



Global 3000 Service Pack Note Multiple Tax Authorities

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Project	ZM60_000584.docx	
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INTRODUCTION

This service pack updates Debtors Ledger and Sales Order Processing to provide the ability to report a sale to an additional tax authority.

The changes introduce new settings within System Maintenance and Debtors Ledger which allow sales to be reported to external tax authorities (i.e. reported to a tax authority which is different to the tax authority of the country in which the company resides).

A tax authority is a country's official body responsible for administering and collecting taxes, for example in the UK it is HMRC. Within the software it is the country code of the tax authority that is held rather than its name or acronym. It denotes a country in which the company is registered for tax. The default tax authority is that of the country from the company address. All other countries in which the company is registered for tax (i.e. holds a tax registration) are referred to as external tax authorities. Only tax for transactions with the default tax authority are included on the General Ledger VAT Reconciliation Report.

When a (Debtors Ledger/Sales Order Processing) transaction for an external tax authority is posted to General Ledger, it is assigned to tax class ET and excluded from the VAT reconciliation report. The net for tax and tax amounts for this posting are in the currency of the (external) tax authority. An additional (zero valued) journal is created by the system to carry the net for tax amount (in the currency of the default tax authority) to appear on the VAT reconciliation report.

Note, these changes only apply to sales, they do not apply to purchases.

System Maintenance updates:

- Tax code maintenance has been updated so that each tax code has an associated tax authority (i.e. country in which a company is registered for tax).
- Country code maintenance has been updated to include a new 'Tax Authority' button. This will allow the country to be configured as a tax authority.

Debtors Ledger updates:

- Customer Maintenance has been updated to allow each customer to have a default tax authority.
- Transaction Entry has been updated to use the tax authority rather than the company country when determining the supply type (i.e. whether the supply is domestic, overseas, or intra-EC). It has also been updated to allow the tax authority (for invoices) to be changed.
- Auto-Transfer has been updated to use the tax authority rather than the company country when determining the supply type (i.e. whether the supply is domestic, overseas, or intra-EC). In addition, the interface has been updated to include the net and tax in tax authority currency to be passed by external systems.

Sales Order Processing updates:

- Sales Order Entry and the SOP Transaction Desktop have been updated to use the tax authority rather than the company country when determining the supply type (i.e. whether the supply is domestic, overseas, or intra-EC). They default the tax authority to the customers' default tax authority.
- The Transaction Desktop has been updated to allow the tax authority to be changed. The tax authority cannot be changed within Sales Order Entry.

Postings:

- Analysis for transactions for external tax authorities are assigned tax class 'ET', these are excluded from the VAT return (VAT reconciliation report). These carry the net amount for tax and the tax amount in the currency of the tax authority.
- When a transaction for an external tax authority is posted to General Ledger an additional (zero valued) journal is created to record the net value of the sale on the VAT return.

General Ledger:

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- The General Ledger transaction enquiry windows have been updated to include the tax authority and its currency in the tax details section.

Note, the first time the software is run after applying the service packs all customers have their default tax authorities set to that of the companies they trade with. In addition, if Global 3000 Sales Order Processing is in use outstanding Sales Orders have the default tax authority initialised.

