



QAD Enterprise Applications
Enterprise Edition

User Guide
QAD Internationalization

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Internationalization Change Summary

The following table summarizes significant differences between this document and previous versions.

Date/Version	Description	Reference
March 2015/2015 EE	Updated section on AP/AR Tax Register Reports to explain the use of the new Alternate Description field in Italian reports.	page 5
	Updated section on Withholding Tax to describe the ability to configure a domain to post withholding tax when a payment of an invoice is created and set to For Collection, rather than when the invoice is paid.	page 7
	Added new section on currency-dependent rounding	page 11
	Added new Brazilian sections on Automatic Supplier Invoice and Legal Document Numbers	page 28
March 2014/2014 EE	Added a new section on Customer Billing	page 15
	Added a new Brazilian section on NRM	page 26
	Added a new Brazilian section on Generating Separate Legal Documents for Material and Container	page 26
	Added a new Brazilian section on Tax Enhancements to DRP Flow with Container	page 27
	Added new Portuguese section on creating supplier invoice signatures	page 41
	Added a new Japanese section on AP Bank Charges	page 48
September 2013/2013.1 EE	Added new section on SEPA	page 12
	Added new Brazilian section on Canceling Legal Documents with PO Returns	page 25
	Added new Brazilian section on Address Field Validation for Unplanned Receipts	page 25
	Added new Brazilian section on Custom Calculation of <i>Código Fiscal de Operações e Prestações</i> (CFOP) Codes	page 26
	Added new section for Russian requirements	page 43
March 2013/QAD 2013 EE	Updated for Advanced Exchange Rates	page 10
	Updated for Logistics Charge Legal Documents	page 23
	Updated for ERS and Reversing Legal Documents	page 24
	Updated for Purchase Order Returns for Legal Documents with Logistics Charges	page 24
	Updated for Logistics Expenses	page 25
	Updated for QAD Enterprise Applications German certification	page 36
	Updated for Shipper Certification	page 42

Date/Version	Description	Reference
September 2012/2012.1 EE	Minor updates to the section on advanced electronic banking for accounts receivable	page 17
	Added new section on advanced electronic banking for accounts payable	page 18
March 2012/QAD 2012 EE	Updated for Argentinian features	page 16
	Updated for Brazilian features	page 17
	Updated for Invoice Certification	page 40
September 2011/2011.1 EE	Rebranded for QAD 2011.1 EE	--

QAD Internationalization

QAD Internationalization functions let you configure multiple international environments using one generic set of functions. Other international demands are met using standard QAD application solutions. These types of functions are described in the following sections:

Introduction **2**

Introduction to QAD Internationalization functions.

Internationalization for Multiple Countries **3**

Describes QAD business solutions common to a range of countries.

Country-Specific Solutions **16**

Describes specific country requirements that have been met using QAD business solutions.

Introduction

Globalization presents challenges to global manufacturing companies. QAD Enterprise Edition helps companies master these challenges by offering a solution that accommodates international variations in language, financial practices, business practices, and regulatory compliance.

Traditionally, ERP systems provided support to international customers using the localization approach, in which specific solutions are developed for individual country requirements. This approach has a number of limitations:

- Localizations are often developed independently of each other, resulting in incompatibility with other localizations.
- Similar enhancements can be developed in different localizations, resulting in duplication and inconsistent customer solutions.
- Localizations are not always available on all product releases.
- Localizations are often developed as a solution for one application in a product suite, making it difficult to release product suites in certain countries.
- Localization changes to source code require rework, recertification, and retesting of customizations for each release.
- Localizations can change methods of operation and accounting processes and therefore require special review in light of requirements such as Sarbanes-Oxley and Medical compliance (Part 11).

The move away from this approach toward internationalization is also driven by legal considerations and by the need for cost reduction:

- Companies now pay more attention to Internal Controls and Corporate Governance compliance, and the Sarbanes-Oxley Act in the US in particular has resulted in greater focus on the risks involved with operating remote business units.
- One core ERP system reduces costs in a number of ways. World-class finance organizations tend to rely on a single chart of accounts, use half the bank accounts of typical companies and do fewer budget iterations. Less effort is required in documenting internal procedures for a single system, and compliance verification and internal auditing are easier when there are fewer and more standardized procedures to check. Many global manufacturing companies are therefore moving to a so-called core-model approach, in which the IT implementation including customizations is standardized across the corporation.

QAD Internationalization addresses these issues, by maintaining a single generic product in which processes and systems are standardized, and functions optimized across the global company:

- Financial data in multiple languages is stored in the database and supports local legal or business requirements.
- Business flows common to multiple countries are implemented in multiple domains and entities. This flexibility reduces the time and cost involved in repeated system configurations.
- Support for specific local legal or business practices is achieved by selecting specific configuration options or settings while still using the same set of functionality.
- The application single code base provides easier development of core model, which not only reduces costs but also makes it easier to implement Shared Services across country boundaries.

Internationalization for Multiple Countries

The following tables describe QAD business solutions common to a range of countries.

Banking

Requirement	QAD Solution	Countries
<p>Bank Drivers</p> <p>Electronic bank payments require bank-specific files or drivers for each financial institution. These files must be customized for individual banks in each country, and must be selectable for individual customer and supplier payments.</p>	<p>Use Bank File Format Import (31.23) to import pre-defined bank format XML files for use with electronic bank payments. Each imported format file is specific to an individual bank and contains the payment information and attributes required for that bank. Once the file is imported, a payment format with the same name is displayed in Payment Format Maintenance. You can then link this format to the bank account you intend to use for electronic payments.</p> <p>To import the bank driver you require for use with your system, contact your local QAD Services team</p>	All

Inventory Movements

Requirement	QAD Solution	Countries
<p>Intrastat</p> <p>European Union (EU) regulations require member nations to submit reports concerning Intra-EU trade. The term Intrastat (for Intra-EU Trade Statistics Reporting) refers to the system used by customs officials to monitor this trade.</p>	<p>Intrastat functionality is fully supported in QAD Applications. You can use the Intrastat functions to:</p> <ul style="list-style-type: none"> • Generate Intrastat reports that are fully compliant with Intrastat legislation. • Maintain tables with valid values for Intrastat codes such as terms of delivery and country codes. • Assign Intrastat codes to items. • Enter country codes for ship-to customers and suppliers. • Record Intrastat codes for practically all order types. • Create automatic entries for qualifying Intra-EU inventory movement transactions. • Edit Intrastat data manually before final declaration printing. • Print and reprint Intrastat declaration reports. • Create Intrastat inquiries by order, by invoice, or by voucher. <p>For details on Intrastat setup and maintenance, see QAD Intrastat User Guide.</p>	<p>All EU Member States.</p> <p>Declarant forms are available for the following countries:</p> <p>Austria Belgium Denmark France Germany Ireland Italy Luxembourg Netherlands Poland Spain United Kingdom</p>

Address Fields

Requirement	QAD Solution	Countries
<p>Company Address Names</p> <p>Company names must not be abbreviated when displayed in Legal Documents. The field length for address names must therefore be sufficient to allow any company name to be displayed in full.</p>	<p>Customer, Supplier, and Company name, address, and contact details are defined using Business Relation Create (36.1.4.3.1). These details are used in financial reports and documents such as sales orders and invoices. The Business Relation function lets you define a code, Name (up to 36 characters), Search name, Second Name (up to 36 characters), and Third Name (up to 60 characters). Define a second or third name if required for your legal documents and reports.</p> <p>For a description of Business Relation setup and implementation, see QAD Financials User Guide.</p>	<p>Argentina</p> <p>Brazil</p> <p>Chile</p> <p>China</p> <p>Japan</p> <p>Mexico</p> <p>Poland</p> <p>Russia</p> <p>Thailand</p> <p>Venezuela</p>

General Ledger

Requirement	QAD Solution	Countries
<p>Mirror Accounting</p> <p>Mirror accounting is used to ensure that inventory transactions are reflected immediately in the income statement, as well as in the balance sheet. It is used to analyze purchases and inventory movement in the GL in financial reports.</p>	<p>Mirror Accounting is fully supported in QAD Enterprise Edition. The function is used only for inventory control transactions, such as PO Receipts, WO receipts, inventory movements, and SO shipments. You use mirror accounting to link a set of source (balance sheet) accounts to a set of mirror (income statement) accounts. When inventory transactions are posted, the source accounts are adjusted, and a simultaneous mirror posting is generated which updates the mirror accounts.</p> <p>For a description of mirror accounting setup and implementation, see QAD Financials User Guide.</p>	<p>Belgium</p> <p>France</p> <p>Luxembourg</p> <p>Poland</p> <p>Switzerland</p> <p>Italy</p>
<p>GL Numbering</p> <p>Financial regulations in certain countries dictate that GL transactions must be identified by number in a sequence without gaps. The sequence number of a transaction appears in statutory transaction reports. The sequence numbers can be applied when the transactions are posted, or applied period by period during Year-End Closing. These numbers can be reset on a yearly basis, and two or more business units within a corporation can use the same numbering sequence.</p> <p>The auditor may also require that some transactions from the prior year be represented in one of the current year's reporting periods.</p> <p>It must also be possible to enter an additional description line for GL transactions that are numbered in this way.</p>	<p>The Entity program has an additional GL numbering feature, which ensures that the system generates a sequential number for all statutory GL postings. Use the Additional GL Numbering tab in Entity Create to enforce a secondary numbering sequence for GL transactions.</p> <p>Note: Reversal postings do not have this numbering.</p> <p>You can enter a Secondary Description in daybooks for transactions that will be numbered in this way. This ensures that the description is detailed in the GL Numbering report.</p> <p>The GL Numbering report (36.1.99) lists all transactions booked over the specified time frame. The pages in the GL Numbering report are numbered progressively for the whole year.</p> <p>For a description of Additional GL Numbering setup and implementation, see QAD Financials User Guide.</p>	<p>China, Italy</p>

