



# Global 3000 Service Pack Note

## Creditors Ledger - Withholding Tax in Autopayments

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<b>Version</b>	1.0		1 of 6

## INTRODUCTION

This service pack provides the ability to apply withholding tax within auto-payments.

In a number of countries (Ghana for example) companies are expected to deduct and withhold income tax when suppliers are paid. Withholding tax is deductible from payment for the supply of goods and services.

Withholding tax is **not** related to transaction tax handling (e.g. UK VAT).

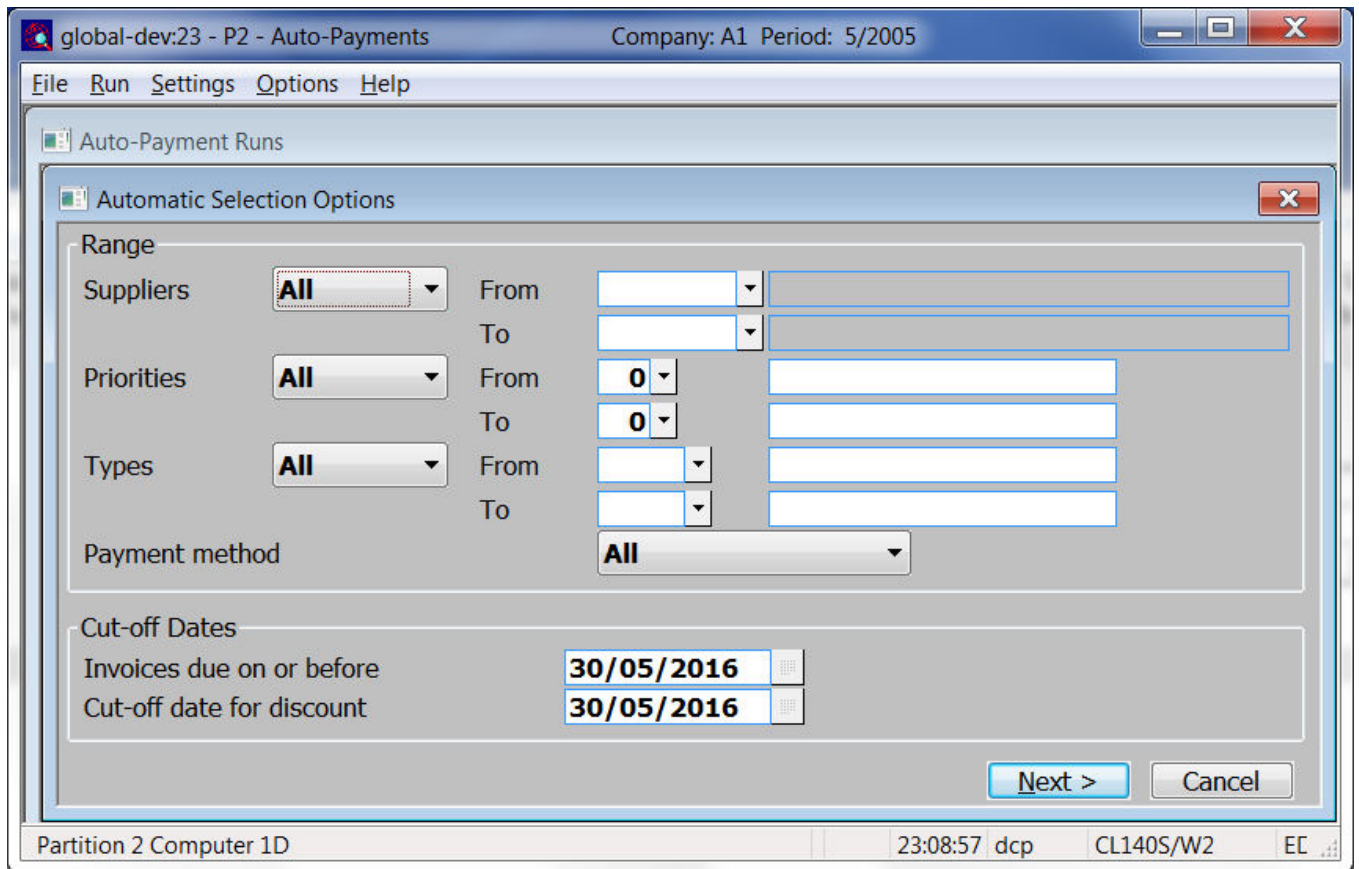
The changes are to apply withholding tax when invoices are paid via auto-payments. They are as follows:

When the 'Automatic Selection' or 'Add to Run' options are used to select invoices to be paid (for a supplier configured for withholding tax) the supplier's default rate of withholding tax is applied.

When manually selecting invoices for payment, auto-payments will prompt for the amount of income tax to be withheld (defaulted based on the supplier percentage) if the supplier is configured for withholding tax.

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## CL Auto-Payments – Automatic Selection Options



**Note** For suppliers configured to withhold tax from payments, the suppliers default rate of withholding tax is applied to all invoices selected (if the payment is being made in base currency).

For example, if the suppliers default withholding tax rate is 10% and an invoice valued at 1000 net, 200 tax (e.g. VAT) giving a gross amount due of 1200 is selected. The payment will be created with a net amount to pay of 1100, the amount to be withheld 100 (10% of the 1000 invoice net) will be converted to a journal (which itself is allocated against the invoice) when the payment run is posted.

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# CL Auto-Payments – Select Suppliers to Pay

Supplier	Name	Currency	Amount Due	Held Amount	Total Payment
AAAAAA	AB Trading Ltd	GBP	4,200.00		4,200.00
ANT015	Antec (UK) Ltd	GBP	87,385.92		87,385.92
AVPG005	AVP Victor Optik Gmbh	GBP	64,156.98		64,156.98
BANT015	Banner Ltd	GBP	89,300.00		89,300.00
DDDDDD	D and B Distribution Ltd	GBP	1,200.00		1,200.00
IXLG001	Ixland (GB) Ltd	GBP	25,604.81		25,604.81
LOND005	London Electricity Board	GBP	1,045.75		1,045.75
MYER010	Myelars Ltd	GBP	3,164.39		3,164.39
PEND001	Pendlebury Office Services	GBP	1,513.87		1,513.87
REXE005	Rexon (UK) Ltd	GBP	27,025.00		27,025.00

Details		Selected	
Payment method	Cheque	Transactions selected	3
Payment on account	0.00	Discount taken	0.00
Last payment	0.00	Net payment	4,200.00
Date of last payment		On account	0.00
Account discount	0.00 %	Total payment	4,200.00
		Withholding tax	350.00