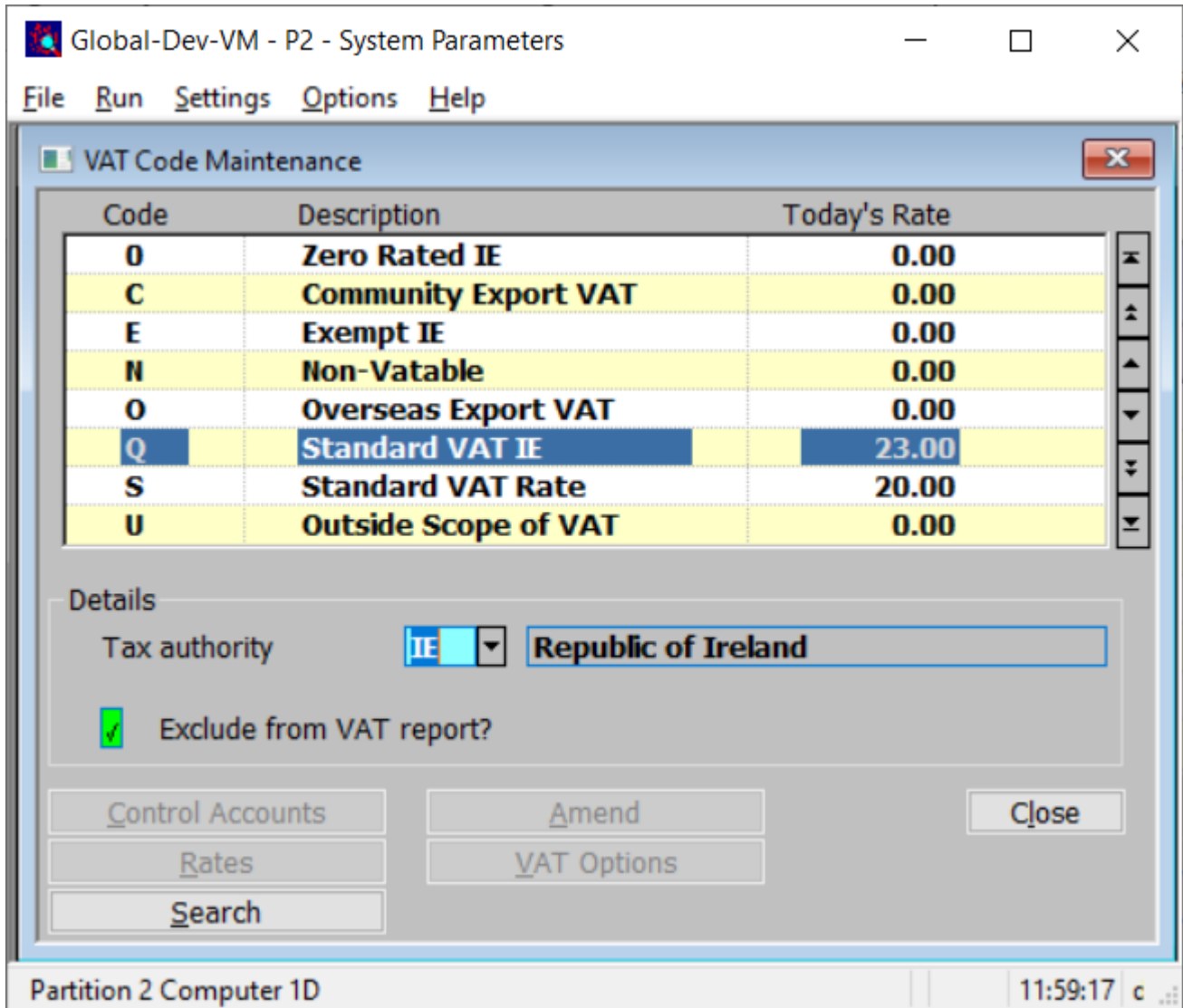
DOCUMENTATION CHANGES

Company Details Window

Country (tax authority) *(Only when entering a new company.)* The company's country for tax purposes. This is also referred to as the default tax authority for the company. Enter a valid country code. A search is available.