Taxes

Requirement	QAD Solution	Countries
<p>Regional Tax Reporting</p> <p>A number of tax reports are required for Intra-Community (IC) transaction reporting.</p>	<p>The system provides the following generic regional tax reports:</p> <ul style="list-style-type: none"> Quarterly IC Declaration by Business Relation (29.6.3.3). This report displays quarterly IC declaration data totaled per business relation and country. Quarterly IC Declaration Transactions (29.6.3.4). This report displays a declaration report organized by transaction type. The report lists details of acquisitions, supplies, and triangular trade between your organization and other EU countries. 	<p>Belgium</p> <p>Germany</p> <p>Netherlands</p> <p>Poland</p> <p>Switzerland</p>
<p>EU VAT Changes 2010</p> <p>When implementing VAT on sales and purchases within the EU, most goods and services provided to business customers are now treated as being supplied in the country where the business customer is established, instead of on that of the supplier. This requires reverse tax charges for customers on supplier invoices, and a zero tax rate for suppliers on customer invoices. These tax amounts must be detailed in Quarterly IC Declaration reports.</p>	<p>You use Tax Rate Maintenance (29.4.1) to set up the customer reverse tax rates and supplier zero tax rates required to implement these changes.</p> <p>The Quarterly IC Declaration by Business Relation (29.6.2.3) and Quarterly IC Declaration Transactions (29.6.2.4) tax reports display IC declaration data totaled per business relation and country, and by transactions respectively.</p> <p>Both reports can be filtered for tax type, tax box, or tax group, which lets you display the VAT tax amounts generated by customer and by tax rate.</p> <p>For more information on tax rate maintenance, see QAD Global Tax Management User Guide.</p>	<p>All EU states</p>
<p>AP/AR Tax Register Reports</p> <p>Tax registers, which group together tax-related accounting transactions, are a legal requirement in many European countries. You must be able to print separate tax register reports for Purchasing and Sales (AP and AR) in a prescribed format every month-end and on demand for fiscal authorities.</p>	<p>Tax Register Create (29.1.17.1) lets you group daybooks for tax register reporting purposes and generates a sequence number that will be used to number pages in final tax register reports. Tax registers contain all relevant information to confirm the tax declaration of the company.</p> <p>You can report on the tax registers using the following regional reports:</p> <ul style="list-style-type: none"> AP Tax Register Details (29.6.3.11) EU Purchases Tax Register (29.6.3.12) EU Sales Linked to EU Purchases (29.6.3.14) AR Tax Register Details (29.6.3.16) Suspended Tax Register (29.6.3.18) <p>There is a legal requirement in Italy to print different descriptions for the same EU tax register in the EU Purchases Tax Register and EU Sales Linked to EU Purchases reports. To comply with this requirement, in Tax Register Create, use the Alternate Description field to specify a different description to display in the EU Sales Linked to EU Purchases report.</p> <p>For information on Tax Registers, see QAD Global Tax Management User Guide.</p>	<p>Europe</p>

Requirement	QAD Solution	Countries
<p>Tax Register Numbering By Site</p> <p>It must be possible to associate tax registers with all sites or a specific site and to share number ranges among tax registers.</p> <p>Each separate tax register can have its own range of transaction numbers. It must be possible for all tax registers to share the same range of invoice numbers.</p>	<p>You can use the Invoice Numbering function to enforce chronological and sequential invoice and credit note numbering. This checking feature is set at domain level and is an option on the Domain master record.</p> <p>Create AP and AR daybook sets to define default daybooks for AR and AP transactions.</p> <p>Use Daybook Set by Site Maintenance (25.8.10) to define site-specific default sets of daybooks that are used for recording invoices, credit notes, intercompany transactions, and, when used, for correction invoices.</p> <p>When configuring daybook sets by site, you can define daybooks for one site or for many. When you then create tax registers, you can include all daybooks or specific daybooks in the register, thereby reporting on individual or multiple sites. Transaction numbering includes the daybook reference, and the number range of transactions in registers derives from the daybooks selected.</p> <p>For more information on daybook maintenance, see QAD Financials User Guide. For information on Tax Registers, see QAD Global Tax Management User Guide.</p>	<p>Italy</p> <p>Poland</p>
<p>Tax ID Code Validation</p> <p>In some countries it is required that either Tax ID Federal or Tax ID States and sometimes both are validated according to local legal requirements for length, format, and code validation.</p>	<p>QAD application component code is based on a standard code template. Non-intrusive customization is the process of adding customized code before or after the standard code, without intruding on the standard code itself.</p> <p>You use non-intrusive customization techniques on the BFormatSet component to validate the following fields:</p> <ul style="list-style-type: none"> • Federal Tax ID field in the Business Relation record • State Tax ID field in the Business Relation record • Federal Tax ID field in the Supplier record • State Tax ID field in the Supplier record • Federal Tax ID field in the Customer record • State Tax ID field in the Customer record <p>For more information on implementing non-intrusive customization, see QAD System Administration User Guide.</p>	<p>Brazil</p> <p>Chile</p> <p>Colombia</p> <p>Venezuela</p>

Requirement	QAD Solution	Countries
<p>Withholding Tax</p> <p>In some countries, you are required to withhold a certain percentage of the tax due on payments to various suppliers. These are typically sole traders who supply services rather than goods.</p>	<p>You can use the Global Tax Management withholding tax features to facilitate the collection of withholding tax.</p> <p>Separate GL accounts are used for booking retained withholding tax amounts. The withholding tax liability is not created until an invoice that is subject to withholding tax is paid. At that point, withholding tax is retained from the total invoice amount and is credited to this separate account. If a partial payment is made, the system calculates the withholding tax liability based on the proportion of the invoice that is being paid.</p> <p>The withholding tax account is then debited with the retained amount once the withholding tax is declared to the authorities. This is normally recorded using a manually entered GL transaction.</p> <p>Note You can also configure a domain to post withholding tax when a payment of an invoice is created and set to For Collection, rather than when the invoice is paid. If the payment bounces, then the withholding tax posting automatically reverses. This is also the case for payment selections that are unconfirmed.</p> <p>For more information on withholding tax, see QAD Global Tax Management User Guide.</p>	<p>Argentina</p> <p>Brazil</p> <p>Italy</p> <p>Thailand</p> <p>US</p> <p>Venezuela</p>

Currency

Requirement	QAD Solution	Countries
<p>Statutory Currency Global IFRS and local GAAP requirements in some countries require functional and local currencies for reporting purposes (dual currencies).</p>	<p>The Statutory Currency is the second base currency in the Financials system. The statutory currency is set at domain level, and is inherited by the entities assigned to the domains, and is optional.</p> <p>In some countries, the use of the statutory currency can be limited to a few reports, such as tax and basic GL reports. However, in other countries, companies can be required to submit many reports in the local statutory currency, for example, balance sheet, income statement, daybooks, general ledger, sub-ledgers, and tax declaration reports. To meet these requirements, you can run all GL, AR, AP, and tax reports to display output in statutory currency. However, statutory currency is not available for GL Report Writer reports.</p> <p>The system uses a dedicated statutory exchange rate when converting transaction amounts to and from the statutory currency. However, you can choose to use the normal accounting exchange rate for statutory currency calculation. All GL transactions contain statutory currency amount fields on the same level as the base currency amount fields, including tax transactions.</p> <p>The system also features an inventory exchange rate, which is optionally used for inventory, purchase order, scheduled order receipt, and work order transactions to convert between the statutory currency and base currency.</p> <p>You can revalue transactions in transaction currency, relative to the statutory currency. The Currency tab of GL Account Create contains account settings for transaction currency revaluation in statutory currency. For information on system currencies, see QAD Financials User Guide.</p>	All

Requirement	QAD Solution	Countries
<p>Advanced Exchange Rates</p> <p>Some European countries have the following legal requirements regarding exchange rates:</p> <ul style="list-style-type: none"> The tax amounts recorded by the purchaser must exactly agree with the tax amounts in the local currency on the supplier invoice. Currency conversions on supplier invoices must be based on the invoice date. This facility is available for base currency and for statutory currency, whichever is the country's local currency. Tax amounts on customer invoices must be recorded and displayed in the local currency and converted using the exchange rate valid at the tax point date. 	<p>You can specify at entity level which date the system must use when retrieving the exchange rates for accounts receivable and accounts payable transactions. To use this facility, you must add the Retrieve AR Exchange Rate Using and Retrieve AP Exchange Rate Using fields to the entity record using design mode.</p> <p>For accounts receivable, you can choose to retrieve the exchange rate based on the posting date or on the tax point date. The setting applies for invoices posted from sales orders and for invoices created manually in Customer Invoice Create (27.1.1.1).</p> <p>Note For invoices created from sales orders, you can only use advanced exchange rates for the transaction currency to statutory currency conversion. Advanced exchange rates functionality for the transaction currency to base currency conversion will be available in a future QAD release.</p> <p>For accounts payable, you can choose to retrieve the exchange rate based on the posting date or on the invoice date. In Supplier Invoice Create (28.1.1.1), you can add the following three fields using design mode:</p> <ul style="list-style-type: none"> SC Rate SC Invoice Amount Statutory Currency <p>You can edit the statutory currency invoice amount to record the exact invoice amount in statutory currency from the supplier's invoice.</p> <p>The grid on the Tax tab of Supplier Invoice Create contains fields that let you view information on the base and tax amounts for the base and statutory currencies.</p> <p>For supplier prepayments in Open Item Adjustment Create, the system always retrieves the exchange rate based on the posting date, regardless of the setting of the Retrieve AP Exchange Rate Using field. For supplier adjustments in Open Item Adjustment Create, the system always retrieves the exchange rate based on the setting of the Retrieve AP Exchange Rate Using field on the entity.</p> <p>For more information on advanced exchange rates, see QAD Financials User Guide. For more information on design mode, see QAD System Administration User Guide.</p>	All Countries

Requirement	QAD Solution	Countries
<p>Currency-Dependent Rounding</p> <p>A few countries have three decimals in their currencies; for example, the Jordanian dinar, the Tunisian dinar, and the Omani rial. The system needs to accurately process transactions in currencies with three decimals.</p>	<p>A few countries have currencies with three decimals; for example, the Jordanian dinar, the Tunisian dinar, and the Omani rial. Beginning with QAD 2015 EE, the system correctly calculates and displays amounts expressed in currencies with three decimals from transaction creation to report generation. You can input amounts with three decimals in fields and view amounts accurately displayed in the forms, browses, and reports.</p> <p>The limitations of currency-dependent rounding support are as follows:</p> <ul style="list-style-type: none"> • The logistics accounting module is not included. • For add-on products included in the Compatibility Guide, please contact QAD if you require support for currency-dependent rounding. • Amounts in transaction currency are not shown with three decimals in Financials reports that use Crystal Reports. • Not all Fixed Assets reports display the third decimal where the third decimal is zero. 	

