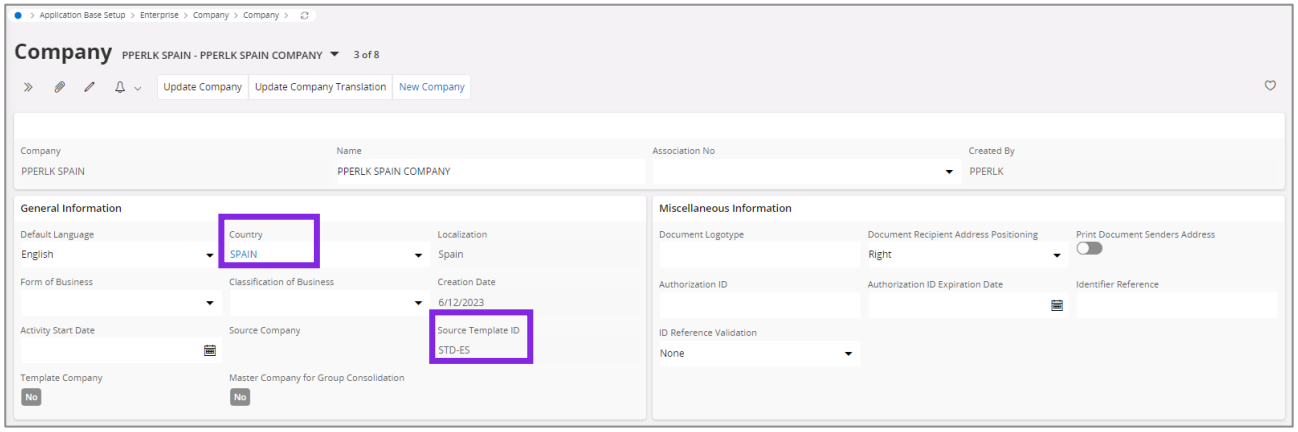
The periodicity (quarterly or monthly tax filing) and the form of presentation (submission electronically or by paper) of the self-assessments of withholdings and payments on account of the IRPF in Modelo 115 are determined by the type or category in which the taxpayer is included.

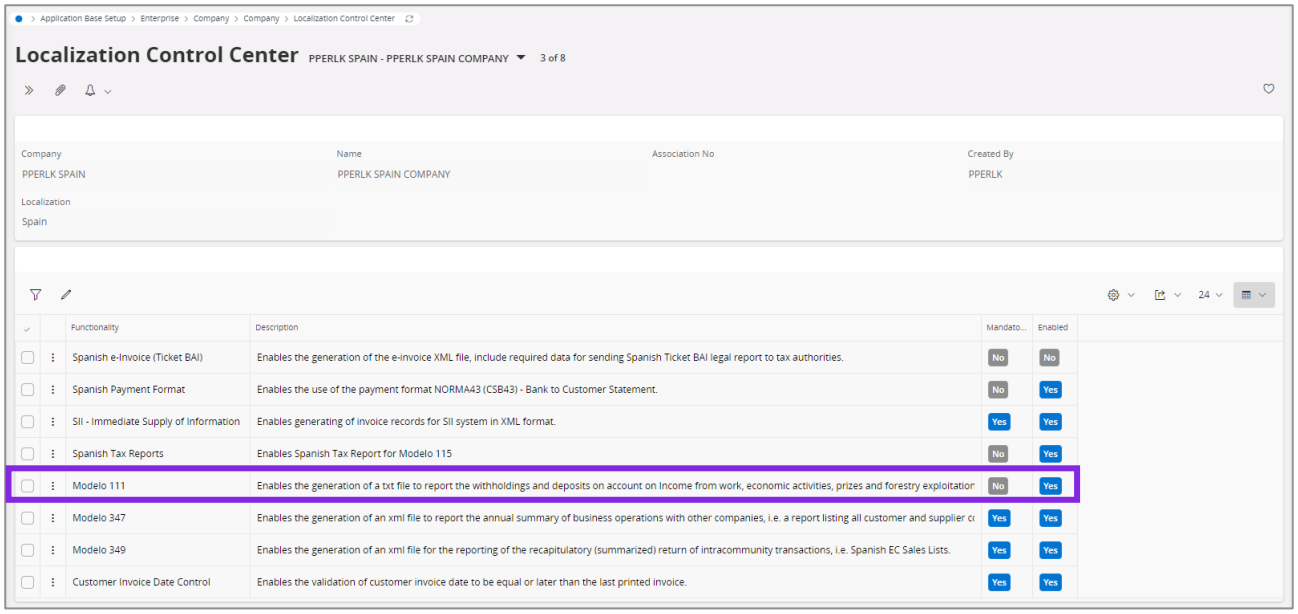
9.2 Process Overview



9.3 Prerequisites

The company must be set up to use **Spain** localization and Spain company template (**STD-ES**), see the Company Set up chapter and the **Spanish Tax Reports** functionality must be enabled in the Localization Control Center.





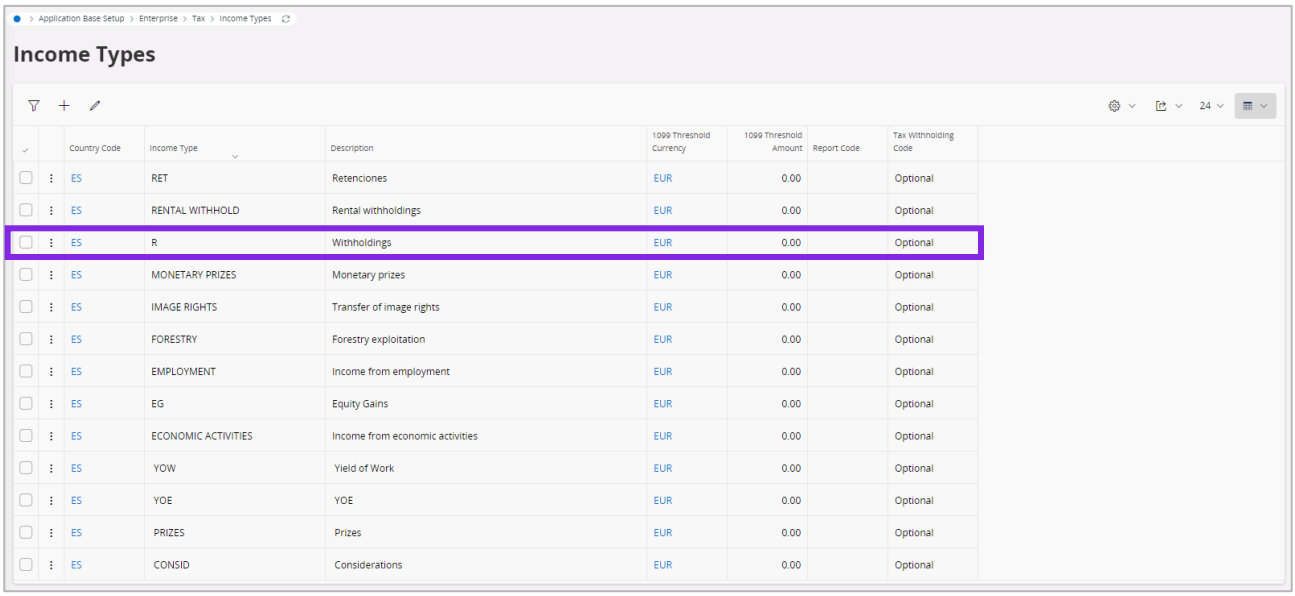
Withholding Tax Code with Tax Method **Invoice Entry** must be defined in the ***Accounting Rules/ Tax / Tax Codes*** page to capture the withholding tax posted when the supplier invoice is entered.

9.4 Define Basic Data / Basic Data Changes Introduced

9.4.1 INCOME TYPES

One **Income Type** and description is introduced for Spain on the ***Enterprise/Tax/Income Types*** page. Supplier income type identifies the category of income each invoice line from the supplier represents. This information is used to report and withhold taxes.

Income Type ID	Description
RENTAL WITHHOLD	Rental withholdings



Application Base Setup > Enterprise > Tax > Income Types

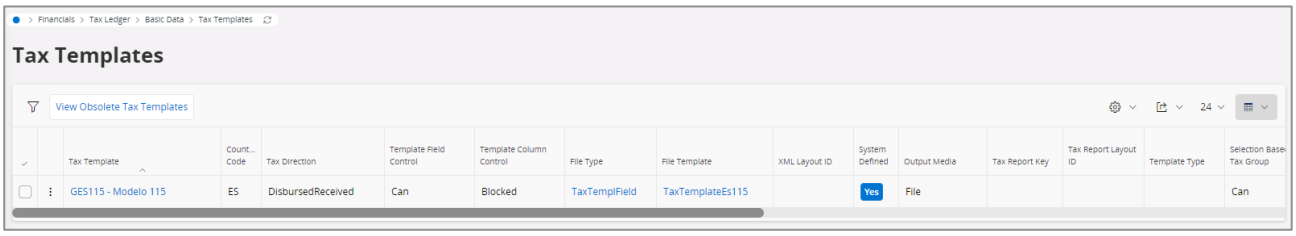
Income Types

Country Code	Income Type	Description	1099 Threshold Currency	1099 Threshold Amount	Report Code	Tax Withholding Code
ES	RET	Retenciones	EUR	0.00		Optional
ES	RENTAL WITHHOLD	Rental withholdings	EUR	0.00		Optional
ES	R	Withholdings	EUR	0.00		Optional
ES	MONETARY PRIZES	Monetary prizes	EUR	0.00		Optional
ES	IMAGE RIGHTS	Transfer of image rights	EUR	0.00		Optional
ES	FORESTRY	Forestry exploitation	EUR	0.00		Optional
ES	EMPLOYMENT	Income from employment	EUR	0.00		Optional
ES	EG	Equity Gains	EUR	0.00		Optional
ES	ECONOMIC ACTIVITIES	Income from economic activities	EUR	0.00		Optional
ES	YOW	Yield of Work	EUR	0.00		Optional
ES	YOE	YOE	EUR	0.00		Optional
ES	PRIZES	Prizes	EUR	0.00		Optional
ES	CONSID	Considerations	EUR	0.00		Optional

Income type-related data are added in the **STD-ES** template and the user will get them automatically if a new company is created using the template. Otherwise, the user needs to update the company and get the changes into the existing template.

9.4.2 TAX TEMPLATE MODELO 115

A new tax template, **GES115: Modelo 115**, is introduced. This makes it possible to report tax based on the IFS Tax Ledger. Further, a new external file template **TaxTemplateEs115** is also being introduced.