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Tax Codes Window

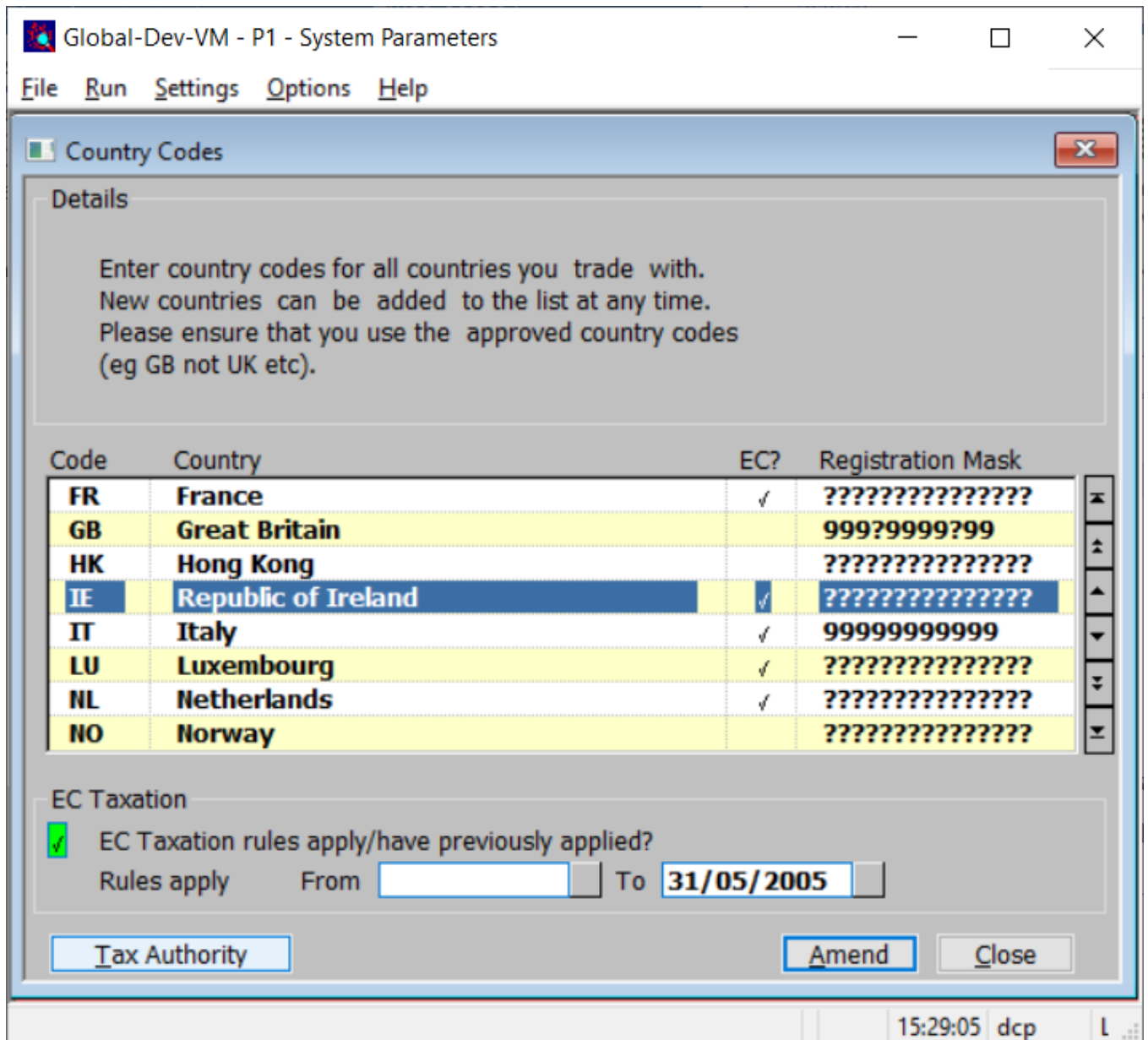


Tax authority *(Can only be set to a tax authority (country) for which a company has tax registration details defined).*

This is the tax authority to which the tax code belongs.