Payments

Requirement	QAD Solution	Countries
<p>Generic Formats for Paper Check Printing</p> <p>The document layout for paper checks can vary from company to company within the same country, and also from country to country. It must be possible to customize check formats according to company or country requirements.</p>	<p>QAD Reporting Framework has a comprehensive toolset for customizing printed output. The default check print reports are Supplier Check Print (28.9.9.3) and Customer Check Print (27.6.8.1).</p> <p>QAD Reporting Framework lets you modify the report layout, add and remove data fields, add calculation logic, or change sort order and grouping. You can also customize system-supplied report templates that contain formatting information such as fonts, logo, and paper orientation and length.</p> <p>The built-in Report Wizard guides you step by step through the design process</p> <p>For more information, see QAD Reporting Framework User Guide.</p>	All

Payment Formats

Requirement	QAD Solution	Countries
<p>SEPA</p> <p>The Single Euro Payments Area (SEPA) is a payment-integration initiative of the European Union (EU) to simplify electronic bank transfers. Within SEPA, all euro payments are treated as domestic payments. From February 2014, all payments in SEPA must be of type SEPA.</p>	<p>Every electronic transaction within SEPA is assigned a SEPA reference. For customer payments, SEPA payment references are generated within the QAD system and saved as a unique identifier for each transaction.</p> <p>For supplier invoices received, the supplier generates the SEPA payment reference and the AR clerk enters the reference in the system. The SEPA reference is then validated by the system.</p> <p>The Payment Reference fields on customer and supplier screens enable you to use SEPA to allocate payments. SEPA references are also printed on financial reports such as Customer Invoice Print (27.1.1.4) and Supplier Remittance Print (28.9.9.8). The SEPA payment reference is also used for matching in Process Incoming Bank Files (31.1.6) and is integrated in the XML message of the outgoing supplier payment file.</p> <p>When a customer or supplier bank account is set up to use the SEPA payment format, then any transaction must include a valid SEPA reference number. When SEPA messages are switched on at entity level, any deviation from SEPA format returns a warning message. These warning messages do not prevent you from proceeding.</p> <p>For more information, see QAD Financials User Guide.</p>	<p>EU</p> <p>Iceland</p> <p>Liechtenstein</p> <p>Monaco</p> <p>Norway</p> <p>Switzerland</p>

Reporting

Requirement	QAD Solution	Countries
<p>Regional Balance Sheet and Income Statement</p> <p>The structure and layout of Balance Sheets and Income Statements can vary between countries. For example, a Balance Sheet for US accounting requirement is usually presented in portrait (vertical) format, with Assets, Liabilities, and Equity sections listed in sequence. However, Chinese accounting practices require the Balance Sheet to be in horizontal format, with separate columns for Assets and Liabilities/Equity. Chinese requirements also require row numbering, report and column titles, and sub-totalling.</p>	<p>Use the Regional Balance Sheet Report (25.15.5.8) and Regional Income Statement (25.15.5.9) to create structured reports in landscape (horizontal) format that can be customized for individual country requirements. You can select a range of COA elements to include in the reports. You can also generate regional reports based on a multi-level alternate COA structure as, for example, with Chinese Balance Sheets.</p> <p>For more information on these reports, see QAD Financials User Guide.</p>	All
<p>Alternate Chart of Accounts</p> <p>The electronic data provided by the company as a source of information for tax auditing often relates to the Balance Sheet and Income Statement. In some countries, the legal Chart of Accounts (COA) can be different from the operational COA for business or legal reasons. A company that is part of a larger organization may be required to define an alternate COA according to local GAAP, and then report to their head office using the operational COA. An alternative chart of accounts is a secondary grouping of accounts that is generally used for statutory reporting.</p>	<p>The Alternate COA function provides the ability to generate reports using alternate COAs, in addition to a company's operational COA. Alternate COAs can be used for reporting purposes only—you cannot post transactions to alternate accounts. Chinese accounting regional reports have the option to use an alternate COA.</p> <p>For a description of this feature, see QAD Financials User Guide.</p>	All

Costing

Requirement	QAD Solution	Countries
<p>Periodic Costing</p> <p>International companies often require multiple costing methods to calculate inventory costs and generate period reports. Standard costing is legally acceptable in some countries, while in others, the business or legal requirement is for the FIFO (first-in, first-out), weighted average (WAVG), or LIFO (last-in, first-out) costing method. These requirements can also be the subject of IFRS compliance.</p> <p>Companies must also be able to report open WIP balances from period to period.</p>	<p>Periodic Costing (30.5) provides functions that support local requirements and business practices when companies revalue and recalculate inventory, transactions, and cost of goods sold. Periodic costing programs optionally calculate the FIFO, WAVG, or LIFO cost of an item based on recorded data, such as inventory transactions, BOMs, routings, purchase prices, and labor/burden expenses, over a certain user-defined period. The period can be any length, up to an entire GL period.</p> <p>Periodic Costing features a range of period-based WIP reports, including work order WIP history, WIP adjustment valuation, and WIP scrap valuation.</p> <p>Periodic costing is described in detail in QAD Periodic Costing User Guide.</p>	<p>Brazil</p> <p>Italy</p> <p>Turkey</p> <p>Chile</p> <p>South Africa</p> <p>UK</p>

Customer Billing

Requirement	QAD Solution	Countries
<p>Billing</p> <p>In environments where high volumes of invoices are produced, an organization periodically generates bills to send to their customers.</p> <p>The bills contain a consolidation of invoices, credit notes, and payments that have occurred since the previous billing. Customers make payments with reference to bills, rather than to individual invoices. Bills do not replace normal invoicing, which still takes place as usual.</p> <p>The billing solution functionality exists formally in Japan and Thailand but it is useful in any situation where regular customer statements with a balance carried forward are needed.</p>	<p>Bills have their own due date, based on the billing date and specific terms for bills. Sales revenue and tax postings are posted during the invoice posting. However, billing enables you to group these invoices on a periodic basis in a formal bill document and send them to the customer. The bill document is an invitation to pay and its credit terms override those of the originating invoices. The original invoices remain open; the billing document is not a replacement AR. However, the billing document is to be paid as a single payment with a single payment reference. The bill also contains a balance carried forward.</p> <p>The billing screens enable you to send bills to selected customers and record the payments that the customers make. The functionality consists of:</p> <ul style="list-style-type: none"> • A calendar with holidays so that billing dates or due dates never fall on a holiday or weekend. This calendar is created using Financial Holiday Maintenance (36.2.7). • Billing schedules, created using Billing Schedule Create (27.3.1.1), which specify when bills are created or become due and the invoices that are included on the bill. • Customer Modify (27.20.12) fields that enable you to assign a billing schedule and a bill collector to a customer. • A Bill Create (27.3.2.1) screen that enables you to create a bill from a group of customer invoices and specify a new bill due date. • A Bill Modify (27.3.2.2) screen that enables you to check and modify a bill that is not yet final. • A Bill Print screen (27.3.2.5) for printing the bill and sending it to the customer. You can print a bill in summary form with one line per invoice or in full with item line details. • Fields for recording bill payment in Customer Payment Allocate, Open item Adjustment, and Banking Entry Allocate. • An aging report that enables you to identify overdue bills. <p>Billing is described in detail in QAD Financials User Guide.</p>	<p>Japan</p> <p>Thailand</p>

Country-Specific Solutions

The following sections describe specific country requirements that have been met using QAD business solutions.

Americas

Argentina

The following table describes QAD Enterprise Edition features that resolve specific Argentinian requirements.

Requirement	QAD Solution
<p>Legal Documents and Numbering</p> <p>In Argentina, the system must print a document that shows the legality of an inventory movement. A document called a <i>Remito</i> is legally required for shipping transactions as a proof of the legality of inventory movements. The document contains shipping information (ship-to address, freight carrier, and shipped items) that supports the calculation of retained tax.</p>	<p>Because legal document content, format, and layout vary by country and, sometimes, by company; the system provides a number of country-specific legal document templates that can be readily tailored to meet unique customer-specific formatting and printing requirements.</p> <p>The legal document template form code for Argentina is 31. You can use Legal Document Control (7.10.24) to configure settings that affect the generation and printing of legal documents for Argentina.</p> <p>For more information on legal documents, see QAD Sales User Guide.</p>
<p>Legal Documents and Numbering–Reprinted Documents</p> <p>In Argentina, documents (invoices, credit notes, and debit notes) with pre-numbered forms are required.</p>	<p>You can define pre-assigned invoice numbers—called fiscal numbers—in Number Range Maintenance (36.2.21.1) and generate them when printing invoices. This addresses the special legal requirements on invoice numbering in Argentina, where invoice numbers are preprinted on government-issued invoice forms and companies are not authorized to assign their own invoice numbers.</p> <p>Use Legal Document Print (7.10.4) to print generated legal documents that have not been printed yet or to reprint previously printed documents.</p>
<p>Legal Documents and Numbering–Document Annulment</p> <p>In Argentina, you must be able to mark a document as null for the purposes of legal reports and magnetic files.</p>	<p>You can use the Legal Document Cancel Time Fence field in Legal Document Control (7.10.24) to specify the time frame (number of days) after you create a legal document during which it can be canceled, along with its associated shipper.</p> <p>To cancel a legal document, unconfirm its corresponding shipper in Shipper Unconfirm (7.9.2) and the system automatically sets the legal document status to Canceled.</p>

Brazil

The following table describes QAD Enterprise Edition features that resolve specific Brazilian requirements.

Requirement	QAD Solution
<p>Advanced Electronic Banking for Accounts Receivable</p> <p>In Brazil, the supplier's bank often plays a more significant role in collecting cash from customers than is traditional in other countries.</p>	<p>EDI Advanced Banking supports business cases where the bank acts as an intermediary to collect cash from customers. In these cases, the supplier notifies the bank of the invoice or staged payment details shortly after the invoice is issued to the customer. The bank then starts a process in which a document is issued to notify the customer that the invoice or staged payment must be paid through the bank.</p> <p>To start the process, select open customer invoices and payment stages, and create a payment selection at status Initial, which does not create GL entries or update AR open balances.</p> <p>You then execute the payment selection. EDI eCommerce sends the file to the bank to notify it of payments to collect. The bank then notifies you regarding whether it accepts or rejects the requests.</p> <p>If you need to cancel invoices from the executed payment selection or change due dates or the interest rate, you can use Customer Payment Selection Modify.</p> <p>You must define an instruction code in Bank File Format Maintain for receiving the instruction acknowledgement from the bank. When the bank sends the acknowledgement, the bank title number is updated on the corresponding invoice or stage. The bank title number is the reference that the bank has assigned to the customer invoice.</p> <p>When the bank notifies you that it has received payment from customers, the system creates a new payment with the status For Collection or Paid. The system also post discounts allowed for early payment and posts interest received if customers do not pay by the due date.</p> <p>For more information, see QAD Financials User Guide.</p>