Financials > Tax Ledger > Basic Data > Tax Templates

Tax Templates

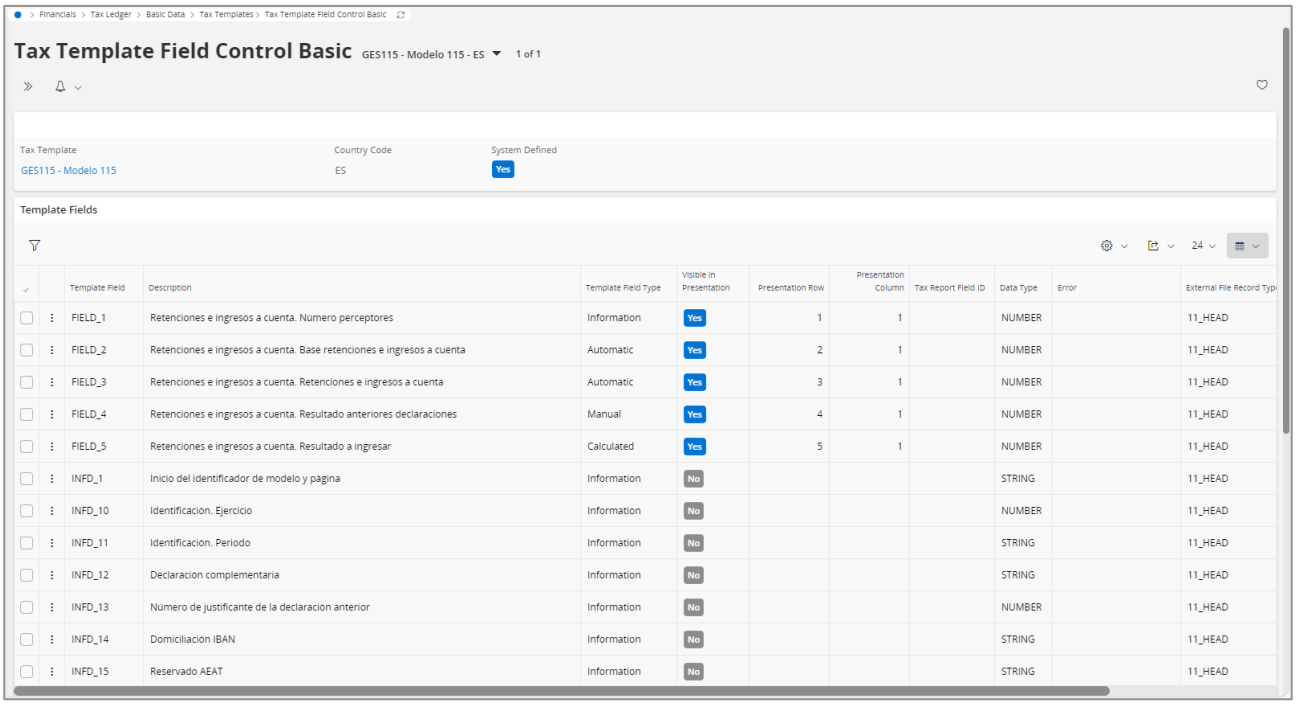
View Obsolete Tax Templates

Tax Template	Count... Code	Tax Direction	Template Field Control	Template Column Control	File Type	File Template	XML Layout ID	System Defined	Output Media	Tax Report Key	Tax Report Layout ID	Template Type	Selection Base Tax Group
GES115 - Modelo 115	ES	DisbursedReceived	Can	Blocked	TaxTemplField	TaxTemplateEs115		Yes	File				Can

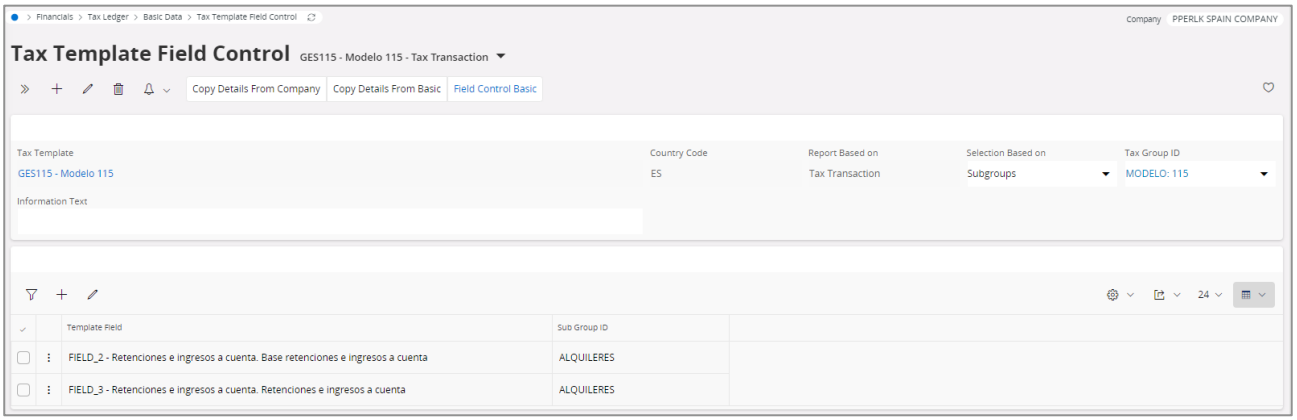
9.4.3 TAX TEMPLATE FIELDS

The ***Tax Template Field Control Basic*** is introduced for the new tax template.

Go to ***Financials/Tax Ledger/Basic Data/Tax Templates*** query for the template ID **GES115** and click the **Field Control Basic** command button.



Tax Template Field Control is added to the **STD-ES** template and the user will get them automatically if a new company is created using the template. Otherwise, the user needs to update the company and get the changes into the existing template.

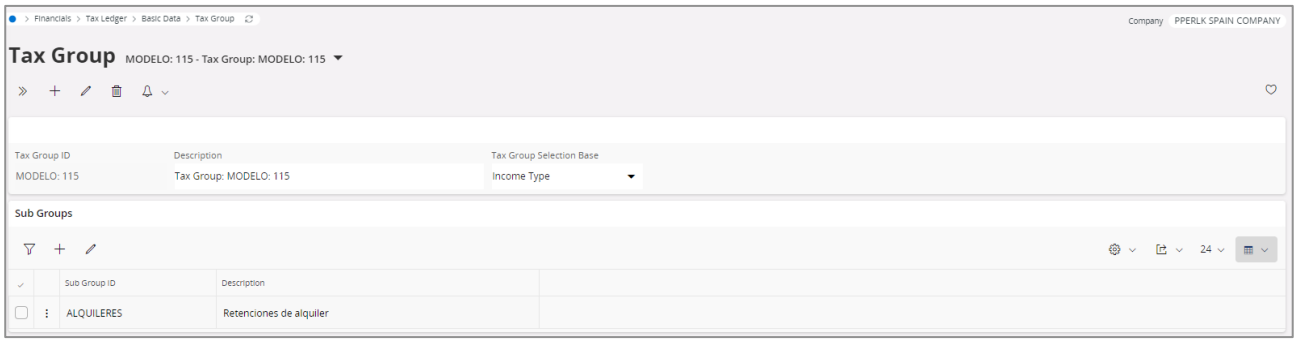


9.4.4 TAX GROUP: MODELO 115

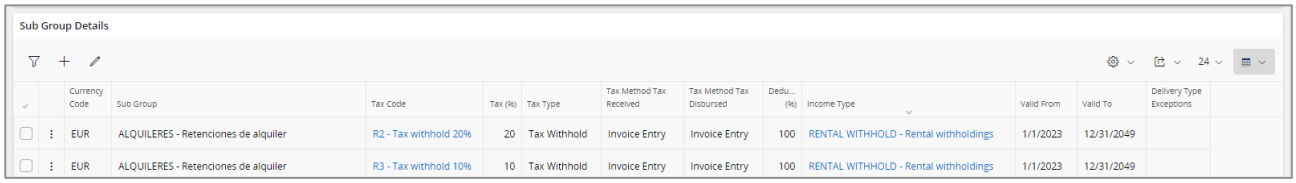
The tax reporting must be structured and grouped according to the local legislation for Modelo 115. Below tax group details are added to the **STD-ES** company template.

Sub Group ID	**Description**
ALQUILERES	Retenciones de alquiler

Go to the ***Tax Group*** page via ***Financials/Tax Ledger/Basic Data*** to find the new tax group **MODELO: 115**.



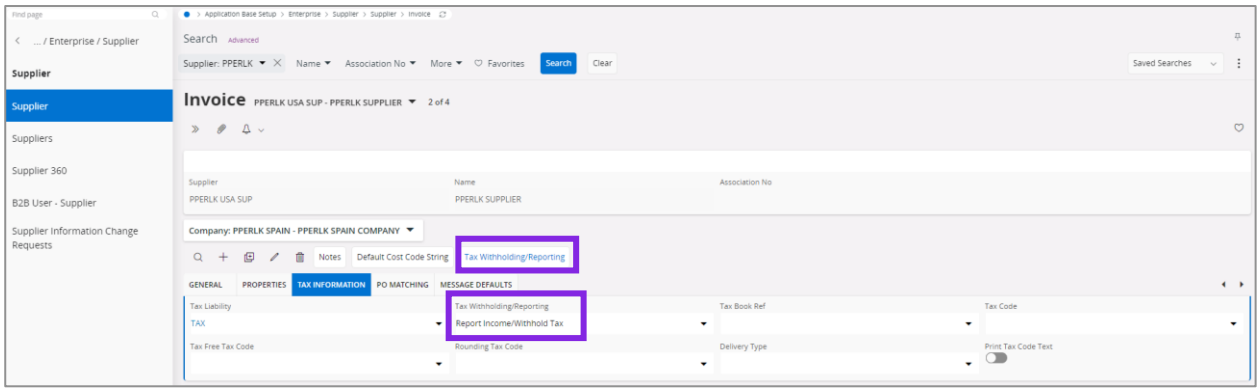
Users can manually connect the different tax codes and income type combinations to each sub group via the **Sub Group Details** section.



9.4.5 Supplier Level Basic Data

Enter Tax information to the Supplier

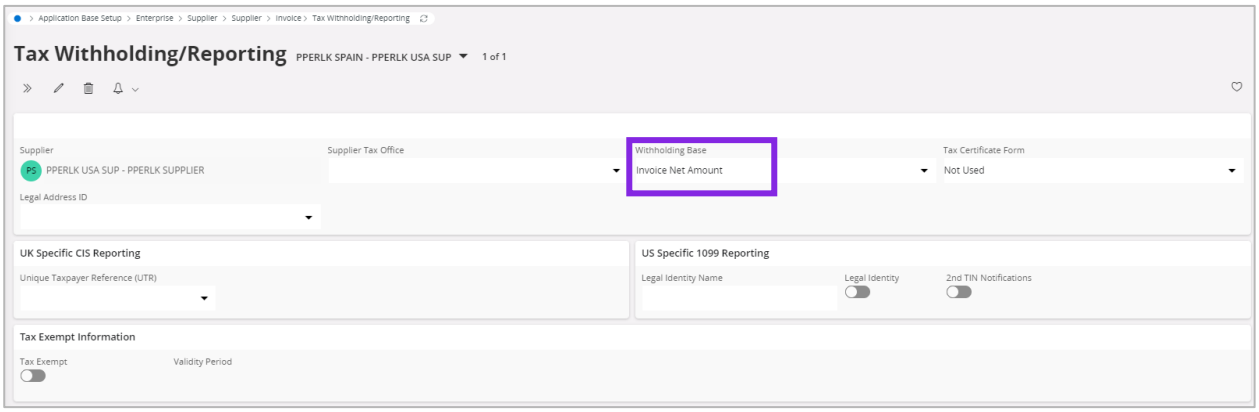
Go to the ***Supplier/Invoice/Tax Information*** sub-tab and set the Tax Withholding/Reporting option as **Report Income/Withhold Tax** which will enable the **Tax Withholding/ Reporting** command button.



N.B: Tax ID numbers for the suppliers must be defined before setting up for withholding.