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Country Codes Window

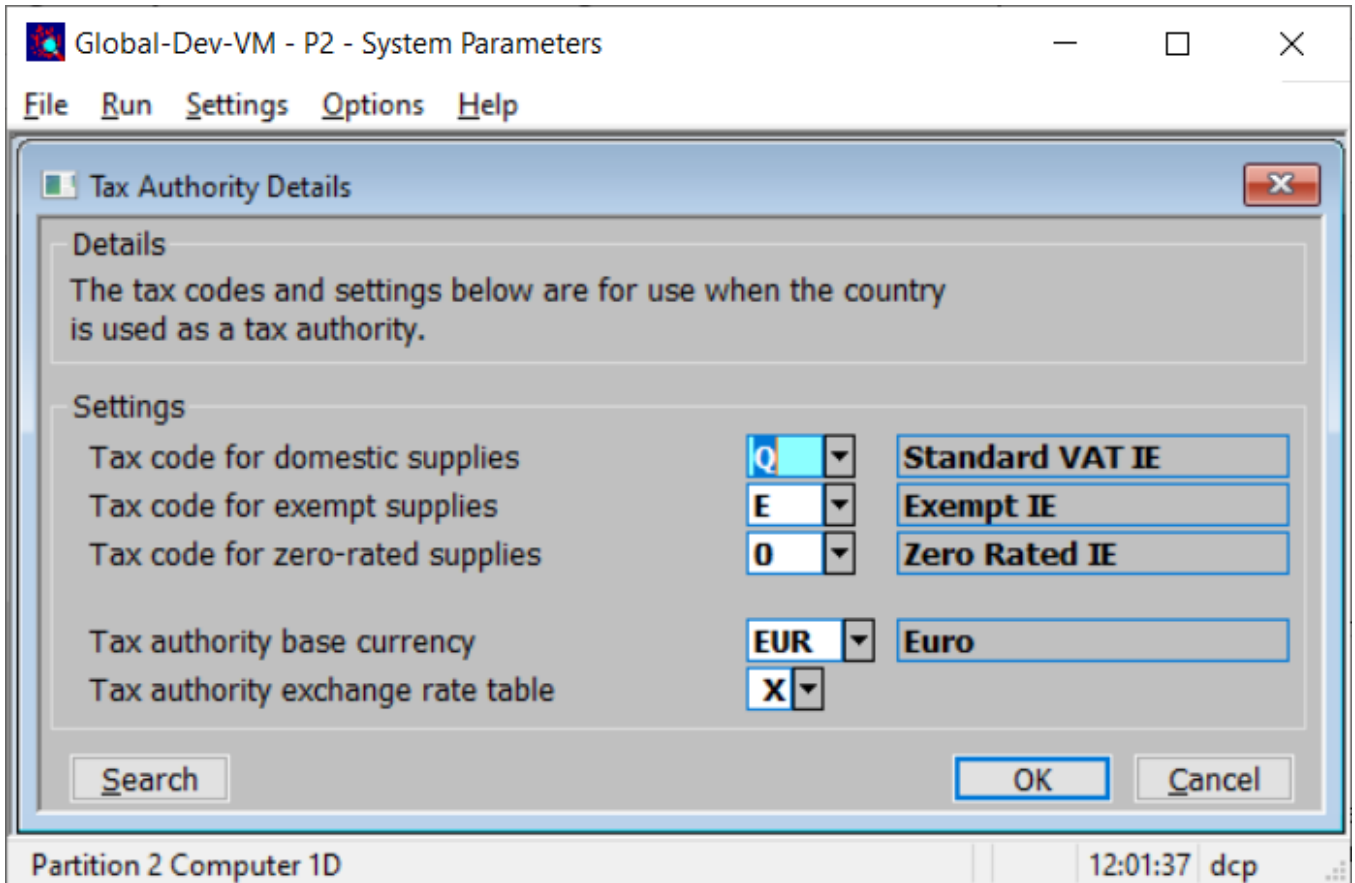


Tax Authority (Only available if company tax registration details have been set up for the country).

Use this to configure the tax codes and settings applicable when the country is used as a tax authority.

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Country Codes – Tax Authority Details Window



Purpose This window enables you to specify and maintain the default tax codes to be used when the country is used as a tax authority.

The prompts are:

- Tax code for domestic supplies** Enter the tax code to be used for domestic and non-registered EC sales. It must be a tax code for the currently selected tax authority (country). A search is available.
- Tax code for exempt supplies** Enter the tax code to be used for exempt supplies. It must be a tax code for the currently selected tax authority (country). A search is available.
- Tax code for zero-rated supplies** Enter the tax code to be used for zero rated supplies. It must be a tax code for the currently selected tax authority (country). A search is available.
- Tax authority base currency** Enter the (base) currency for the tax authority. A search is available.
- Tax authority exchange rate table.** Enter the code of the exchange rate table to be used when converting tax amounts from/to the tax authorities (base) currency. A search is available.

The buttons are:

- Search** When pressed this will initiate a look-up search if one is available.

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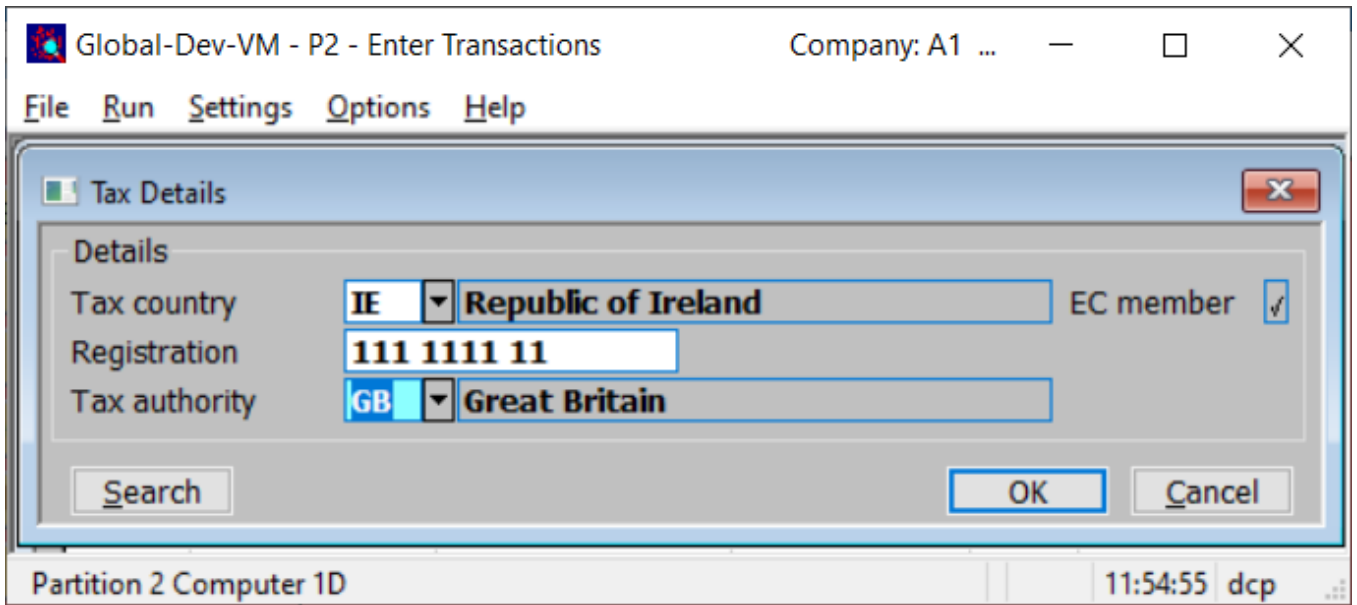
DL Customer Maintenance – Company Details Window