Requirement	QAD Solution
<p>Advanced Electronic Banking for Accounts Payable</p>	<p>As in the process for Accounts Receivable, the EDI Advanced Banking process for Accounts Payable supports business cases where the bank acts as an intermediary to collect cash from customers. In these cases, the supplier notifies the bank of the invoice or staged payment details (including the amount, due date, and early or late payment conditions) shortly after the invoice is issued to the customer. The bank then sends a <i>boleto bancário</i> to the customer.</p> <p>When you (the customer) receive the <i>boleto bancário</i>, you must quote the <i>boleto bancário</i> number on payments. Therefore, you must update the invoice or stage accordingly using Supplier Payment Reference Modify (28.1.1.13).</p> <p>If applicable, you can manually include an interest amount on supplier payment lines in Supplier Payment Create or Supplier Payment Selection Create.</p> <p>If you are using payment selections and you execute the payment selection, the system generates a bank file that includes interest, stage details, and the <i>boleto bancário</i> number. EDI eCommerce then sends the resultant file to the bank.</p> <p>For more information, see QAD Financials User Guide.</p>

Requirement	QAD Solution
<p>Nota Fiscal–Invoicing</p> <p>In Brazil, the <i>Nota Fiscal</i> legal document virtually replaces the invoice as a debt instrument in the shipping process and is used to calculate related taxes.</p>	<p>To address this requirement, the system posts Brazilian legal documents along with invoices.</p> <p>Whenever an invoice is posted using the following functions, the system automatically posts its corresponding legal document:</p> <ul style="list-style-type: none"> • Pending Invoice Maintenance (7.13.1) • Invoice Post and Print (7.13.4) • Pre-Shipper/Shipper Confirm (7.9.5) • Pre-Shipper/Shipper Auto Confirm (7.9.7) • Sales Order Shipments (7.9.15) <p>After a legal document is posted, its status is changed to Posted in the Legal Document Report (7.10.2).</p> <p>Additionally, you can create a legal document in any inventory transaction that requires a shipper such as item transfers and unplanned issues.</p> <p>For more information, see QAD Sales User Guide.</p>
<p>Nota Fiscal–Receiving</p> <p>In Brazil, the <i>Nota Fiscal</i> is mandatory for any material a company receives, regardless of whether or not the item is a memo item; even services require a <i>Nota Fiscal</i>. No goods or material can arrive at a company without a <i>Nota Fiscal</i> containing all information related to the attributes of the goods.</p>	<p>You can use the system to receive and confirm legal documents. You can effectively record legal document information and the system automatically verifies the physical amount against the amount described on the legal document. The verification is regarded as a receiver matching performed in the operational module. You can use fiscal receiving in conjunction with ERS to automate the creation of supplier invoices in the Financials module.</p> <p>When the fiscal receiving and the physical receiving have both been successfully confirmed, you can use the ERS (Evaluated Receipt Settlement) processor to automatically create confirmed and matched supplier invoices.</p> <p>See QAD Sales User Guide and QAD Financials User Guide for more information.</p>
<p>Additional Global Tax Management Parameters</p> <p>The shipping and receiving processes must support Brazilian legal and business practices regarding taxes.</p>	<p>The shipping and receiving processes contain additional tax parameters.</p> <p>The additional parameters relate to trailer expense attributes, fiscal legal tax types, item fiscal class, sales discount accounting, tax expense accounting, tax rate attributes, tax base attributes, tax methods, and tax usage attributes.</p> <p>For more information, see QAD Global Tax Management User Guide.</p>

Requirement	QAD Solution
<p>Código de Situação Tributária (CST) Code in Tax Rate and Fiscal Receiving</p> <p>Brazilian fiscal receiving requires that a CST code be provided. This is a legal requirement, and the code must be provided in all <i>Nota Fiscal</i> for issuing and receiving.</p>	<p>Tax Rate Maintenance contains a field, Tax Status Code, which lets you select the legal document tax status code used to identify the tax policy for goods. You define the list of tax status codes in Generalized Codes Maintenance.</p> <p>The tax status code you specify in Tax Rate Maintenance is retrieved as the default for that tax rate in fiscal receiving.</p> <p>For more information, see QAD Global Tax Management User Guide.</p>
<p>Gross Income Accounting</p> <p>It is a legal requirement in Brazil that sales accounts are posted including tax and that the tax is simultaneously posted as an expense with chart of account (COA) analysis that matches the sales posting.</p>	<p>For each sales account and tax payable grouping, Gross Income Acctg Create (25.3.25.1) lets you define the tax expense COA components that the system must use to create the additional gross income accounting posting. You can define groupings to include accounts, sub-accounts, cost centers, and projects.</p> <p>When gross income accounting is enabled in Financials, Invoice Post and Print (7.13.4) creates an additional posting when the sales invoice uses specific sales and tax account combinations. The additional gross income accounting posting debits the tax expense account and credits the sales account with the tax amount.</p> <p>For more information, see QAD Global Tax Management User Guide.</p>
<p>GTM for Non-Sales/Non-Purchasing Inventory Transaction</p>	<p>Operational Transaction Post now posts all GTM transactions in the Unposted GL Transactions table.</p> <p>GTM has been applied to distribution order shipments, item transfers, unplanned issues, and all non-sales shipments.</p> <p>The tax postings are summarized.</p> <p>Non-purchased and purchase receiving are supported by a single legal document.</p> <p>Shipper complementary fiscal data was added to support fiscal information in legal documents.</p> <p>For more information, see QAD Sales User Guide.</p>
<p>Customer Retrobilling and Nota Fiscal</p> <p>Customer Retrobilling must also generate a <i>Nota Fiscal</i> containing all values to be corrected.</p>	<p>Retrobilling in the Brazil environment requires some additional steps to generate legal documents for retrobills.</p> <p>Usually, pricing is negotiated for specific items when a customer schedule is opened. When price changes occur due to cost fluctuations in materials or processes, you can perform additional steps to generate legal documents.</p> <p>For more information, see QAD Sales User Guide.</p>

Requirement	QAD Solution
<p>Staged Payments</p> <p>Payment terms can be divided into multiple payments; for example, three payments at 30, 60 and 90 days after the invoice.</p> <p>In Brazil, each payment stage must be managed independently with regard to due date, interest, and discounts negotiations. In addition, the payment process for each stage can have specific requirements.</p>	<p>In Customer Invoice Create and Supplier Invoice Create, you can update some fields for staged payments such as the due date, discount date, and % discount.</p> <p>In Customer Payment Selection Create and Supplier Payment Selection Create, you can select a single staged payment, if required.</p> <p>You can use new fields in GL Account Create to define standard accounts for interest charges. You can use the same GL account for both AR and AP interest charges, or you can use a separate account for each. As part of EDI Advanced Banking for Accounts Receivable, the system posts interest received if the customers do not pay by the due date.</p> <p>For more information, see QAD Financials User Guide.</p>
<p>Tax Substitution</p> <p>A tax collection method is required for products that typically have few producers, but many customers (for example, alcoholic beverages).</p> <p>A producer manufactures its product and sells it to a reseller, who in turn sells it to the final customer. Instead of both the producer and the reseller submitting ICMS payments to the tax authorities, the tax authorities transfer the right to collect taxes to the producer of the goods. The producer, called the substitute taxpayer (<i>Substituto Tributario</i>), is obligated to submit ICMS tax to the tax authorities, including the tax incurred when it sells to the reseller and the tax on the presumed resale surcharge that it collects from the reseller.</p>	<p>ICMS Substitution Tax is a non-included tax in GTM.</p> <p>In QAD EE, a tax zone can only have one state tax ID specified. However, for Brazilian ICMS Substitution Tax, multiple IDs may be required in cases where the company is issuing goods or services to multiple states and each state has its own tax ID.</p> <p>To set up substitution tax, define a Substitution address type in the business relation and link it to the state and the state tax ID.</p> <p>A new GTM tax calculation method has been created for ICMS Substitution Tax.</p> <p>For more information, see QAD Global Tax Management User Guide.</p>

Requirement	QAD Solution
<p>Shipper for Non-Inventory Items</p> <p>A function is required that generates shippers for non-inventory items. The function must also have the option to create a <i>Nota Fiscal</i>.</p>	<p>You can ship memo (non-inventory) items to a customer, supplier, or site without GL cost and inventory balance updates. However, taxes related to inventory movement must be recorded in the related GL accounts.</p> <p>You can use Non-inventory Shipper Maintenance to create draft shippers for non-inventory items and then perform shipper confirm and, optionally, legal document creation. You can also use Non-Inventory Shipper Maintenance to modify unconfirmed shippers, but not inventory shippers.</p> <p>For more information, see QAD Sales User Guide.</p>

Requirement	QAD Solution
<p>Combine Multiple Lines in Shipper or <i>Nota Fiscal</i></p>	<p>Shipper Control (3.15.24) contains an option called Create Shipper that lets you combine multiple lines into the same shipper and legal document.</p> <ul style="list-style-type: none"> • Confirm: For non-sales issues, the system always creates a confirmed shipper, which can no longer be modified. This is the default. • Unconfirm: For non-sales issues, the system always leaves the shipper unconfirmed. If the shipper created is unconfirmed and when Apply Tax on Issuing Transactions is Yes, the system still calculates taxes on the shipper, but does not create GL transactions for taxes. The system does not generate the legal document. • Optional: You must specify whether or not to confirm the shipper at the time of shipper creation. <p>When generating a shipper, if you leave the shipper number blank, the system automatically assigns a new shipper number.</p> <p>For more information, see QAD Sales User Guide.</p>
<p>Unconfirm Shippers and Cancel <i>Nota Fiscal</i> for Non-Sales Transactions</p>	<p>Use Inventory Shipper Unconfirm (3.15.2) to unconfirm shippers and, optionally, cancel related legal documents for non-sales transactions. However, this function does reverse inventory transactions.</p> <p>You can use Shipper Unconfirm (7.9.21) to unconfirm sales order shippers and related legal documents, but not non-sales shippers and legal documents.</p> <p>For more information, see QAD Sales User Guide.</p>
<p>Processing <i>Nota Fiscal</i> in Sales Returns</p> <p>A customer can return sales goods due to non conformities of the item, invalid item quantities, or any other difference between sales orders and the issued <i>Nota Fiscal</i>.</p>	<p>When the system recognizes a sales return, it lets you enter an external legal document number and effective issue date in addition to the legal document NRM sequence ID.</p> <p>You can either leave the external legal document number blank or enter the received legal document and effective issue date from the customer and system disables the Sequence ID field.</p> <p>For more information, see QAD Sales User Guide.</p>