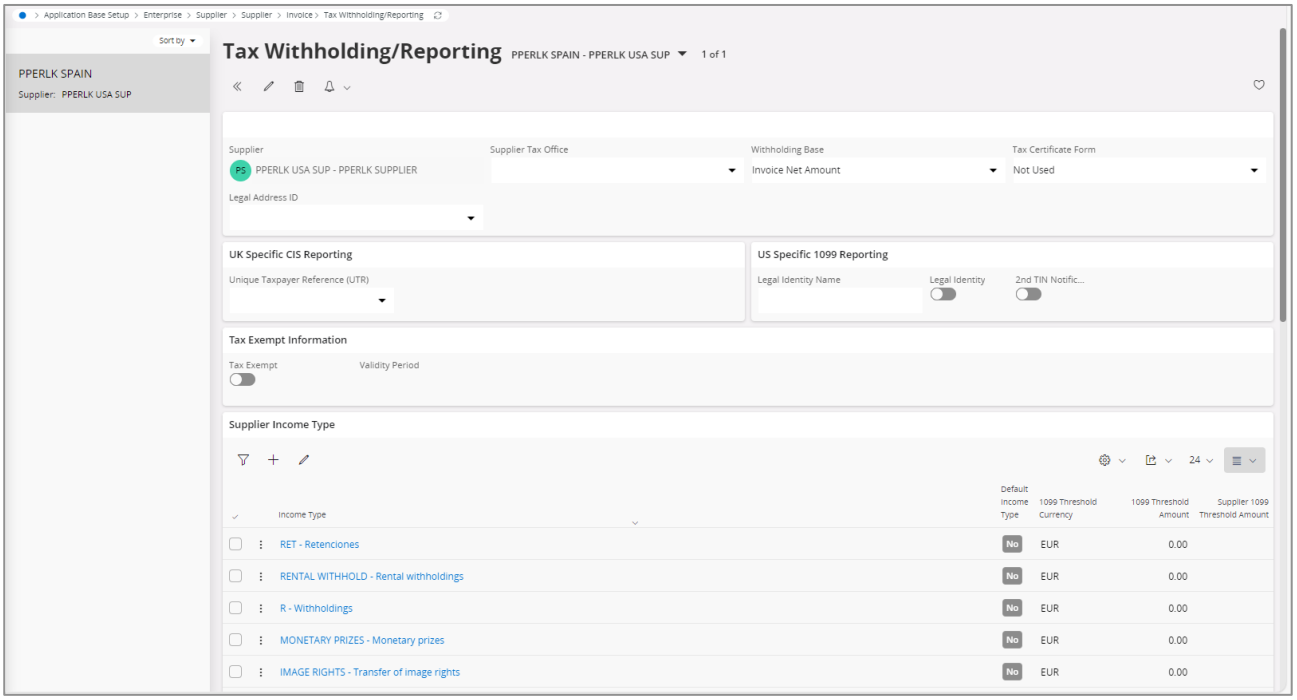
The base amount to be used for the calculation of the withheld tax amount should be **Invoice Net Amount**.

Go to ***Enterprise/ Supplier/ Invoice tab/Tax Withholding/ Reporting***.



Connect Income types to the Supplier

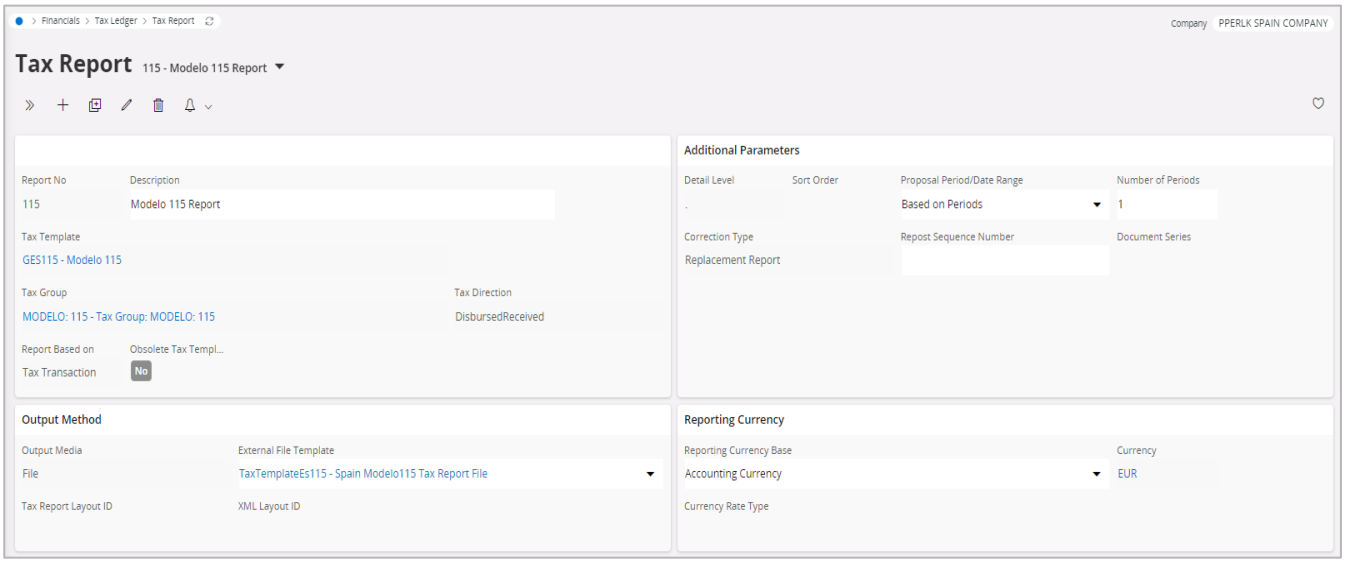
Income types relevant to each supplier must be defined in the ***Enterprise/ Supplier/ Invoice tab/ Tax Withholding Reporting*** page. **Default Income Type** must be set to "Yes" to be fetched automatically when an invoice line is registered/created.



If there are income types other than the default or no income type selected as default, the relevant income type must be entered in the column **Income Type Identity** in the ***Financials/ Manual Supplier Invoice*** Page.

9.5 Define Tax Report

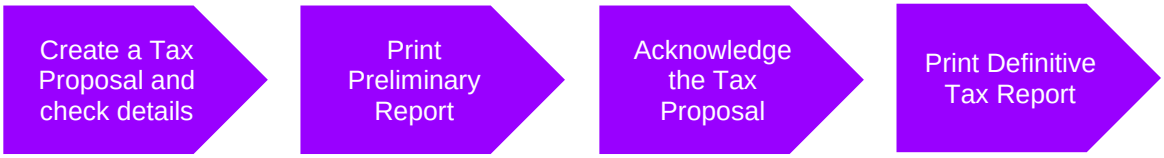
Follow the standard process to define a tax report and connect the tax template, **GES115 - Modelo 115,** and the tax group **MODELO: 115** described in previous chapters. Output media should be file only.



9.6 Create Tax Report

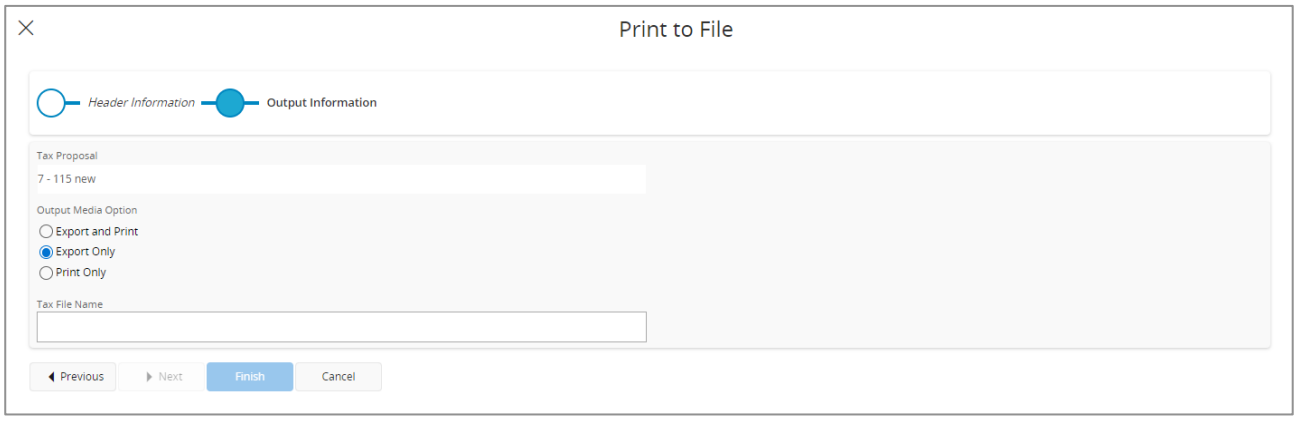
Once the tax report is defined as explained above, follow the standard process to create a Spanish Modelo 115 tax report.

For Spanish Modelo 115, the tax reporting is done by uploading a file with tax transactions to the tax authority's system. **Print Definitive Report** will create a .txt file that will contain the legally required information.



A new Step in the **Print to File** assistant is introduced to capture the declaration type of the tax proposal. Mandatory field **Declaration Type** is introduced with an enumerator which includes the options: **Income**, **Direct debit**, **Income to be recorded in CCT,** and **Negative**. This selection will be reflected in the output txt file as an abbreviation I (income), U (direct debit), G (income to be recorded in CCT), or N (negative).

A new radio button is introduced in the last step of the **Print to File** assistant as **Export Only** to generate the output file only.



9.6.1 CORRECTION PROPOSAL

The correction proposal for the Modelo 115 fiscal form will always be a **Replacement Report** replacing the information of a reported original tax proposal with the status reported/valid with the original information and the changes to that period.

9.7 Delimitations

None.

10 Ledger of Economic Operations (LROE) - BATUZ

10.1 Overview Legal Requirement

The Ledger of Economic Operations (Libro Registro de Operaciones Económicas), also known as LROE, is a main compliance element of the Batuz tax control system. Taxpayers under the Batuz mandate must comply with both TicketBAI and LROE obligations. While TicketBAI applies to invoice issuance, LROE rules require taxpayers to electronically record and report data on income, expenses, and other fiscally relevant information to the tax authority in a structured format.
Regardless of size or business volume, individuals engaged in economic activities and organizations must meet LROE requirements if subject to Bizkaia regulations on Personal Income Tax, Corporate Tax or Non-Resident Income Tax for permanent establishments. The rule will come into effect on 1 January 2024 and includes taxpayers currently subject to Bizkaia's SII (Immediate Supply of Information) mandate.
For compliance with LROE, taxpayers must record and transmit their sales, purchases and other financial data in a structured XML format according to legal technical specifications. Taxpayers can send the data in the ledger either through webservices or manually uploaded via the portal provided by the Bizkaia Tax Authority.

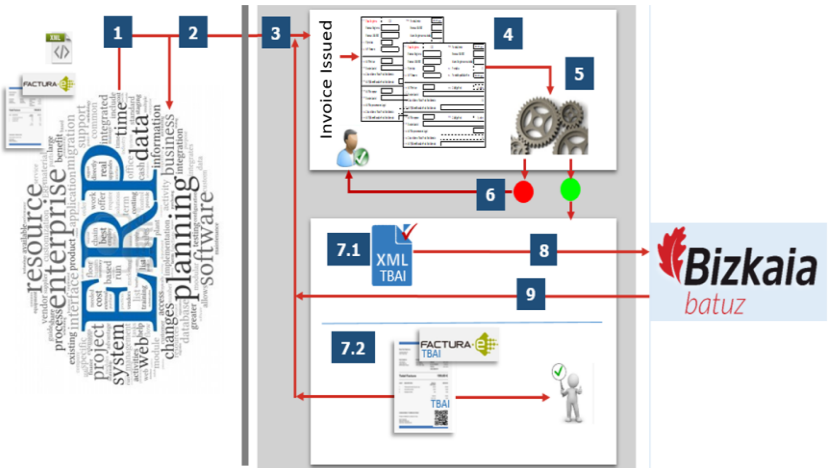
Individuals engaged in economic activities report this information via model 140, while companies use model 240.

The structure of LROE information for companies and non-resident taxpayers with permanent establishment (model 240) is comprised of the following:

1. **Chapter of invoices issued**
2. **Chapter of invoices received**
3. Chapter of investment goods
4. Chapter of certain intracommunity operations
5. Chapter of other information with tax significance
6. Chapter of accounting movements

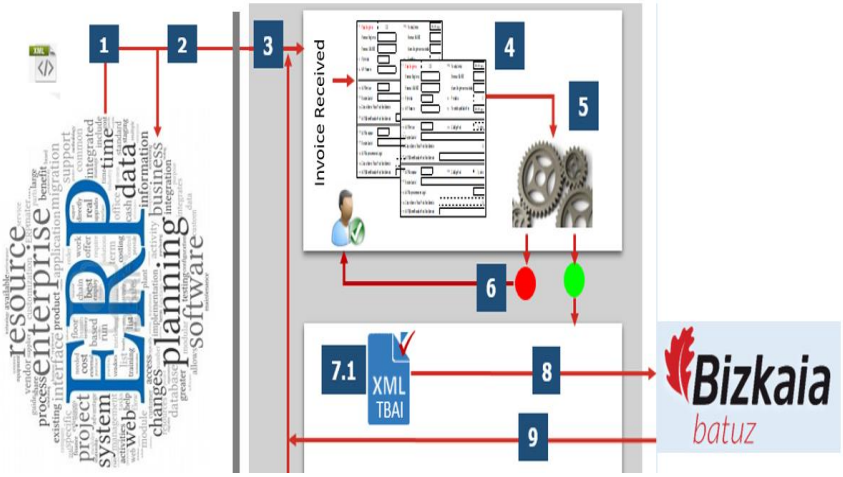
IFS solution is covered only first two chapters of Model 240 according to the specification provided by third party service provider **Semantic**.