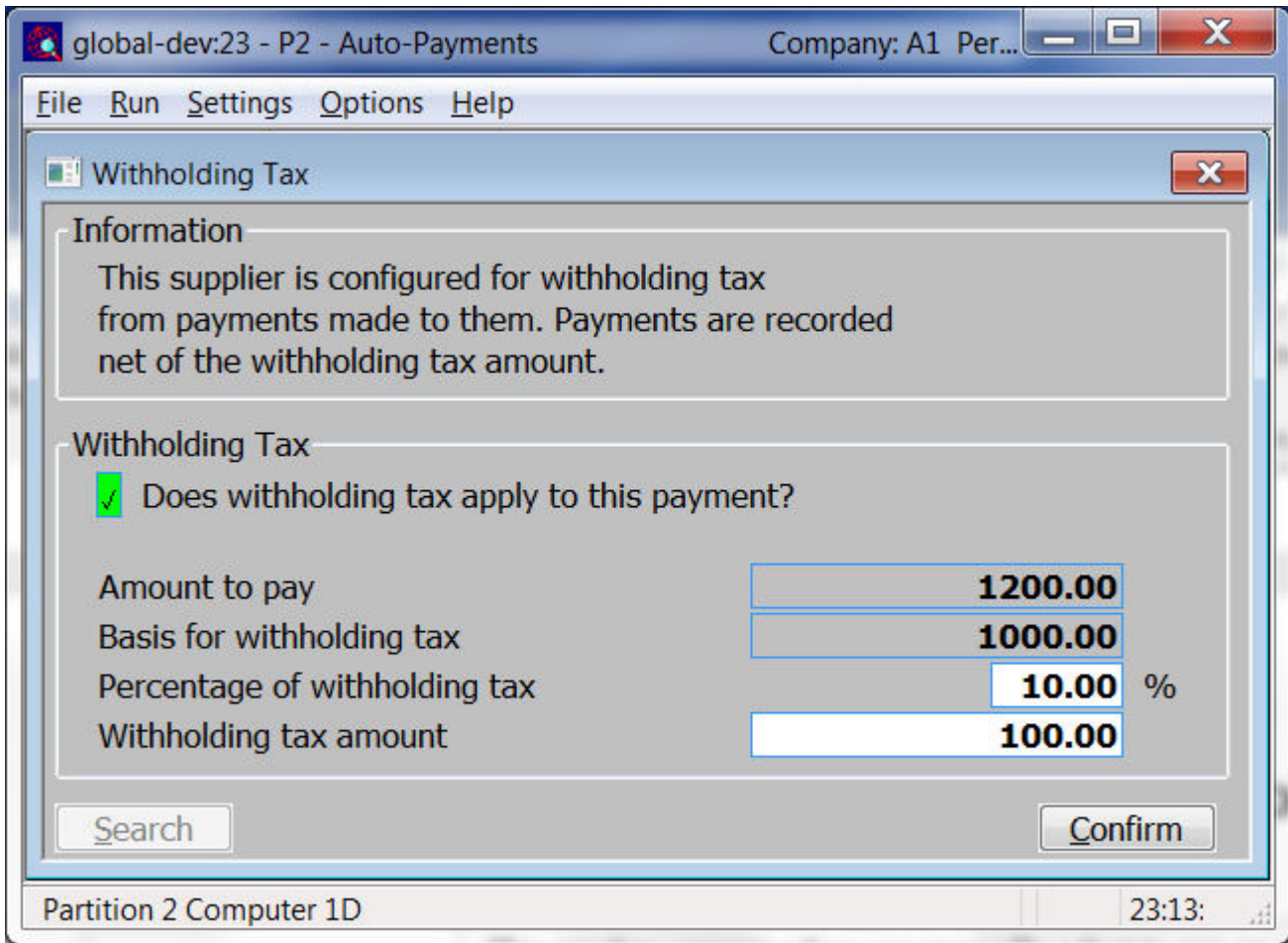
Buttons: Payment on Account, Add To Run, Remove From Run, Amend, Close, Narrative, Filters, Account Discount

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# CL Auto-Payments – Withholding Tax



This window appears when you manually select to pay an invoice and the supplier is configured to have tax withheld from payments made to them selected (if the payment is being made in base currency).

**Purpose** This window enables you to confirm the percentage of tax to be withheld from the payment of the invoice.

The prompts are:

**Does withholding tax apply to this payment?** Set this if the tax is to be withheld from this payment.

**Amount to pay** (Display only) The amount of the invoice being paid.

**Basis for withholding tax** (Display only) The amount being paid less the discount. This is used to calculate the withholding tax amount.

**Note** The basis for withholding tax amount is pro-rated if only a portion of the invoice is being paid.

**Percentage of withholding tax** Enter the percentage of tax to be withheld from the payment.

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**Example** For example, if the withholding tax rate is 10% and an invoice valued at 1000 net, 200 tax (e.g. VAT) giving a gross amount due of 1200 is selected. The payment will be created with a net amount to pay of 1100, the amount to be withheld 100 (10% of the 1000 invoice net) will be converted to a journal (which itself is allocated against the invoice) when the payment run is posted.

**Withholding tax amount** The amount of the payment being withheld from the supplier, this can be manually adjusted.

**Note** Transaction posting detects the withheld amount and generates a journal for it.

## REPORT LAYOUT CHANGES

The payments list and remittance list have both been updated to show withholding tax. The remittance advices only show withholding tax if they are produced in PDF format.

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