Requirement	QAD Solution
<p>Logistics Charge Legal Documents for Domestic Purchases</p>	<p>If you purchase goods domestically that have associated logistics charges, the supplier issues a legal document in base currency that includes the logistics charge lines. Alternatively, the supplier can issue a combined legal document that includes both material and logistics charge lines.</p> <p>When you use Fiscal Receiving to fiscally receive the carrier's legal document and confirm the receipt, the system creates a pending invoice based on the legal document.</p> <p>You can then run the ERS Processor to process the pending invoice. The system creates a matched supplier invoice for the legal document logistics charges, and updates the relevant accounts and taxes.</p> <p>If the legal document includes both material and logistics charge lines, the ERS Processor creates a matched supplier invoice for the combined material and logistics charges if the material supplier is named as the logistics supplier on the purchase order. Otherwise, the system creates separate material and logistics charge invoices.</p> <p>For more information, see QAD Financials User Guide.</p>
<p>Logistics Charge Legal Documents for Imported Goods</p>	<p>When importing goods, an import agent can handle the import process and incur certain logistics charges on behalf of the customer. The import agent charges the customer for managing the import and for acting as an intermediary between the customer and the foreign material supplier.</p> <p>If the legal document contains logistics charge lines only, use ERS to create supplier invoices for the logistics charges and to update AP in the name of the import agent. ERS also creates the associated AP, matching, and tax postings.</p> <p>If the purchase order is in a foreign currency, ERS creates a foreign currency supplier invoice, but the legal document is in base currency. The system uses the exchange rate from the legal document and not from the pending invoice.</p> <p>If the legal document for the imported goods contains combined materials and logistics charge lines, the ERS Processor:</p> <ul style="list-style-type: none"> • Creates supplier invoices for the material lines in the name of the material supplier • Creates supplier invoices for the logistics lines in the name of the import agent • Creates the relevant AP, matching, and tax postings <p>For more information, see QAD Financials User Guide.</p>

Requirement	QAD Solution
<p>ERS and Reversing Legal Documents</p>	<p>If you use ERS to process legal documents, you can reverse the invoices that ERS creates.</p> <p>If you reverse an invoice that ERS created from a legal document, you cannot directly replace the reversed invoice in Accounts Payable. For supplier invoices created by ERS where Fiscal Confirm Required is activated in Purchasing Control, the Create Replacement field is unavailable if you try to reverse the invoice in Supplier Invoice Reverse.</p> <p>To reverse and replace an ERS invoice created from a legal document, reverse the invoice using Supplier Invoice Reverse, unconfirm the associated legal document, and then make the required corrections. Then, reconfirm the legal document and generate a replacement supplier invoice using ERS.</p> <p>For legal documents that reference multiple supplier invoices, reverse all the supplier invoices before you can unconfirm the legal document.</p> <p>For more information, see QAD Financials User Guide.</p>
<p>Purchase Order Returns for Legal Documents with Logistics Charges</p>	<p>Use Purchase Order Returns (5.13.7) to process supplier returns for legal documents, including items for which logistics charges apply.</p> <p>When purchase order line items with associated logistics charges are returned using Purchase Order Returns, the system does not reverse the accrued value of the logistics charges. Some logistics charges, like freight or insurance, could be payable to a third-party supplier regardless of whether the items are returned.</p> <p>When you process a return for purchase order line items with associated logistics charges in Purchase Order Returns, the system:</p> <ul style="list-style-type: none"> • Debits the inbound expense account for the accrual value • Credits inventory for the same amount <p>When the purchase order return is processed, the system generates a separate legal document for the returned materials. The legal document for the material return is linked to the original legal document.</p> <p>Run the ERS Processor by legal document to generate a supplier credit note for the returned materials. ERS does not create a credit note for the logistics charges associated with the returned materials.</p> <p>For more information, see QAD Financials User Guide.</p>

Requirement	QAD Solution
<p>Logistics Expenses</p>	<p>The system supports material purchases where logistics expenses apply. Logistics expenses include items—such as freight and insurance expenses—that were previously paid by the supplier.</p> <p>When you purchase goods for which logistics expenses apply, the material supplier normally issues a combined legal document. No accounts payable update or periodic costing apportionment is required for the expenses.</p> <p>In Fiscal Receiving, the system creates logistic expense lines. However, the system does not create a pending invoice for the logistics expenses, does not update transaction history, and does not update inventory for periodic costing.</p> <p>When you confirm a logistic expense fiscal receipt, the system updates the relevant tax records. The logistic expense lines are then included in the Brazilian fiscal interface audit reports.</p>
<p>Canceling Legal Documents with PO Returns</p> <p>In Brazil, there is a requirement to have the ability to cancel a legal document associated with a PO return.</p>	<p>For example, cancellation is required when:</p> <ul style="list-style-type: none"> • The return included an incorrect quantity. • The return should not have been recorded at all. • Fiscal data associated with the legal document is incorrect. <p>In such cases, first use Non-Sales Shipper Unconfirm (3.15.2) to unconfirm the PO shipper and cancel the legal document. Then, depending on the type of correction, use additional programs to reprocess the return:</p> <ul style="list-style-type: none"> • To change an incorrect quantity, create a PO return for the difference between the incorrect and correct quantities, which corrects the shipper and creates a new legal document. Then, run ERS Processor to create a credit note for the difference. • To reverse a return that should not have been recorded, create a PO return for a negative quantity, which sets the quantity to 0 without creating a new legal document. Then, run ERS Processor to create a credit note for the negative quantity. • To correct fiscal data on a return that has a correct quantity, use Non-Sales Shipper Confirm to reconfirm the shipper and create a new legal document. You can correct the fiscal data at this time. Note that ERS Processor is not required in this case. <p>For more information, see QAD Purchasing User Guide.</p>
<p>Address Field Validation for Unplanned Receipts</p>	<p>The Address field in Receipts-Unplanned (3.9) is validated using the Address table when the inventory movement code references an external process.</p>

Requirement	QAD Solution
<p>Custom Calculation of <i>Código Fiscal de Operações e Prestações</i> (CFOP) Codes</p> <p>In Brazil, in more complex tax situations, the tax usage alone is not enough to define all CFOP codes used. For example, in a transfer from one site to another, CFOP codes depend on the item type that is being sent. Therefore, although the tax type and tax rate are the same, you may require a different tax usage for each CFOP code.</p>	<p>You can now calculate CFOP codes in Fiscal Receiving and Shipper Maintenance/Confirm using a custom program.</p> <p>This custom program simplifies GTM setup and prevents you from creating multiple tax rates in Tax Rate Maintenance (29.4.1) with the same combination of tax types and tax rates.</p>
<p>NRM Numbering</p> <p>In Brazil, it is a requirement to allow the same legal document numbering for a different site in the same domain. It is possible to have the same numbers because when the CNPJ code (GST tax ID) is different from one site to another, the unique CNPJ code ensures that each number can be uniquely identified.</p>	<p>The number range (NRM) target dataset for legal documents allows you to create the same set of segments with the same format. In Number Range Maintenance (36.2.21.1), the target dataset for legal documents is <code>lgd_nbr.xxxx</code>, where <code>xxxx</code> can be any character.</p> <p>You can create two different NRMs with the same segment formats and issue the same numbering. In Legal Document NRM (36.2.21.9), two or more different sites can be linked with independent NRMs and the same segment formats.</p> <p>In all shipper confirmations, the legal document is not validated when the same legal document number exists in the same domain. In Shipper Unconfirm, the legal document related to the unconfirmed shipper is reverted and the status changed to Canceled.</p> <p>For more information, see QAD Sales User Guide.</p>
<p>Generating Separate Legal Documents for Material and Container</p> <p>In sales and in DRP flow, it is common to issue separate legal documents for the material and the container because different taxes may apply to them. In addition, containers are sometimes unplanned issues and the customer is not charged for them. Therefore, you also need to be able to specify whether a container legal document has an impact on AR.</p>	<p>To treat the container separately from the material and to create separate legal documents and GTM usage, you must perform the necessary setup. In Container/Line Charge Control (7.22.24), select the Separate Legal Doc for Container field. This value is set at global level and also by default at customer level in Ship-To Control Maintenance. You can change the value for each customer.</p> <p>To treat the container as an unplanned issue, in Container/Line Charge Control, select the Recalculate Container Taxes field. This field indicates that you are using a different GTM base for the container and tax is determined according to the container lines on shipper. It is not accounted for in AR or displayed on the customer invoice. You can also set this field at customer level in Ship-To Control Maintenance.</p> <p>For more information, see QAD Sales User Guide.</p>

Requirement	QAD Solution
<p>Tax Enhancements to DRP Flow with Container</p> <p>In Brazil, all transactions are subject to tax, including Distribution Requirements Planning (DRP) transactions.</p>	<p>In DO Shipper/Pre-Shipper Maint (12.19.3), you can set specific tax parameters at header, container, and line level. You can also set the container and unit price. The shipper trailer contains a Tax Totals frame that displays the total tax for the shipper.</p> <p>When you confirm the shipper, all taxes are calculated automatically and legal documents with the relevant prices and taxes are produced. The tax postings are also created in the GL.</p> <p>To enable you to specify container taxes, you must complete the setup in Global Tax Management Control (29.24).</p> <p>If you have created a DRP shipper with an error in the fiscal data or GTM usage, you need to be able to unconfirm it.</p> <p>To unconfirm a DRP shipper, use Non-sales Shipper Unconfirm (3.15.2). This program enables you to unconfirm a legal document with the status Confirmed by sending a generated file to the government. There is no related inventory transaction.</p> <p>When you have corrected any errors, use Non-Sales Shipper Confirm (3.15.1) to confirm the DRP shipper again. In this way, you avoid reissuing inventory.</p> <p>For more information, see QAD Supply Chain Management User Guide.</p>

Requirement	QAD Solution
<p>Automatic Supplier Invoice</p> <p>In Brazil, companies need to create supplier invoices from legal documents. When this process takes place automatically, accounting entries are created immediately and the user saves the time spent performing the step manually.</p>	<p>When a user creates a legal document, ERS runs automatically to process the lines on the legal document when it is confirmed and create a supplier invoice. This process has been implemented for the following programs:</p> <ul style="list-style-type: none"> • Fiscal Confirmation (5.20.2) • Fiscal Receiving (5.20.1) • Purchase Order Returns (5.13.7) • Purchase Order Receipts (5.13.1) <p>In ERS Control (28.10.24), four fields enable you to auto run ERS in these four programs.</p> <p>Note These four fields are only relevant when the ERS Processing field is selected.</p> <p>When you select these fields and run the relevant program, an information message is displayed to inform you that ERS will run automatically on confirmation of a legal document. The messages in each program are the same.</p> <p>Note The message is important because if you click Cancel during the confirmation process, any invoices that have already been created will not be rolled back.</p> <p>When you click Yes, the legal document is sent to the ERS processor. When complete, a message is displayed informing you that the supplier invoice has been created. You can view the invoice in Supplier Invoice View.</p> <p>Note The ERS processor creates receiver matching records using the same unit of measure on the pending vouchers, regardless of the unit of measure used on the legal document.</p> <p>This approach ensures that Periodic Costing values inventory correctly.</p>