1. Chapter of invoices issued.



01	ERP Create and post Customer Invoice
02	Generate XML and PDF
03	Send both files to Guarantee Software (REPCON)
04	Receive files by Guarantee Software (REPCON)
05	Validate files by Guarantee Software (REPCON)
06	If Errors, client must correct the invoice and process again.
07	No Error. Include TBAI and QR Code in the xml.
08	Send XML to the Tax Authority (BATUZ)
09	Tax Authority send response back to Guarantee Software (REPCON)

2. Chapter of invoices received.



01	ERP Enter and post Supplier Invoice
02	Generate XML
03	Send XML file to Guarantee Software (REPCON)
04	Receive file by Guarantee Software (REPCON)
05	Validate file by Guarantee Software (REPCON)
06	If Errors, client must correct the invoice and process again.
07	No Error. Send XML to the Tax Authority (BATUZ)
08	Tax Authority send response back to Guarantee Software (REPCON)

10.2 Solution

The following is added to support the LROE Requirement.

- New LCC Parameter for LROE Reporting.
- Basic data for Tax Codes: A new column, 'Expense Type,' has been added, and the existing 'Tax Category 1' column is used to differentiate the Surcharge tax codes from others.
- A new function to create LROE proposal in Invoice Data Reporting Proposals page.
- A new function to generate LROE XML file. One format for Issued Invoices (customer invoices) and one format for Received Invoices (supplier invoices).
- New routing rules to handle the Invoice Issued and Invoice Received out XML files and response file from LROE web service to IFS Cloud. It sets the LROE status for each invoice on LROE Proposal details level.
- A new routing rule to store PDF of the Invoice in IFS Connect.
- A possibility to handle errors is added. The basic data can be corrected, and new XML file can be generated in case there are errors either during XML file creation or in the response file from LROE web service.
- Overview page showing Invoices with different LROE Status.

IFS Connect is used to generate the XML files, store Invoice Issued PDF and to upload the response file from the tax authorities.

10.3 Process Overview

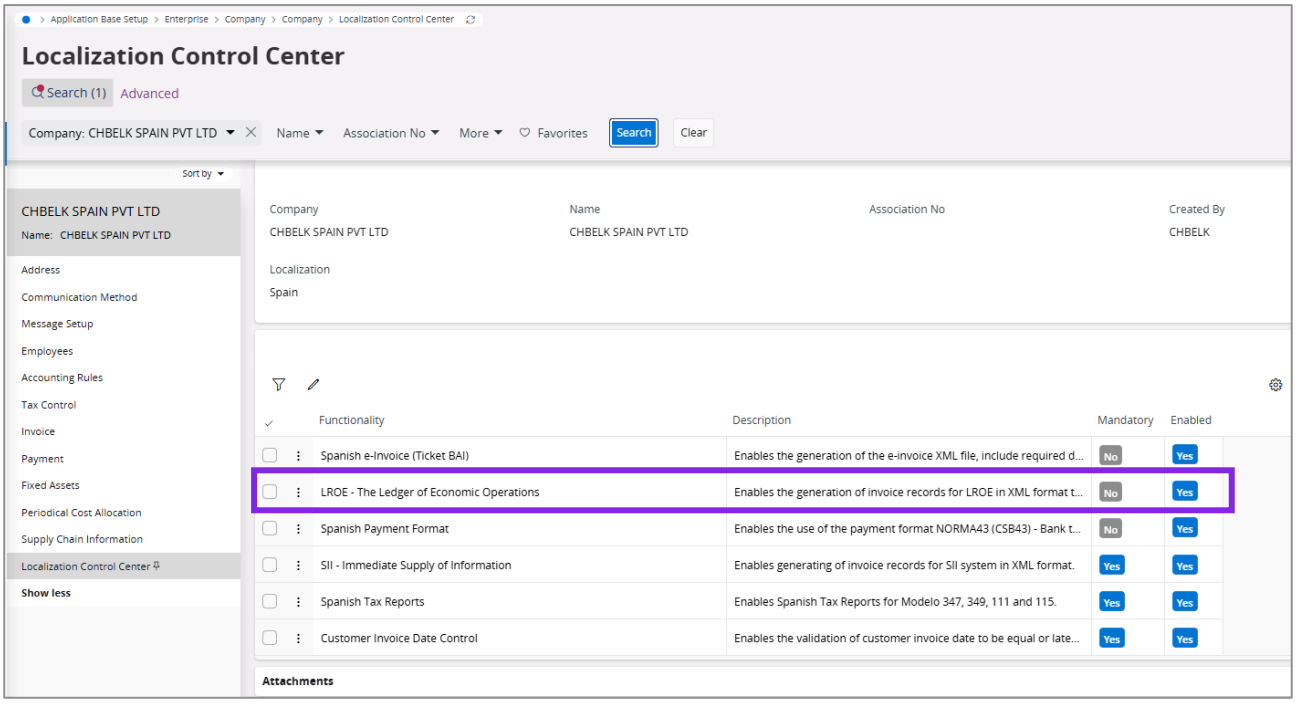
- Enable LCC Parameter – “LROE - The Ledger of Economic Operations”
- Define basic data as specified in SII reporting.

- Create customer invoice or Enter supplier invoice.
- Create LROE proposal for either supplier or customer invoices.
- Review and acknowledge the proposal.
- Generate XML file containing customer or supplier invoices from the proposal.
- Send the XML file to the Tax Agency using a third-party tool and receive response in XML format.
- Upload response file to IFS Cloud. Set the LROE status for each invoice on proposal details.
- If errors obtained in response file, modify/correct basic data and generate file again.

10.4 Prerequisites

10.4.1 Enable LCC Parameter

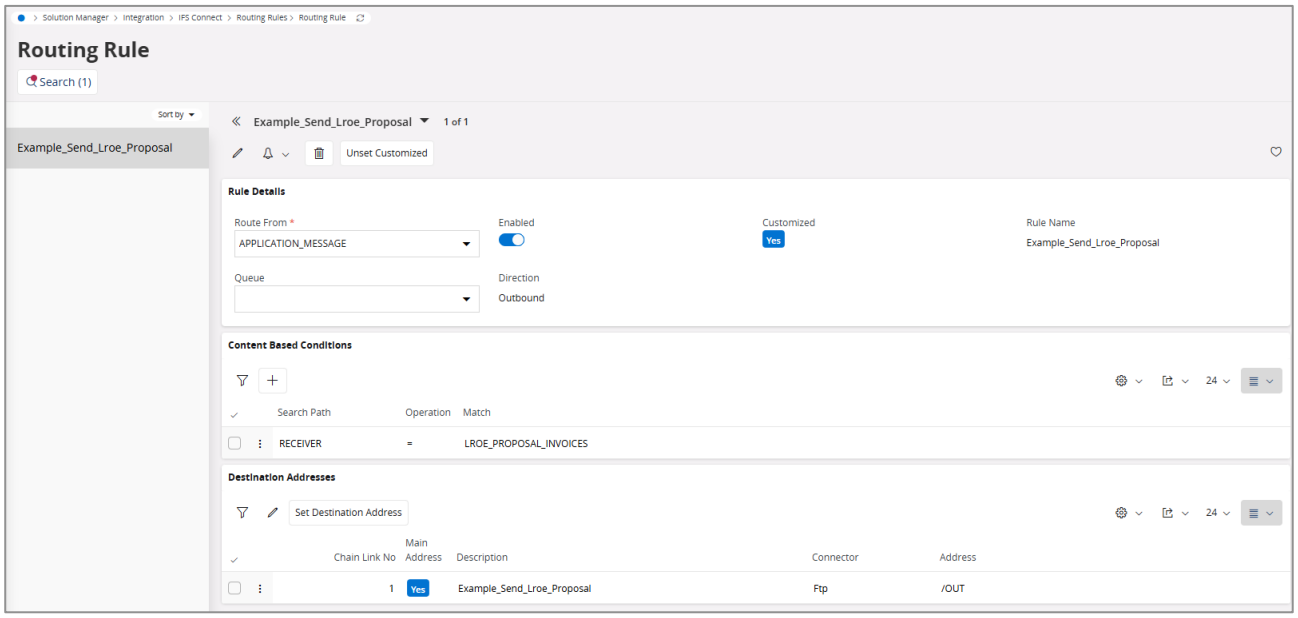
The company must be set-up to use Spanish localization, see the Company Set up chapter and the “LROE - The Ledger of Economic Operations” localization functionality must be enabled.