Tax authority *(Can only be set to a tax authority (country) for which the company has tax registration details defined).*

This is the default tax authority to which sales to the customer are reported. It can be left blank to force the operator to choose a tax authority for each new transaction.

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DL Transaction Entry – Items in Batch (Invoices) Tax Details Window

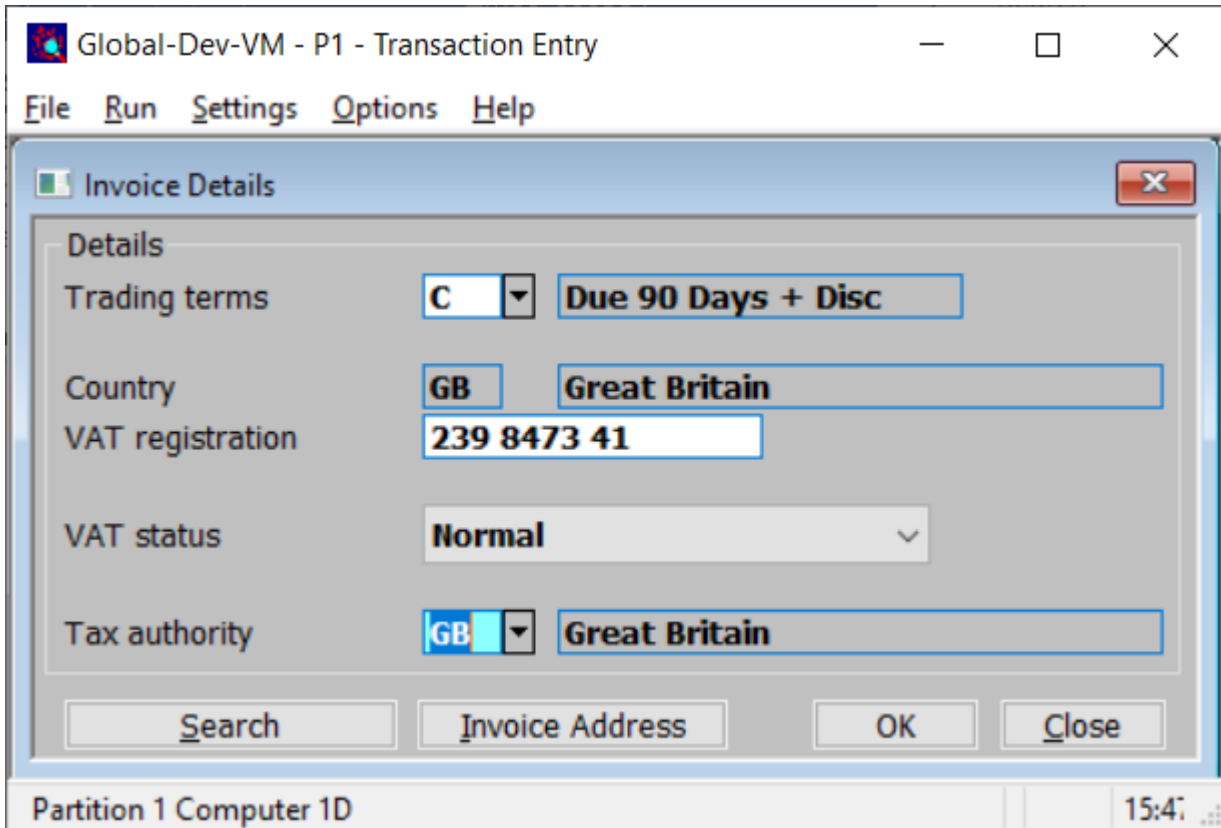


Tax authority *(Can only be set to a tax authority (country) for which the company has tax registration details defined).*

This is the tax authority to which the current invoice will be reported.

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SOP Transaction Desktop - Invoice Details Window



Tax authority *(Can only be set to a tax authority (country) for which the company has tax registration details defined).*

This is the tax authority to which the current invoice will be reported.

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