Requirement	QAD Solution
<p>Legal Document Numbers</p> <p>In Brazil, transportation of merchandise requires a document to prove legality and possession of the inventory being moved.</p>	<p>Legal documents include shipping information, such as item and tax. Legal documents are generated along with the shipper.</p> <p>The legal document number needs to be shown in some AR financial reports and stored in related GL transaction posting lines.</p> <p>In Simultaneous Operation Maintenance (7.10.13), two legal documents are created for a single shipper separately. One is the sales legal document and the other is the shipping legal document. Both legal documents are posted to the invoice and posting lines.</p> <p>Legal document numbers are available in the following programs. For these programs, the legal document number is added in the Shipper field. New layouts of these programs are also available. These new layouts contain the LD suffix in the name; for example, Customer Open Item Report - LD. When there are multiple legal documents for the same invoice, they can be listed as a comma-separated list. The Excel layout also has an LD variant.</p> <ul style="list-style-type: none"> • Customer Payment Selection Create (27.6.4.6) • Customer Payment Selection Modify (27.6.6.6) • Customer Payment Selection View (27.6.6.7) • Customer Open Item Report (27.17.1) • Customer Open Item Basic Report (27.17.15) • Customer Invoice Activity View (27.18.2) <p>Legal document numbers are also available in the following GL transaction reports and views:</p> <ul style="list-style-type: none"> • Customer Account Activity (27.17.3) • GL Transaction Report (25.15.1.1) • GL Transactions by Account (25.15.1.2) • GL Transactions by Sub-Account (25.15.1.3) • GL Transactions by Daybook (25.15.1.4) • GL Transactions View (25.15.2.1) • GL Transactions by Sub-Account View (25.15.2.3) • GL Transactions View Extended (25.15.2.10) • Cost Center Trans Detail Report (25.15.3.2) • Project Trans Detail Report (25.15.3.4) • Transactions by Cost Center View (25.15.4.2) • Transactions by Project View (25.15.4.3)

Requirement	QAD Solution
<p>Use Allocation Codes to Split Purchase Order Lines in Receiver Matching</p>	<p>When purchasing memo items, you can use operational allocation codes at purchase order line level to split the posting lines across several GL accounts, sub-accounts, cost centers, and projects. To use operational allocation, specify the allocation code in the Pur Acct field in Purchase Order Maintenance.</p> <p>You can subsequently use ERS to split the posting lines for the invoice and receiver matching across GL accounts, sub-accounts, cost centers, and projects in the allocation code.</p> <p>Receiver Matching also supports the use of operational allocation codes. If you set up an operational allocation code for several GL accounts and then specify the allocation code on a purchase order, Receiver Matching splits the posting lines across the GL accounts, sub-accounts, cost centers, and projects in the allocation code. For memo purchases only, you can change the GL account on the Receiver Matching line to an allocation code or you can change the allocation code on the matching line to a different one.</p> <p>If you create and receive a purchase order for a memo item that uses an operational allocation code in one entity and then create the supplier invoice and receiver matching in another entity, the system creates cross-company postings. The GL accounts in the operational allocation code must be Standard accounts, and the system then uses the AP cross-company control account specified in the domain for the cross-company postings. During Operational Transaction Post, the posting lines, split according to the operational allocation code, are transferred to the other entity, where the original expense was recorded.</p>

Canada

The following table describes QAD Enterprise Edition features that resolve specific Canadian requirements.

Payments

Requirement	QAD Solution
<p>Supplier Payments</p> <p>The Canadian Payment Association Format Standard 006 specifies:</p> <ul style="list-style-type: none"> • A numeric date field in one of two specified formats (MMDDYYYY or DDMMYYYY). This accommodates both English- and French-speaking accounting practices • A specific minimum length for checks. • Standardized positions for key fields on the check, including the date field and the amount in figures. 	<p>QAD EE Financials Reports are fully customizable to optimally support your company processes and best practices. The Reports Designer tool lets you modify the report layout, add and remove data fields, add calculation logic, or change sort order and grouping. You can also customize system-supplied report templates that contain formatting information such as fonts, logo, and paper orientation and length.</p> <p>The default AP check print report is Supplier Check Print (28.9.9.3). Use Report Options to select the dedicated Canadian check print report.</p> <p>For more information on these reports, see QAD Financials User Guide.</p>

Chile

The following table describes QAD Enterprise Edition features that resolve specific Chilean requirements.

Legal Documents

Requirement	QAD Solution
<p>Guia de Despacho</p> <p>The transportation of merchandise requires a document called the Guia de Despacho to prove legality and possession of the inventory being moved. Typically, the content of this legal document includes details such as document number, ship-from address, ship-to address, item number and description, and quantity. In general terms the legal requirement impacts any kind of transaction where the goods are moved out from a company or received into a company.</p> <p>The Guia de Despacho should be printed with a specific numbering sequence and this document must legally support the goods and taxes involved in that issuing shipment process.</p>	<p>The Legal Document option within Shipping Group lets you specify the document format required for each country.</p> <p>It is possible to create a Document Format for this new document.</p> <p>Its generation is optional and can occur for all inventory Issuing Transactions. The Shipper generation is expanded to other transactions.</p> <p>For more information, see QAD Sales User Guide.</p>
<p>Legal Document Format Template</p> <p>The layout and format of the Guia de Despacho varies per company. This means that each company must be able to create its own design. Therefore a legal document template is required for each country, which can then be used to generate new documents.</p>	<p>The Legal Document Form Code field in Document Format Maintenance (2.18.13) is a two-digit numeric form code that uniquely identifies a country-specific legal document type. The form code identifies the appropriate printing procedure. The current form code for Chile is 21.</p> <p>For more information, see QAD Sales User Guide.</p>
<p>Postponing Sales Order Deletion</p> <p>If a Legal Document is canceled, you must reverse inventory transactions and return the original sales orders to their previous status. For this reason, you must be able to postpone the deletion of a fully invoiced sales order, and unconfirm the shipper.</p>	<p>The Days to Retain SO After Invoicing field in Legal Document Control is used to specify the number of days after Invoice Post a fully-shipped sales order can be deleted in Completed Sales Order Delete. Completed sales order within this time frame cannot be deleted.</p> <p>The Legal Document Cancel Time Fence field in Legal Document Control is used to specify the number of days after the creation date within which a legal document can be canceled during shipper unconfirm. Legal documents cannot be canceled outside this time frame.</p> <p>For more information, see QAD Sales User Guide.</p>

Mexico

Taxes

Requirement	QAD Solution
<p>Tax Re-Classification</p> <p>In Mexico, companies must report taxes (IVA) at the moment that the money is debited (customer payments) or credited (payments to suppliers) on the bank account. If using QAD Financials payment instruments, taxes must accrue at the point when the payment has a status of Paid.</p>	<p>The Suspended and Delayed Tax options let you defer the payment of taxes on AR and AP payments. Suspended and delayed taxes are booked initially to dedicated suspended or delayed accounts, and are then booked to normal sales tax accounts when the payment is completed.</p> <p>You define Suspended or Delayed Tax capability for an entity using the fields in the Entity master table. You can also use the Suspend Until Paid Status field to suspend the payment of taxes until the payment status is set to Paid, or the Delay Until Paid Status field to delay the payment of taxes until the payment status is set to Paid.</p> <p>For a description of suspended and delayed tax setup and implementation, see QAD Financials User Guide.</p>
<p>Exchange Rate for Taxes at Payment for Suspended and Delayed Taxes</p> <p>In Mexico, companies have to declare taxes to the government as soon as the money is debited from or credited to the company's bank account. The Mexican legal requirement is that the posting to the final tax account must use the exchange rate published by the tax authorities at the date of the payment, or the accounting rate at the date of payment, if the tax rate is not defined.</p>	<p>When you define the Suspended or Delayed Tax capability for an entity using the fields in the Entity master, the Suspended Date Type and Delayed Date Type fields let you indicate the date the system must use to retrieve the exchange rate for suspended or delayed tax transactions. The options are:</p> <ul style="list-style-type: none"> • Invoice Posting Date: The system uses the exchange rate applicable on the date on which the invoice was created. This is the default option. • Payment Date: The system uses the exchange rate applicable on the date on which the payment and tax postings were created.

US

The following tables describe QAD Enterprise Edition features that resolve specific US requirements.

Taxes

Requirement	QAD Solution
<p>1099 Report and File</p> <p>In the United States, the Internal Revenue Service (IRS) requires organizations to submit an annual 1099 form on certain kinds of payments to suppliers. The IRS uses the 1099 form declarations to track payments between businesses, or between an organization and independent contractors. The declaration must differentiate several categories of payments, such as rent, royalties, medical, and health care.</p>	<p>The system supplies functions for generating both printed 1099 reports and electronic files:</p> <ul style="list-style-type: none"> • Use 1099-Misc Report (US) (29.6.3.13.6) to generate a report for printing. • Use 1099 Electronic Declaration (29.6.3.13.7) to generate an electronic file. • Use 1099-MISC Paper Declaration (29.6.3.13.8) to print the 1099-MISC data on preprinted paper forms. <p>You select the Tax Report option in the Supplier master record to include the supplier in 1099 reports. For a description of 1099 Reporting setup and implementation, see QAD Global Tax Management User Guide.</p>
<p>Withholding Tax on Accounts Payable</p> <p>If suppliers do not provide a tax ID number (TIN) to their customers, the customer is required to withhold 28% of the payment from the supplier as tax.</p>	<p>The Global Tax Management withholding tax features can be used to collect withholding tax for non-compliant US suppliers.</p>

EMEA

Belgium

The following table describes QAD Enterprise Edition features that resolve specific Belgian requirements.

Taxes

Requirement	QAD Solution
<p>Yearly Tax Listing Report</p> <p>Belgian companies must generate a report to the Belgium government that lists all trade with other Belgian organizations above a minimum amount.</p>	<p>The Yearly Tax Listing Belgium report (29.6.3.5) lists all trade above a minimum amount that one Belgian organization has made with other Belgian organizations.</p> <p>For details on Global Tax Management and Tax Reports, see QAD Global Tax Management User Guide.</p>

France

The following table describes QAD Enterprise Edition features that resolve specific French requirements.