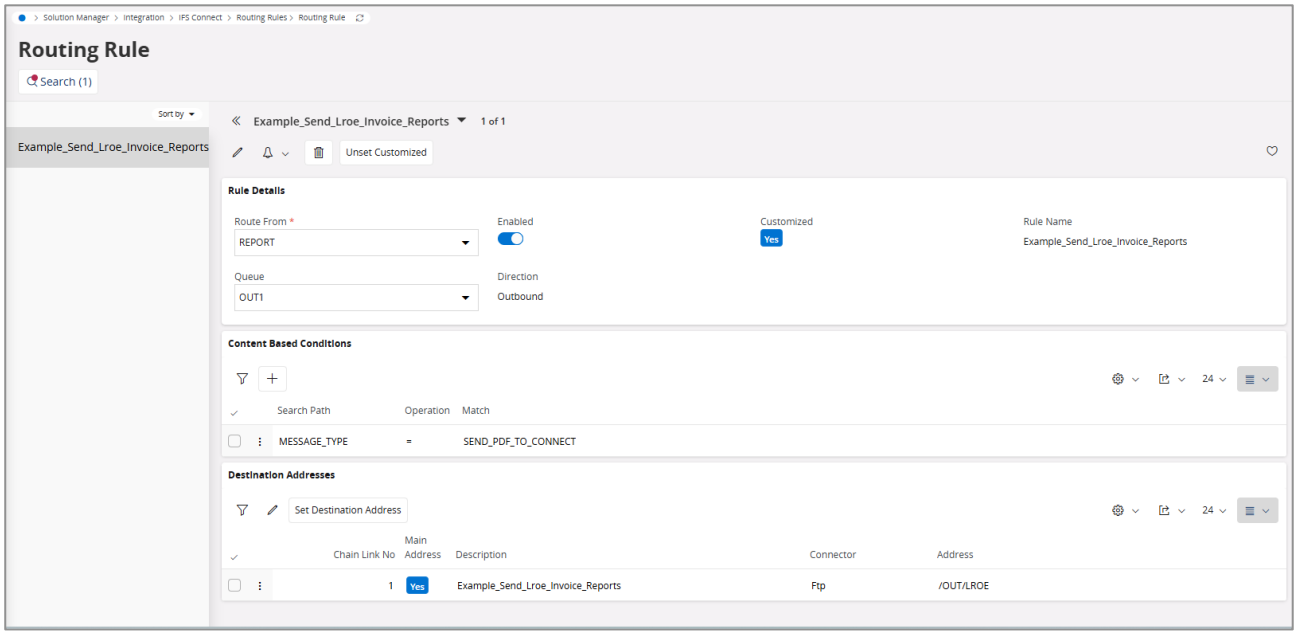
10.4.2 Enable Routing Rules

10.4.2.1 Routing Rule – OUTBOUND

- To generate XML in OUT Folder



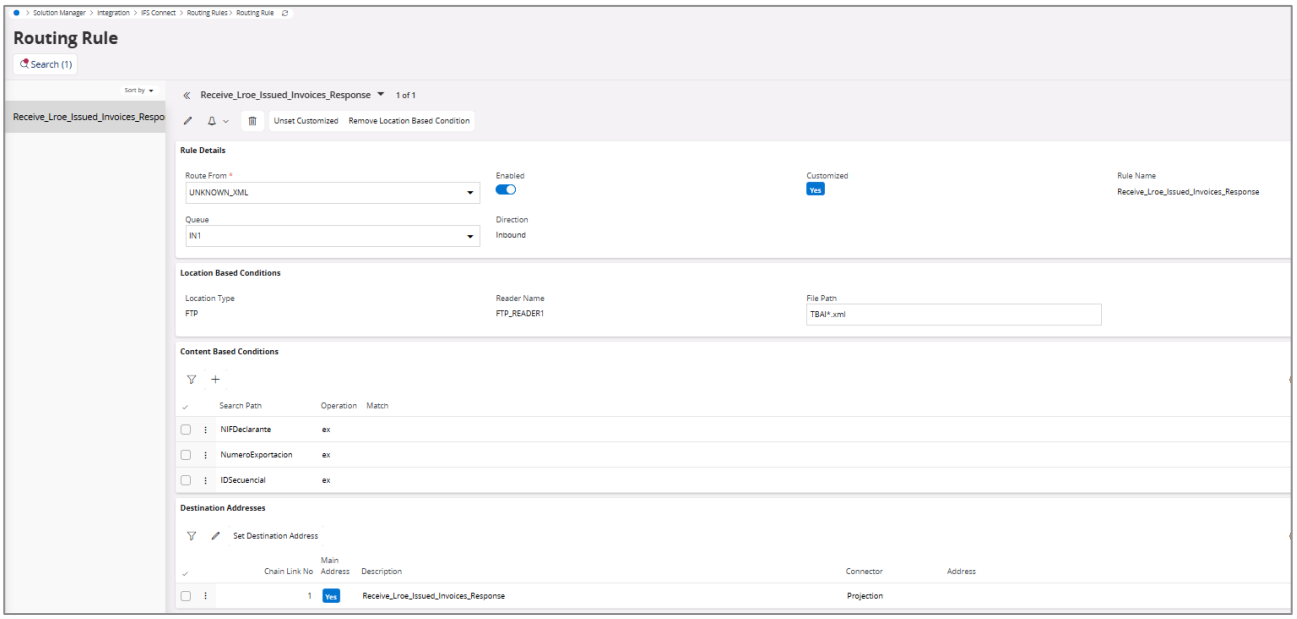
- To store invoice PDF in OUT Folder



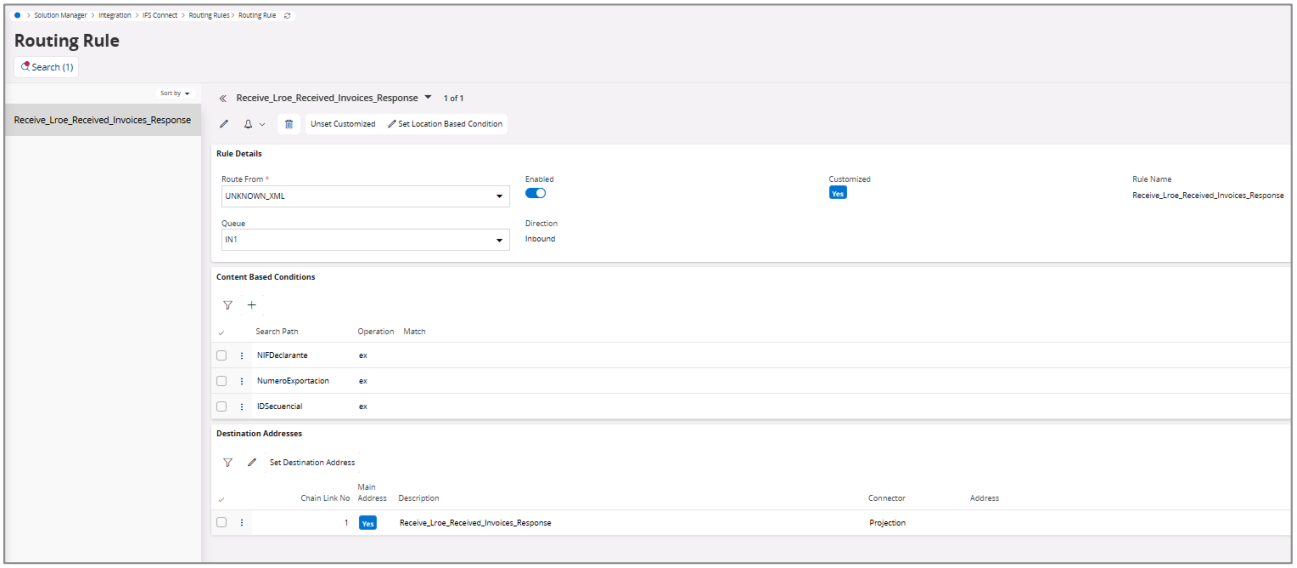
Please see Chapter 11 Appendix to configure and import the *Report Rules*.

10.4.2.2 Routing Rules – INBOUND

- Response handling for Invoice Issued



- Response handling for Invoice Received



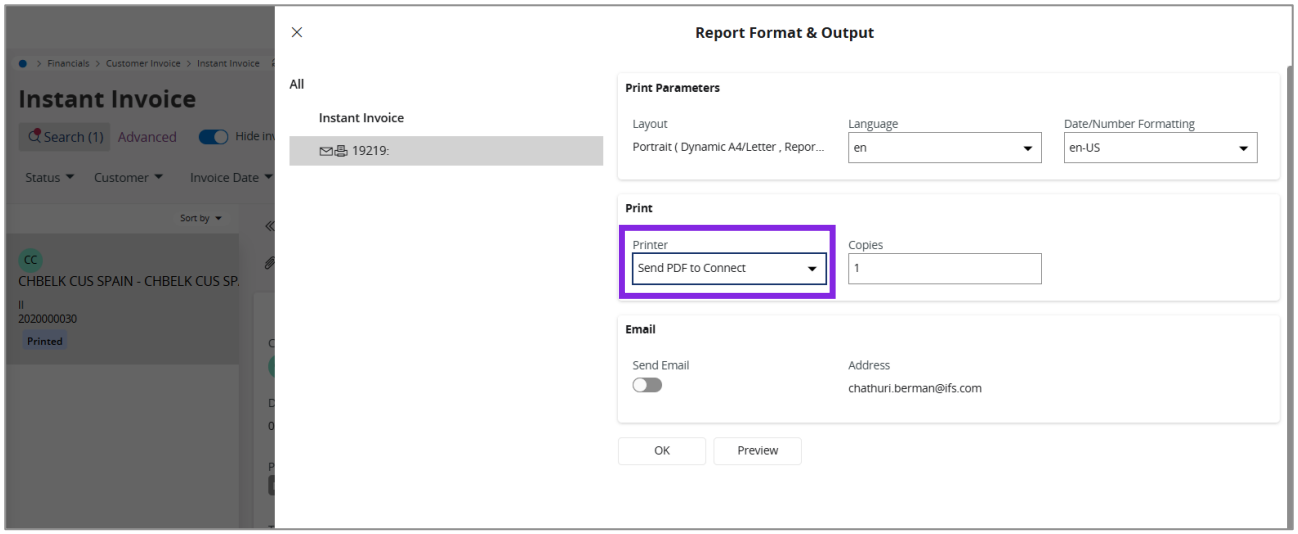
10.4.3 Enter Supplier Invoice and Create Customer Invoice

- Customer Invoice – Invoice status should be **“PostedAuth”** or **“PaidPosted”** or **“PartlyPaidPosted”**

Special Note: When printing the customer invoice, user need to select the ‘’Send PDF to Connect’’ option in order to generate the PDF file in OUT folder. PDF name and the <rsii:NombreFicheroFactura> value should be identical.

- For Instant Invoices and Project Invoices PDF name format should be ***“LROE”_“Company”_”CustomerNo”_”InvoiceNo”***

- For Customer Order Invoices PDF name format should be ***"LROE"_"Site" _"CustomerNo"_"InvoiceNo"***



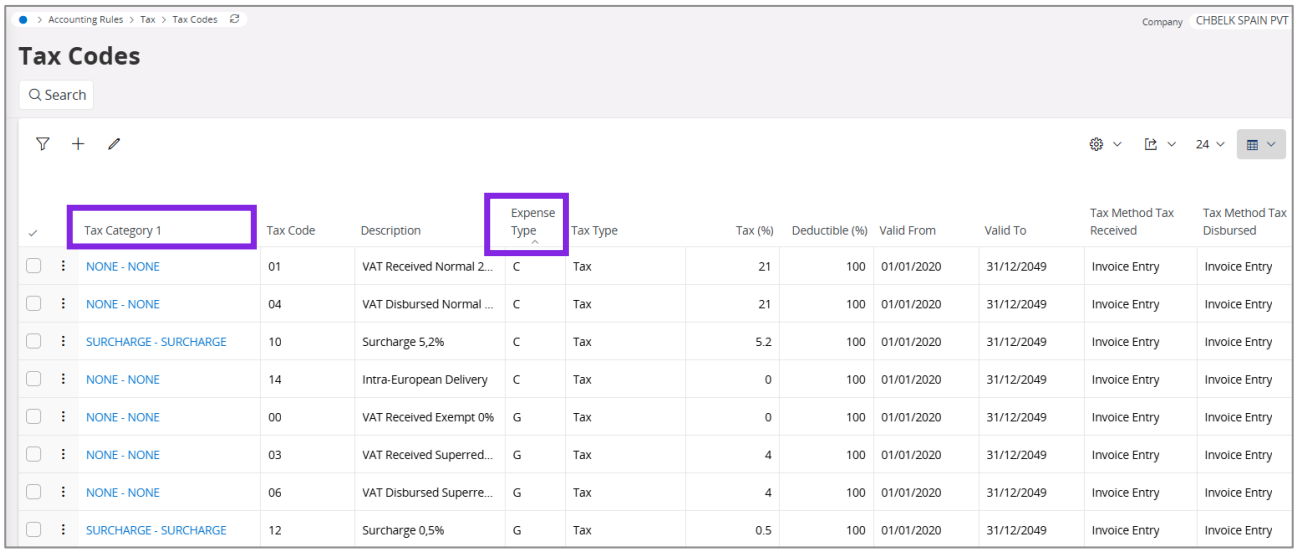
- Supplier Invoice – Invoice status should be **"Posted"** or **"PostedAuth"** or **"PaidPosted"** or **"PartlyPaidPosted"**

10.5 Define Basic Data

10.5.1 SII Basic Data

Users need to setup SII related Basic Data. (Refer the Chapter 5 of the Country Solution Document).

- *SII Exemption Reasons*
- *SII Invoice Types and connect to Invoice Series*
- *SII Business Transaction Types (Customer and Supplier)*
- *SII Tax Liability Classification*
- *SII Operation Type*
- *Tax Category 1*: This column is visible on the Tax Codes page. Users must select 'Surcharge' from the list for all surcharge tax codes and 'None' for all other tax codes. (Tax Categories for "None" and "Surcharge" need to be defined on the Tax Categories page).
- *Expense Type*: This column is visible in Tax Codes Page. The Expense Type is used to differentiate the tax codes according to the expense type in Spain. Select "I" for Investment, select "G" for Cost, select "C" for Purchases.

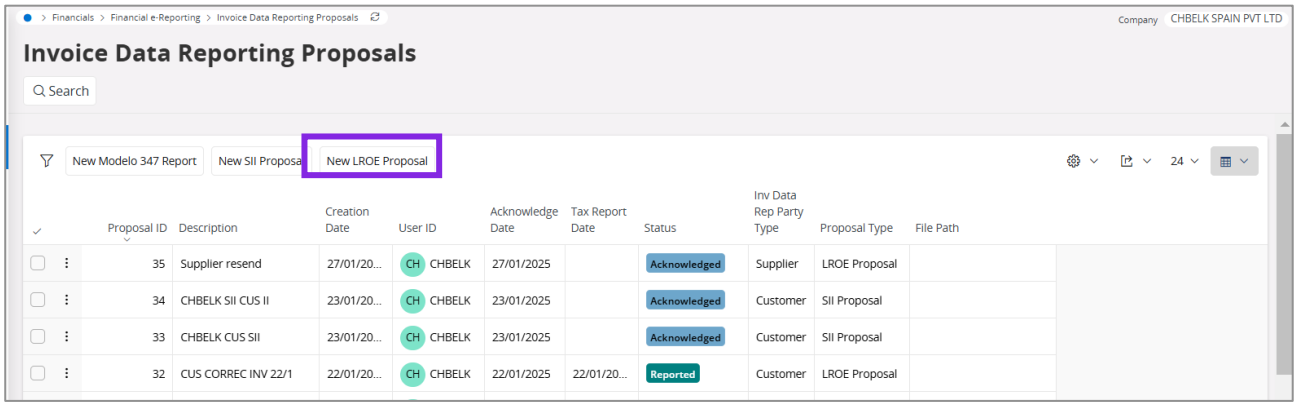


Tax Category 1	Tax Code	Description	Expense Type	Tax Type	Tax (%)	Deductible (%)	Valid From	Valid To	Tax Method Tax Received	Tax Method Tax Disbursed
NONE - NONE	01	VAT Received Normal 2...	C	Tax	21	100	01/01/2020	31/12/2049	Invoice Entry	Invoice Entry
NONE - NONE	04	VAT Disbursed Normal ...	C	Tax	21	100	01/01/2020	31/12/2049	Invoice Entry	Invoice Entry
SURCHARGE - SURCHARGE	10	Surcharge 5,2%	C	Tax	5.2	100	01/01/2020	31/12/2049	Invoice Entry	Invoice Entry
NONE - NONE	14	Intra-European Delivery	C	Tax	0	100	01/01/2020	31/12/2049	Invoice Entry	Invoice Entry
NONE - NONE	00	VAT Received Exempt 0%	G	Tax	0	100	01/01/2020	31/12/2049	Invoice Entry	Invoice Entry
NONE - NONE	03	VAT Received Superred...	G	Tax	4	100	01/01/2020	31/12/2049	Invoice Entry	Invoice Entry
NONE - NONE	06	VAT Disbursed Superre...	G	Tax	4	100	01/01/2020	31/12/2049	Invoice Entry	Invoice Entry
SURCHARGE - SURCHARGE	12	Surcharge 0,5%	G	Tax	0.5	100	01/01/2020	31/12/2049	Invoice Entry	Invoice Entry

Please see Chapter 11 Appendix LROE Mapping Structure for more details.

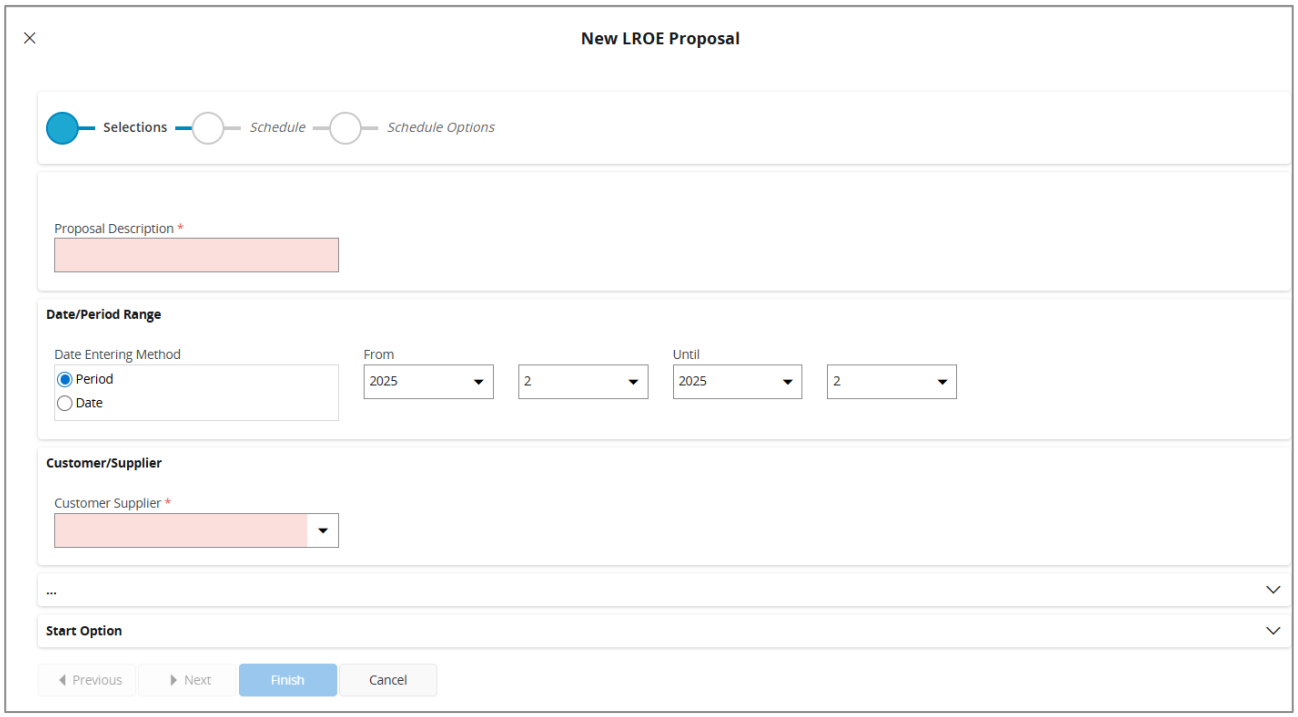
10.6 Create LROE Proposal

LROE proposal is created from the *Financials/Financial e-Reporting/Invoice Data Reporting Proposals* page. To create a new LROE proposal, use the 'New LROE Proposal' command.

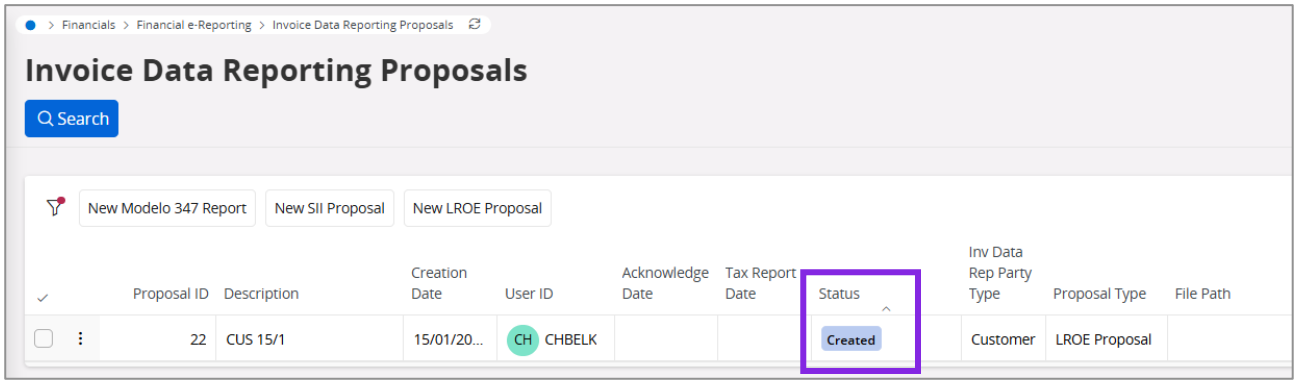


Proposal ID	Description	Creation Date	User ID	Acknowledge Date	Tax Report Date	Status	Inv Data Rep Party Type	Proposal Type	File Path
35	Supplier resend	27/01/20...	CH CHBELK	27/01/2025		Acknowledged	Supplier	LROE Proposal	
34	CHBELK SII CUS II	23/01/20...	CH CHBELK	23/01/2025		Acknowledged	Customer	SII Proposal	
33	CHBELK CUS SII	23/01/20...	CH CHBELK	23/01/2025		Acknowledged	Customer	SII Proposal	
32	CUS CORREC INV 22/1	22/01/20...	CH CHBELK	22/01/2025	22/01/20...	Reported	Customer	LROE Proposal	

Enter Proposal Description, select Period/Date Range and Party Type and press Finish.

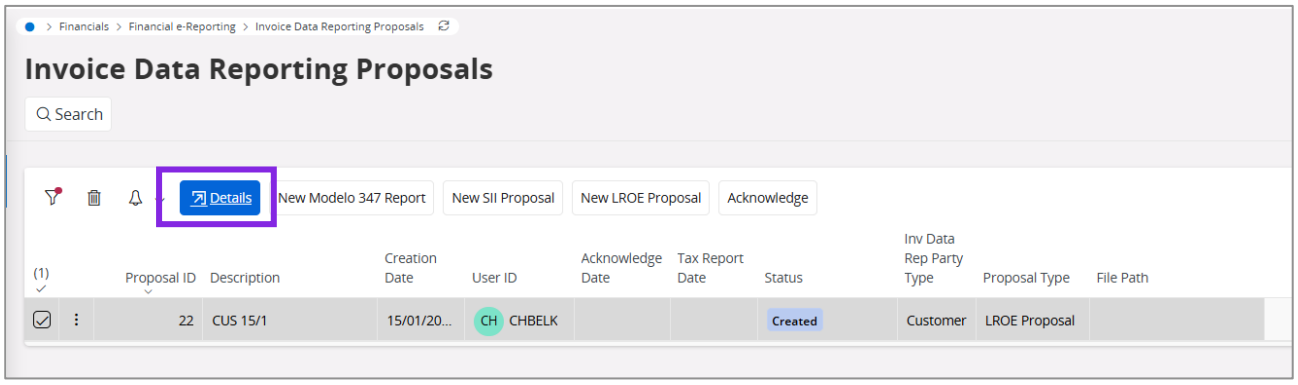


Once Proposal Created, Status is visible as “Created”



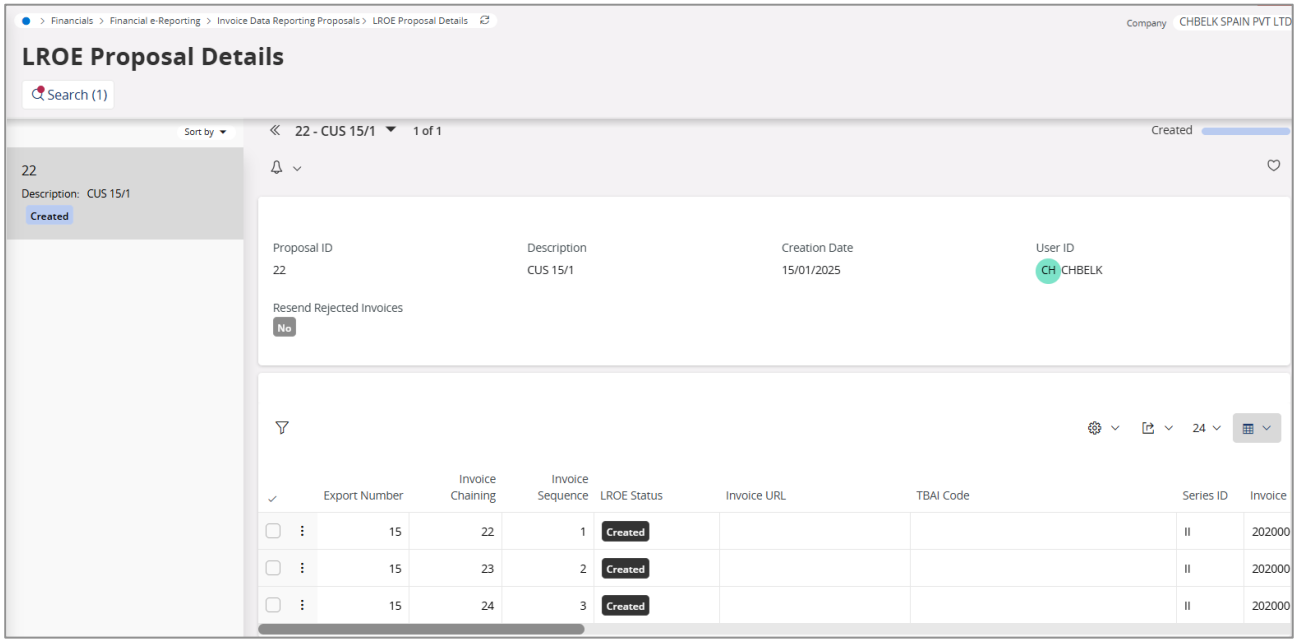
10.7 **Review and Acknowledge Proposal**

Use the **Details** option to view invoices included in the proposal. The *LROE Proposal Details* page is opened with the details of the proposal.