Taxes

Requirement	QAD Solution
<p>TVA à l'Encaissement/à Décaissement</p> <p>VAT can be declared on AR and AP transactions at either of two stages:</p> <ul style="list-style-type: none"> • When the corresponding invoice is first booked. • When the corresponding payment flow is occurring. <p>In AR, VAT can be declared at the moment of issuing the invoice to the customer or can be suspended to the moment of receiving the payment from the customer.</p> <p>In AP, VAT can be declared at the moment of registering the invoice received from the supplier or can be delayed to the moment of issuing the payment to the supplier.</p> <p>These options apply to all payment types.</p>	<p>The Suspended and Delayed Tax options let you defer the payment of taxes on AR and AP payments. Suspended and delayed taxes are booked initially to dedicated suspended or delayed accounts, and are then booked to normal sales tax accounts when the payment is completed.</p> <p>Suspended or delayed tax is defined as an option for specific customers or suppliers, and can be applied to all types of payment, including partial payments.</p> <p>For a description of suspended and delayed tax setup and implementation, see QAD Financials User Guide.</p>

Transactional Data

Requirement	QAD Solution
<p>GL, AP, and AR Archiving</p> <p>French accounting standards require that GL, AP, and AR transaction data be archived once a year at fiscal year closing. The archive format must be independent of the accounting system in a flat format, such as in .TXT or .CSV.</p> <p>The data must be archived at a detailed level (vouchers). As a result, several .TXT or .CSV files may be required.</p>	<p>The following reports and log track detailed account activity.</p> <p>GL Transactions by Account (25.15.1.2)</p> <p>Lists all activity for the selected GL accounts during the selected time frame, grouped by account.</p> <p>GL Transactions Audit Log (25.1.15.9)</p> <p>Prints a detailed list of each transaction for a particular GL period.</p> <p>For each daybook in the report criteria, all detail lines are printed for the specified GL period. Each detail line is followed by the analysis linked to that line.</p> <p>Customer Account Activity (27.13.3)</p> <p>Lists transactions (in detail or as a summary amount) for a given customer during the selected time period.</p> <p>Supplier Account Activity (28.17.6)</p> <p>Lists transactions (in detail or as a summary amount) for a given supplier during the selected time period.</p>

Germany

The following table describes the German accounting certification awarded to QAD Enterprise Applications by a German auditing body.

Certification	Details
<p>IDW Auditing Standard 880 (IDW AuS 880) Certification</p>	<p>A German auditing body has officially certified that QAD Enterprise Applications complies with the German Principles of Proper Accounting. The audit was based on the standard Auditing Software Applications (IDW AuS 880) issued by the Institute of Public Auditors in Germany (IDW). The compliance of the software with German Principles of Proper Accounting was based on the following requirements:</p> <ul style="list-style-type: none"> • Commercial regulations, particularly Section 238 ff. <i>Handelsgesetzbuch</i> (German Commercial Code) • Tax regulations, particularly Section 140 ff. <i>Abgabenordnung</i> (German Fiscal Code) • The IDW Principles of Proper Accounting when using Information Technology (IDW ACP FAIT 1) • Principles of Generally Accepted EDP-Supported Accounting and Bookkeeping Systems (GoBS), together with the accompanying letter from the Federal Minister of Finance <p>The certification was awarded to QAD 2012.1 EE.</p>

Netherlands

The following table describes QAD Enterprise Edition features that resolve specific Netherlands requirements.

Taxes

Requirement	QAD Solution
<p>Extrastat</p> <p>Extrastat is the collection of trade statistics for movements of goods between EU and non-EU countries, and Extrastat reporting is mandatory in the Netherlands.</p>	<p>The Extrastat programs and reports are designed to meet this requirement. Extrastat data collection uses the same data as Intrastat for storing information, and you use Extrastat Control (29.22.21.24) to specify additional controls.</p> <p>Some additional data elements specific to Extrastat are also collected:</p> <ul style="list-style-type: none"> • For imports and exports, you indicate whether the goods were transported in a container. • For imports, a code is required indicating the customs rate used when importing from developing countries. <p>For more information on Extrastat setup and implementation, see <i>QAD Intrastat User Guide</i>.</p>

Poland

The following tables describe QAD Enterprise Edition features that resolve specific Polish requirements.

Legal Documents

Requirement	QAD Solution
<p>Dokumenty Magazynowe</p> <p>Legal documents are required not only for shipping and receiving transactions, but also for all inventory movements within the company.</p>	<p>The Legal Document option within Shipping Group lets you specify the document format required for each country.</p> <p>It is possible to create a Document Format for this new document.</p> <p>Its generation is optional and can occur for all inventory Issuing and Receiving Transactions. The Shipper generation is expanded to other transactions</p> <p>For more information, see QAD Sales User Guide.</p>
<p>Legal Document Format Template</p> <p>The layout and format of legal documents vary per company. This means that each company must be able to create its own design. Therefore a legal document template is required for each country, which can then be used to generate new documents.</p>	<p>The Legal Document Form Code field in Document Format Maintenance (2.18.13) is a two-digit numeric form code that uniquely identifies a country-specific legal document type. The form code identifies the appropriate printing procedure. The current form code for Poland is 11.</p> <p>For more information, see QAD Sales User Guide.</p>
<p>Postponing Sales Order Deletion</p> <p>If a Legal Document is cancelled, you must reverse inventory transactions and return the original sales orders to their previous status. For this reason, you must be able to postpone the deletion of a fully invoiced sales order, and unconfirm the shipper.</p>	<p>The Days to Retain SO After Invoicing field in Legal Document Control is used to specify the number of days after invoice post a fully shipped sales order can be deleted in Completed Sales Order Delete. Completed sales orders within this time frame cannot be deleted.</p> <p>The Legal Document Cancel Time Fence field in Legal Document Control is used to specify the number of days after the creation date within which a legal document can be cancelled during shipper unconfirm. Legal documents cannot be cancelled outside this time frame.</p> <p>For more information, see QAD Sales User Guide.</p>

General Ledger

Requirement	QAD Solution
<p>Correction Transactions for All Modules</p> <p>It is a requirement that you must be able to generate correction transactions for all financial modules (for example, in AP, AR, and WO as well as in GL).</p>	<p>Use the GL Correction Control (25.13.24) function to select the modules and transaction types for which correction invoices can be created. When you select AR and AP in this program, you enable the customer and supplier correction invoice function, and can create these invoice types as standard.</p>

Reporting

Requirement	QAD Solution
<p>Customer Activity Statement It is a legal requirement in Poland to periodically send Activity Statements to customers, and to reconcile customer activities at least at the fiscal year end.</p>	<p>The Customer Account Activity report (27.17.3) lists all activity on a customer account during the selected period.</p> <p>The report lists transactions as they happened. The original full invoice amount is displayed, and the report can be displayed with or without an opening balance.</p>

Portugal

The following tables describe QAD Enterprise Edition features that resolve specific Portuguese requirements.

Accounts Receivable

Requirement	QAD Solution
<p>Invoice Certification</p> <p>Decree 363/2010 requires that suppliers of electronic invoicing software certify their software with the Portuguese government.</p> <p>The software must:</p> <ul style="list-style-type: none"> • Identify stored invoices or equivalent documents and receipts through an asymmetric cipher algorithm and a private key only known to the program producer. • Create an export file that includes the new encrypted invoice number. • Store the new document signature and version of private key in the database in new fields. • Provide user security and authentication. • Produce invoices, equivalent documents and receipts that show the signature and certificate number. • Prevent direct or indirect altering of fiscal information without generating proof aggregated to the original information. 	<p>Invoice certification lets you mark customer invoices by assigning a unique, encrypted digital signature. Adding a signature uniquely identifies the origin and main properties of an invoice. The Portuguese government has certified QAD Enterprise Financials 2011.1 and higher according to the Decree 363/2010 requirements.</p> <p>The signature is based on the main properties of the invoice (such as the amount, creation date, and number) and on the signature of the previous customer invoice to ensure that there are no gaps. The invoice certification number assigned to QAD by the local government and the signature are printed on each invoice.</p> <p>The signature is generated using OpenSSL and a private key. Using the private key and OpenSSL, QAD generates a public key. The private key and public key have a strict one-to-one relationship. The public key is communicated to the Portuguese government where it is used to verify whether the digital signatures on invoices created using QAD Enterprise Financials are valid.</p> <p>You generate the signatures by running Invoice Post and Print for invoices that originate in the operational modules, or by using Customer Invoice Create to create manual invoices in Financials.</p> <p>The SAFT format is a commonly accepted file format for exporting accounting data for audit purposes. In Enterprise Financials, the SAFT export for Portugal has been implemented (SAFT-PT).</p> <p>When you have generated the signature, you cannot change the invoice and the signature. Otherwise, the signature will become corrupt or the signature chain will be broken. Due to the fact that each signature is created using encryption and a private key, you cannot correct invoice signatures if the invoice amount changes.</p> <p>In order to submit the signatures for review, you must export them to a special audit XML file using Regional Accounting/Tax Data Export (36.5.3).</p> <p>For more information, see QAD Financials User Guide.</p>

Accounts Payable

Requirement	QAD Solution
<p>Invoice Certification</p> <p>Decree 363/2010 requires that suppliers of electronic invoicing software certify their software with the Portuguese government.</p> <p>The software must:</p> <ul style="list-style-type: none"> • Identify stored invoices or equivalent documents and receipts through an asymmetric cipher algorithm and a private key known only to the program producer. • Create an export file that includes the new encrypted invoice number. • Store the new document signature and version of private key in the database in new fields. • Provide user security and authentication. • Produce invoices, equivalent documents, and receipts that show the signature and certificate number. • Prevent direct or indirect altering of fiscal information without generating proof aggregated to the original information. 	<p>Invoice certification enables you to mark supplier invoices by assigning a unique, encrypted digital signature. Adding a signature uniquely identifies the origin and main properties of an invoice. The Portuguese government has certified QAD Enterprise Financials 2011.1 and higher according to the Decree 363/2010 requirements.</p> <p>Digital signatures can be created on supplier invoices created by ERS. This functionality verifies that the invoice data and sequence in which the invoices are created is not altered after their creation.</p> <p>In ERS Processor, when you process a supplier invoice, an invoice is created with a digital signature. The data used to create the signature is taken from the current invoice, but the signature of the previous invoice is also included. Signatures are only created for non-initial invoices.</p> <p>The Supplier Invoice View grid enables you to view the details of the generated digital signature for each invoice.</p> <p>For more information, see QAD Financials User Guide.</p>

Sales

Requirement	QAD Solution
<p>Shipment Certification</p> <p>The same requirements apply as for Invoice Certification. See “Invoice Certification” on page 40.</p>	<p>Shipment certification lets you mark shippers by assigning a unique, encrypted digital signature. Adding a signature uniquely identifies the origin and the main properties of a shipper. The Portuguese government has certified QAD Enterprise Financials 2011.1 and higher according to the Decree 363/2010 requirements. Invoice certification is a legal requirement in Portugal. Shipment certification is an extension of invoice certification.</p> <p>The signature is based on the main properties of the shipper (such as shipper confirm date and signature creation date/time). To ensure that the signatures are consecutive, the signature is generated based on the signature of the previous shipper for the same sequence ID to ensure that there are no gaps. The shipment certification number assigned to QAD by the local government and the signature are printed on each shipper.</p> <p>The signature is generated and communicated to the local government, as described in “Invoice Certification” on page 40.</p> <p>To create shippers and mark them by digital signatures, enable shipment certification at domain level, and the system creates the signatures by shipper sequence ID. There must be no gaps in the sequence.</p> <p>Generate the signatures by confirming the shipper. When the signature has been generated, you cannot change it. When a confirmed shipper is modified for any reason, it does not affect the signature printed. Because each signature is created using encryption and a private key, you cannot correct shipment signatures.</p> <p>For more information, see QAD Sales User Guide.</p>

Russia

The following tables describe QAD Enterprise Edition features that resolve specific Russian Federation requirements.