In the header section of the page, you can find the following fields: **Proposal ID**, **Description**, **Creation Date**, **User ID**, **Status of the Proposal**.

In the details section of the page, you can see basic information about the invoice, such as the invoice number, invoice date, invoice status, gross amount, net amount, tax amount, and others. Additionally, there are columns that include specific information for the LROE reporting. Namely, **Export Number, Invoice Chaining, Invoice Sequence, LROE Status**, **LROE Error Code**, **LROE Error Description, TBAI Code, Invoice URL, LROE Year, LROE Period** and **LROE Correction Type**.



The Export Number, Invoice Chaining, and Invoice Sequence columns are automatically generated when the proposal is created and cannot be edited manually.

The **LROE Status** column reflects the status of the invoice from the LROE perspective. The following statuses are used:

- **Pending**: When the invoice is included in the proposal.
- **Rejected**: If the invoice is rejected by the Tax Authority.
- **Accepted with Warnings**: If the invoice is accepted with warnings by the Tax Authority.
- **Accepted**: If the invoice is accepted by the Tax Authority.

The **TBAI Code** and **Invoice URL** columns are not editable. They are automatically populated when the response file is uploaded. Note that these columns receive values only for customer invoices after receiving an "Accepted" response from the Tax Authority. The invoice URL is linked to the Guarantee software, allowing users to access the invoice through that link.

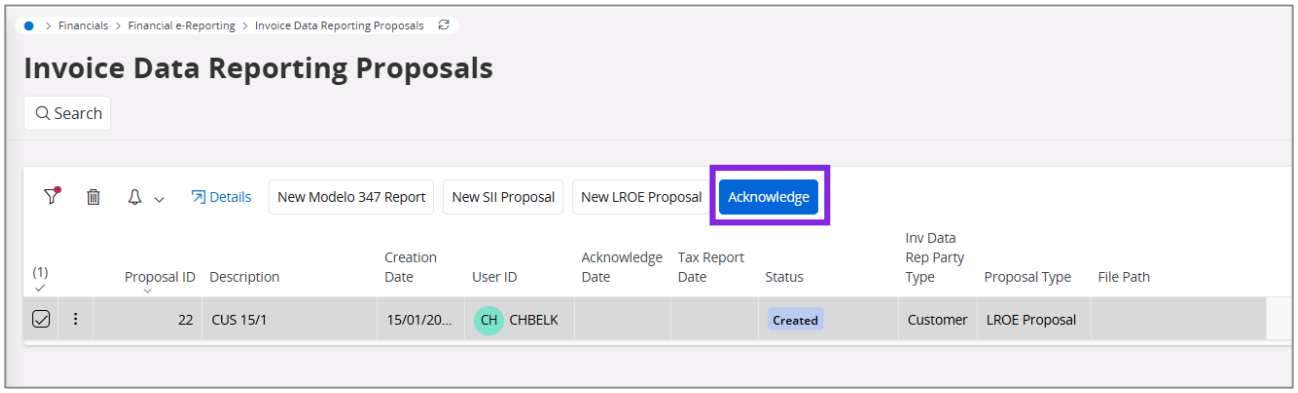
The **LROE Error Code** and **LROE Error Description** columns are also not editable. They are automatically set when the response file is uploaded, and their values are populated when "Rejected" or "Accepted with Warnings" responses are received from the Tax Authority.

The **LROE Year** and **LROE Period** columns are automatically set based on the tax liability date of the invoice and are not editable.

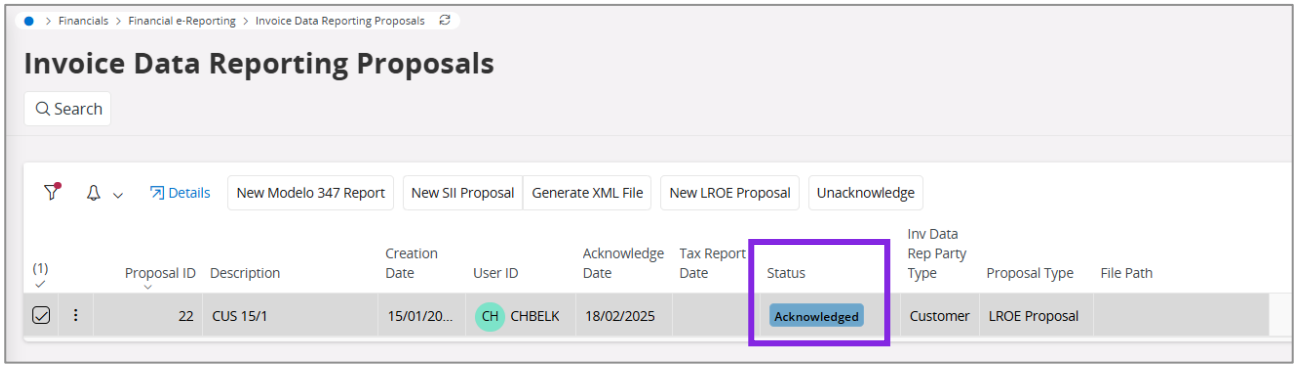
The **LROE Correction Type** column is a combo box with two options: “S” and “I”. It is automatically set to “S” for correction invoices and automatically set to “I” for credit invoices created from customer order flow with invoice types **CUSTORDCRE** and **CUSTCOLCRE**.

Note: It is not possible to delete any proposal if subsequent proposals exist. However, the latest proposal can always be deleted before it is acknowledged.

After reviewing the invoice details, the user can acknowledge the proposal.

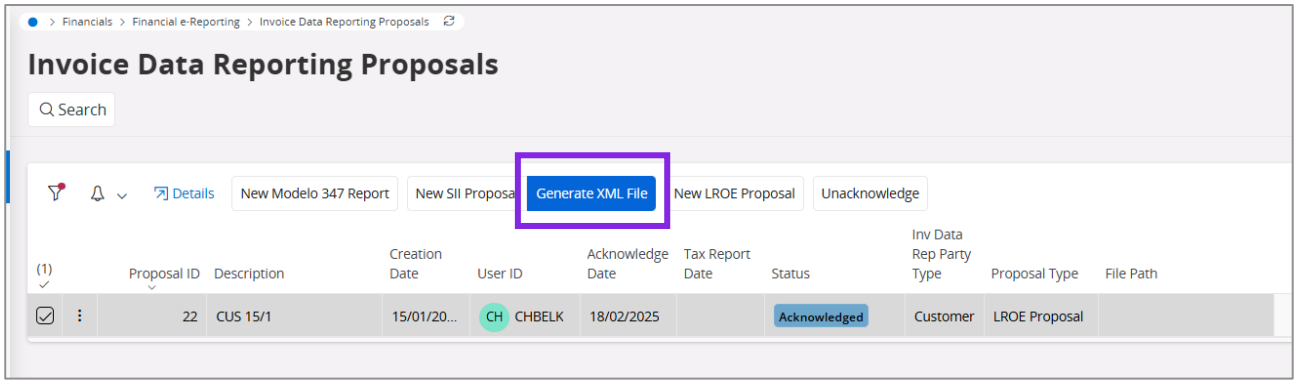


Once the proposal is acknowledged, its status will change to **"Acknowledged"**.

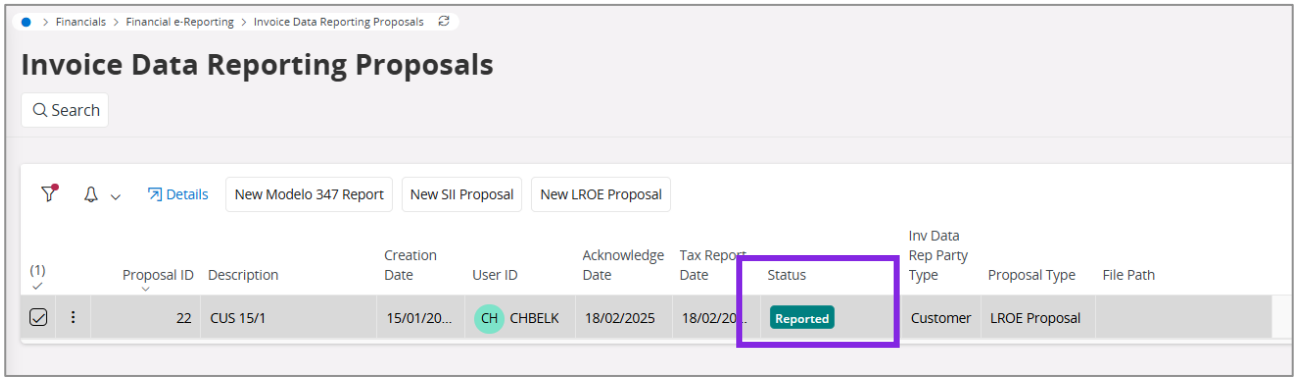


10.8 Generate XML file

When the proposal is acknowledged, use the **"Generate XML File"** command to create the LROE XML.



Once the **"Generate XML File"** command is executed, the proposal status will change to **"Reported"**.

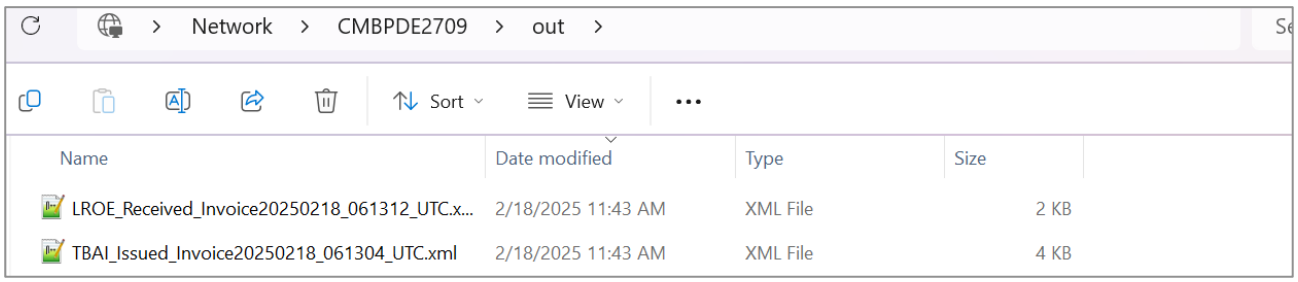


A maximum of 100 invoices can be included in a single XML file within one proposal. If there are more than 100 invoices, a separate file will be created for the additional invoices.

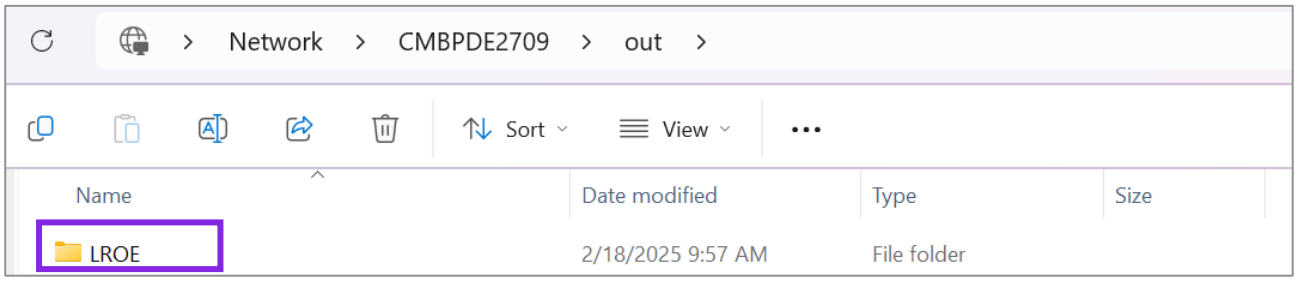
The **Communication Type** in the <TipoComunicacion> tag informs the LROE web service whether the invoice is being reported for the first time (A0), amended from a previously reported invoice (A1), or canceled (B1). For the first XML file generated for the proposal, the Communication Type will be set to **A0**.

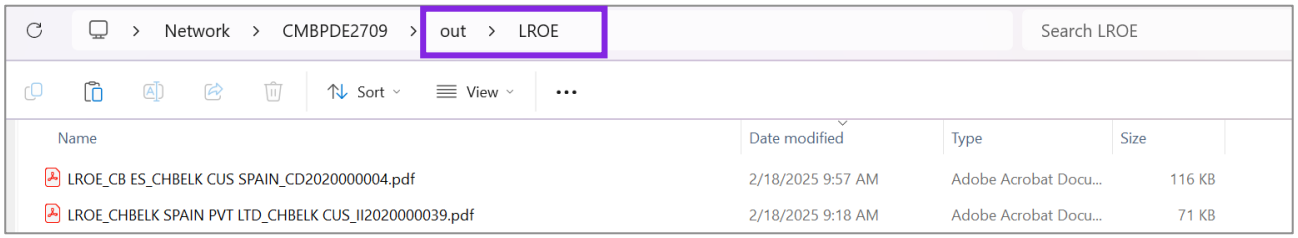
The file will be created in the **outgoing folder** as defined in the IFS Connect setup.

- The **Invoice Issued XML** file name will start with **"TBAI_Issued_Invoice"**.
- The **Invoice Received XML** file name will start with **"LROE_Received_Invoice"**.



For **Customer Invoices**, you should check the **Customer Invoice PDF** in the **LROE Folder** within the **OUT folder**.





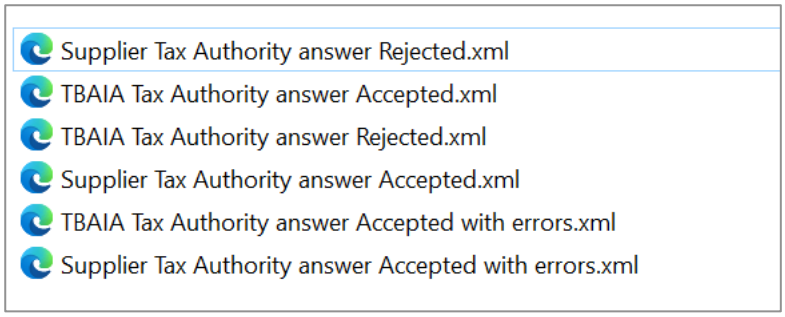
10.9 Send XML file to Tax Authority

The customer is responsible for sending the generated XML file to the tax authorities. Once the file is sent, a response file in XML format will be received, containing the status for each invoice reported. This response file can then be uploaded into IFS Cloud. After uploading, you can analyze the updated **LROE status** and, based on the information provided, take the necessary actions for the invoices listed in the **LROE Proposal Details** page.

10.10 Upload response file to IFS Cloud

The response file received from the LROE web service must be uploaded to IFS Cloud by placing it in the **IN folder** as defined in the IFS Connect setup.
To categorize and read the responses correctly in IFS Cloud, the **Export Number** and **Company Tax ID number** are the key data points.
For uploading the response file in IFS Cloud:

- The **Invoice Issued Response XML** file name should start with **"TBAI"**.
- There is no specific naming format required for the **Invoice Received Response XML**.



Note: Responses are received for each invoice separately, and one response file may contain multiple responses.

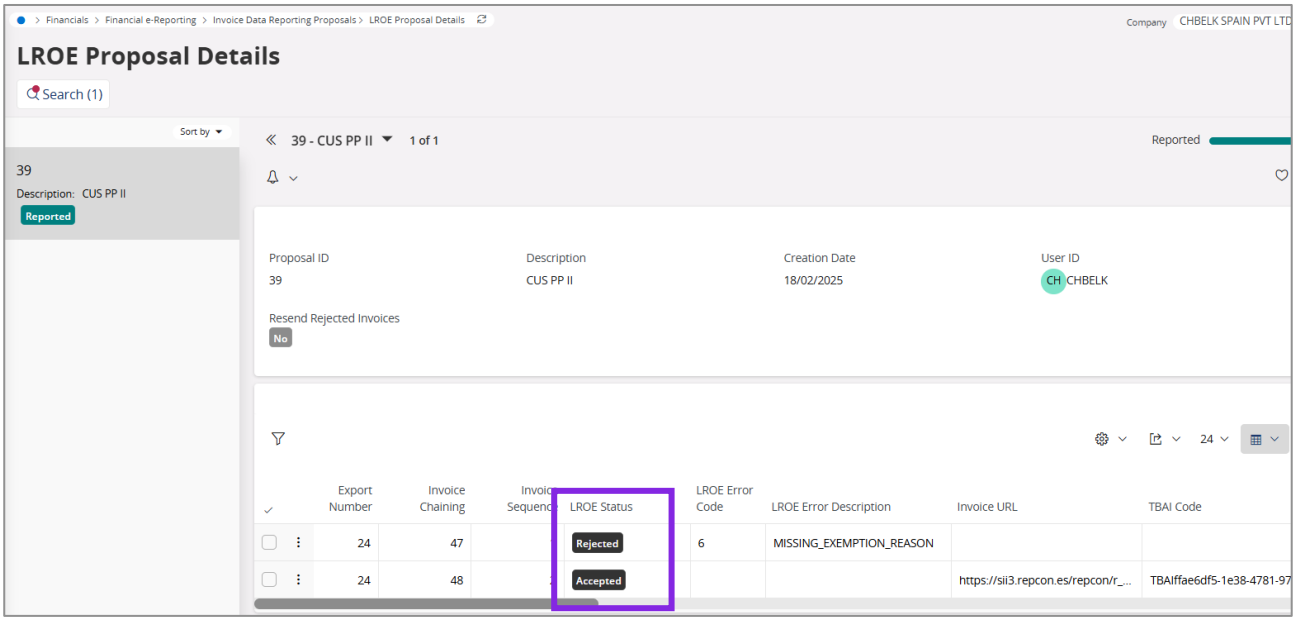
Refer to Chapter 11 APPENDIX for folder containing Response files.

When the response file is uploaded, it is read automatically, and the following details will be updated for each invoice included in the proposal based on the response file:

- **LROE Status**
- **Error Code and Description**
- **TBAI Code**
- **Invoice URL**

Possible LROE Status Values:

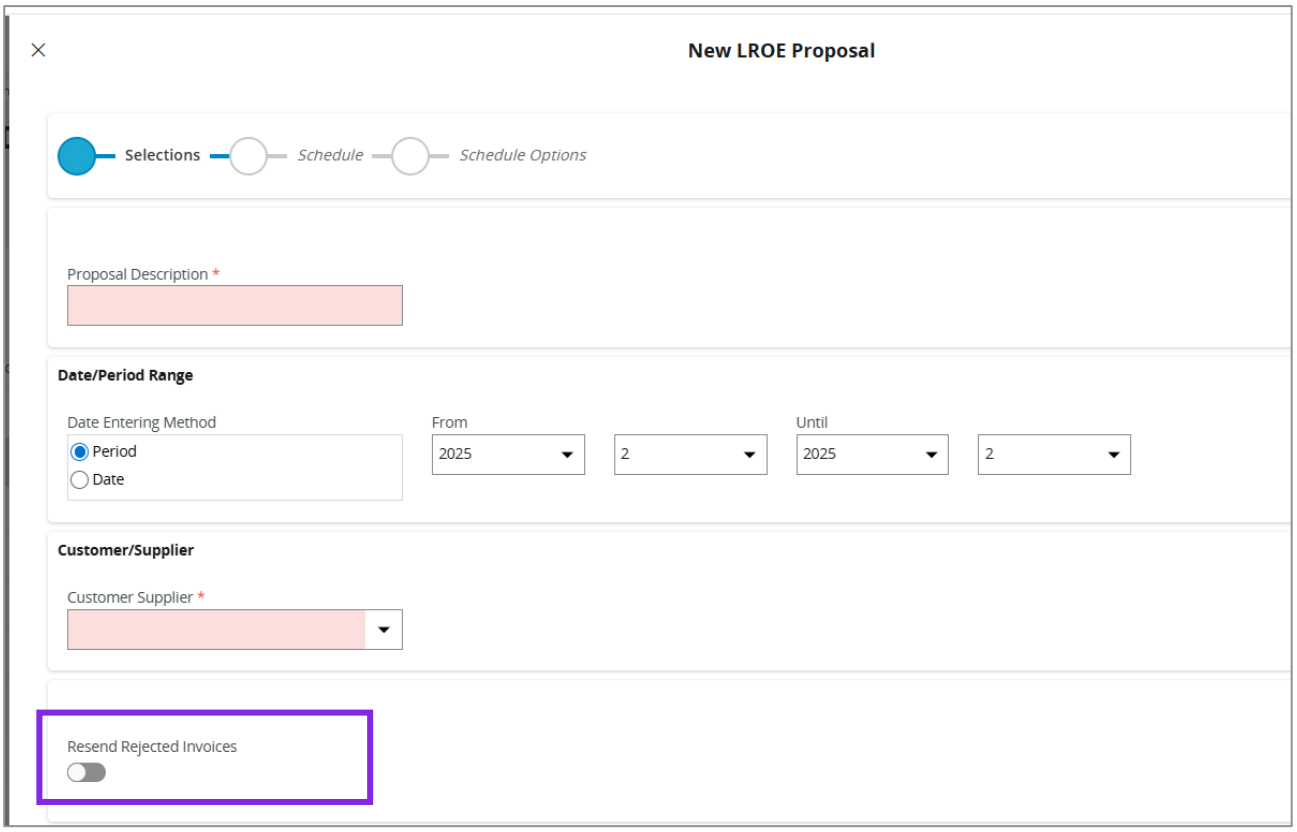
1. **Accepted**
   - **Customer Invoice**: If the customer invoice is accepted, the LROE status will be updated to **"Accepted"**, and the **TBAI Code** and **Invoice URL** will be updated accordingly.
   - **Supplier Invoice**: If the supplier invoice is accepted, the LROE status will be updated to **"Accepted"**.
2. **Rejected**
   - If any invoice is rejected, the LROE status will be updated to **"Rejected"**, and the **Error Code** and **Error Description** will be populated in the **LROE Proposal Details** page.
3. **Accepted with Warnings**
   - If the invoice is accepted with warnings, the LROE status will be updated to **"Accepted with Warnings"**.



10.11 Handle Errors

If the LROE Status is ***"Rejected"*** or ***"Accepted with Warnings",*** you can change the basic data of those invoices and use the "Resend Rejected Invoice" checkbox to create a new proposal and resend it to the tax authority.

This type of proposal will include all Rejected Invoices, and it may span across multiple proposals if necessary.



10.12 **Delimitations**

Following Chapters under Model 240 are not supported.

- Chapter of investment goods
- Chapter of certain intracommunity operations
- Chapter of other information with tax significance
- Chapter of accounting movements

11 Appendix

Sample schema (XSD) for e-Invoice sending as well as receiving can be found in the Technical Documentation (TechDocs) for 25R1.
In - Solution Manager User Guide/Integration/IFS Cloud Business Components/…

11.1 SII Mapping

SII_Mapping.xlsx

11.2 TicketBAI Mapping

TicketBAI XML ColumnMapping.xlsx

11.3 LROE Report Rules, Mapping Structure and Response File

Please refer attached folder to configure and import the *Report Rules* and *Routing Rules*.

ReportRules.zip

RoutingFiles.zip

Refer to *LROE Mapping Structure* for more information.

LROE_Mapping_Structure.xlsx

Refer to attached folder for *Sample Response files*.

Responses.zip