Legal Documents

Requirement	QAD Solution
<p>In Russia, there is a legal requirement to print the following legal forms to document all inventory movements:</p> <ul style="list-style-type: none"> • Legal form M-4 for PO receipts • Legal form M-11 for material transfers • Legal form MX-18 for finished goods received from production and transfers 	<p>The Legal Document option within Shipping Group lets you specify the document format required for each country. Legal document form code 61 is used for Russia.</p> <p>It is possible to create a Document Format for this new document.</p> <p>Its generation is optional and can occur for all inventory issuing and receiving transactions. The Shipper generation is expanded to other transactions</p> <p>For more information on these programs, see QAD Sales User Guide.</p>

Switzerland

The following table describes QAD Enterprise Edition features that resolve specific Swiss requirements.

Currency

Requirement	QAD Solution
<p>Rounding of Currency at Invoice Post</p> <p>It is a Swiss accounting requirement that the total amount of an invoice is rounded to a multiple of 5 Rappen (comparable with 5 cents), where 5 Rappen equals 0,05 CHF or Swiss Francs.</p>	<p>Use the Enable Invoice Rounding Function in Sales Order Accounting Control to define a specific rounding method during invoice post. When this field is set to Yes, the system displays additional frames that let you specify the rounding methods used between combinations of currency and ship-from and ship-to address. You can also specify the appropriate GL account and sub-account used to track rounding differences.</p> <p>During invoice post, the system then attempts to match the sales order ship-from country, ship-to country, and currency with records defined here. If it finds a match, the invoice amount is rounded up or down based on the associated method (defined in Rounding Method Create). Positive or negative amounts that result from rounding are posted to the specified account and sub-account.</p> <p>For more information, on Sales Order Accounting Control, see QAD Sales User Guide.</p>

United Kingdom

The following table describes QAD Enterprise Edition features that resolve specific UK requirements.

Accounts Receivable

Requirement	QAD Solution
<p>Reverse Charge Sales List</p> <p>UK Reverse Charge VAT accounting rules apply to the sale and purchase of a specific range of goods and apply to sales invoices. A Reverse Charge Sales List must be available in electronic format (of specific government format), and it must be possible to send this information to HMRC electronically, including for test purposes. The information must be available in paper report form to support the entry of this information via a web-based form.</p>	<p>The Domestic Reverse Charge field in Tax Rate Maintenance lets you define a zero tax rate for reverse charged items. Tax records generated for rates with this field selected are then included in the Reverse Charge Sales List Report (UK) (29.6.3.9). Refer to Tax Rates and to Domestic Reverse-Charge Taxes in <i>QAD Global Tax Management User Guide</i> for more details.</p>

Asia/Pacific

China

The following tables describe QAD Enterprise Edition features that resolve specific Chinese requirements.

General Ledger

Requirement	QAD Solution
<p>GL Transaction Reports</p> <p>Chinese financials statements have specific formatting requirements. For example, reports at the transactional level are categorized by cash and bank transactions, foreign currency transactions, and account transfer transactions. Reports must also be printed on blank standard forms that are issued under the governance of Chinese financial authorities; while in some areas of the country it is also possible to format and print the reports on blank paper.</p>	<p>Use Chinese GL Transaction Reports (25.15.7.1) to print financial reports that meet these requirements. You must perform the following functions before printing:</p> <ul style="list-style-type: none"> • Enable the Additional GL Numbering option for the entities following Chinese accounting practices. This has the effect of assigning a consecutive transaction ID to any statutory GL posting of an entity, so that the ID appears in Chinese regional reports as a transaction voucher number. • Run Journal Entry Verify (25.13.1.7) and Journal Entry Approve (25.13.1.8). These functions assign a verifier and approver to each transaction so that their names appear in Chinese regional reports. <p>The following reports are available for use with this program:</p> <ul style="list-style-type: none"> • Cash and Bank Receipt Journal • Cash and Bank Payment Journal • Account Transaction Journal • Foreign Currency Journal • General GL Journal • Cash and Bank GL Report • Subledger Report • Account Balance of Totals • Columnar Ledger Report • General Ledger Report • Value-Added Tax Payable Ledger <p>These reporting functions are described in QAD Financials User Guide.</p>

Requirement	QAD Solution
<p>Electronic Accounting Data</p> <p>It is a requirement by tax Authorities that electronic data to be provided by the company as a source of information for tax auditing. The main source of this data are ERP systems. The scope of data that are subject to this electronic auditing is:</p> <ul style="list-style-type: none"> • Accounting • Invoicing (Sales and Purchase) • Manufacturing • Financials (Accounts Payable and Accounts Receivable) • Taxation 	<p>Use Accounting Data Export (25.13.23.1) to export files of accounting data in standard format and file types that are required by Chinese financial authorities.</p> <p>Each export file corresponds to one type of accounting data, and the data elements and file formats are strictly defined. The export files can be in plain text, and include the following:</p> <ul style="list-style-type: none"> • Electronic Accounting Book • Chart of Accounts • Subsidiary Accounting – Department • Subsidiary Accounting – Supplier/Customer • Subsidiary Accounting – Project • Account Balance and Movement • GL Voucher • Balance Sheet • Income Statement • Format File <p>For more information on Accounting Data Export, see QAD Financials User Guide.</p>
<p>GL Transaction Verification</p> <p>In China, GL transactions are verified and approved in order to prevent fraud. This bookkeeping practice ensures that every transaction of a business is recorded, checked, and approved by authorized signatories. Accordingly, a transaction has its creator, verifier, and approver; these each must be different individuals in the business to ensure that the transactions information is accurate.</p>	<p>The functions on Status Transition Menu (25.3.12) are used in combination with the Verify and Approve activities in the Journal Entry function to define and implement the process to verify and approve transactions.</p> <p>A status transition defines how the status of a transaction can be changed from one status to the other. You can select from the following verification and approval statuses to customize the flow of status transitions to fit your business requirements.</p> <p>Verification Statuses:</p> <ul style="list-style-type: none"> • Initial • Verified and Not Passed • Verified and Corrected • Verified and Passed <p>Approval Statuses</p> <ul style="list-style-type: none"> • Initial • Approved and Not Passed • Approved and Corrected • Approved and Passed <p>The Journal Entry Verify (25.13.1.7) and Journal Entry Approve (25.13.1.8) functions assign a verifier and approver to each transaction so that their names appear in Chinese regional reports.</p> <p>For more information on these options, see QAD Financials User Guide.</p>

Taxes

Requirement	QAD Solution
<p>Golden Tax</p> <p>The Golden Tax system (called “Jingshui”) is a legal information system in China for processing value added tax (VAT) invoices. The system was established by the Chinese government to prevent tax fraud. When a company doing business in China needs to send VAT invoices to domestic customers, they must first obtain pre-printed blank invoices from Chinese tax bureaus. A unique VAT invoice number appears on each blank invoice to identify its legality.</p>	<p>To support these requirements, the Golden Tax Invoice Process menu (7.13.20.1) provides functions that let you export invoice information from your QAD database into a file. This file is then imported into the Golden Tax system for invoice print. After invoices are printed, printed data is loaded back into your QAD database.</p> <p>For more information on golden tax, see QAD Global Tax Management User Guide.</p>

Japan

The following table describes QAD Enterprise Edition features that resolve specific Japanese requirements.

Requirement	QAD Solution
<p>AP Bank Charges</p> <p>In some countries, bank charges apply to payment transfers that you make to your supplier to pay for goods or services. You agree with your supplier who pays these. It must be possible to configure the system to take these charges into account during the AP payment process.</p> <p>Banks keep a list of the charges that they apply to payments made. These charges are dependent on the bank that you are making the payment to, the amount of money that you are paying, the payment format, and the date of the payment. If your supplier pays for these charges, you can configure the system so that the charges are automatically deducted from the payment that you make to the supplier.</p>	<p>There are a number of steps to complete so that the system is configured to calculate bank charges on payments to suppliers:</p> <ul style="list-style-type: none"> Record bank branch details using Bank Branch Create (31.14.5). Record bank charges using AP Bank Charge Create (31.14.1). Enable bank charges in your own bank’s GL account. Link your own bank account to payment methods, and specify which payment methods incur a bank charge using Bank Payment Format Link (25.11.2). Configure the supplier record to show that the supplier pays the bank charge. Record the details of the supplier’s bank account. <p>When paying an invoice using Supplier Payment Create (28.9.3.1), the payment posting date is used to find the valid bank charge rate. The bank charge appears in the Bank Charge Amount field. You can use Journal Entry View to display the details of the accounts that the bank charge and net payment were posted to.</p> <p>Note When payments are created, the system checks whether the bank currency, the payment currency, and the bank charge table currency are the same. It also checks that the currency is the base currency or statutory currency of the entity where the payment is made. If these conditions are satisfied, the bank charge is applied. Otherwise, the payment is processed without the bank charge.</p> <p>For more information, see QAD Financials User Guide.</p>

Product Information Resources

QAD offers a number of online resources to help you get more information about using QAD products.

[QAD Forums \(community.qad.com\)](http://community.qad.com)

Ask questions and share information with other members of the user community, including QAD experts.

[QAD Knowledgebase \(knowledgebase.qad.com\)*](http://knowledgebase.qad.com)

Search for answers, tips, or solutions related to any QAD product or topic.

[QAD Document Library \(www.qad.com/documentlibrary\)](http://www.qad.com/documentlibrary)

Get browser-based access to user guides, release notes, training guides, and so on; use powerful search features to find the document you want, then read online, or download and print PDF.

[QAD Learning Center \(learning.qad.com\)*](http://learning.qad.com)

Visit QAD's one-stop destination for all courses and training materials.

*Log-in required

