# Brazil

## Release 4.6C

**SAP**™

# Copyright

# Icons

| Icon | Meaning |
|------|---------|
| | Caution |
| | Example |
| | Note |
| | Recommendation |
| | Syntax |

# Inhalt

# Brazil

# General Information

# Customizing Paths

# Nota Fiscal

To customize the following Nota Fiscal functions, choose *Cross-Application Components →
General Application Functions → Nota Fiscal.*

This leading path is replaced by [...].

| | |
|---|---|
| **Number ranges** | [...] → *Number ranges* |
| **Nota Fiscal type** | [...] →*Nota Fiscal type* |
| **Create CGC branch** | [...] → *CGC branch → Create* |
| **Assign CGC branch** | [...] → *CGC branch → Assign CGC branch* |
| **Create NBM code** | [...] → *NBM code → Create* |
| **Assign NBM code to material group** | [...] → *NBM code → Assign NBM code to material group* |
| **CFOP** | [...] → *CFOP → Definition* |
| **CFOP determination incoming** | [...] → *CFOP → CFOP determination* |
| **CFOP determination outgoing** | [...] → *CFOP → CFOP determination* |
| **Form** | [...] → *Output → Form* |
| **Group number** | [...] → *Output → Group number* |
| **External number range** | [...] → *Output → Number range* |
| **Number and form size** | [...] → *Output → Nota Fiscal number and form size* |
| **Output conditions** | [...] → *Output → Output conditions → Create* |
| **Processing programs** | [...] → *Output → Processing programs* |
| **Output det. - Condition table** | [...] → *Output determination → Condition table → Create* |
| **Output det. - Condition field cat.** | [...] → *Output determination → Condition table → Field catalog* |
| **Output det. - Access sequences** | [...] → *Output determination → Access sequences* |
| **Output det. - Condition types** | [...] → *Output determination → Condition types* |
| **Output det. - Procedure** | [...] → *Output determination → Output determination procedure* |
| **Maintenance** | [...] → *Maintenance → Screen control group assignment* |

# Taxes

To customize Brazilian-specific tax functions, choose *Financial Accounting → Financial Accounting Global Settings → Tax on Sales/Purchases*.

This leading path is replaced by [...].

| | |
|---|---|
| **SD tax codes** | [...] → *Calculation → Settings for Tax Calculation in Brazil → SD Tax Code* |
| **Standard tax code enhancem.** | [...] → *Calculation → Settings for Tax Calculation in Brazil → Additional Standard Tax Codes* |
| **Tax situation IPI** | [...] → *Basic Settings → Settings for Tax on Sales/Purchases in Brazil → Tax Situations for IPI* |
| **Tax law IPI** | [...] → *Basic Settings → Settings for Tax on Sales/Purchases in Brazil → Tax Laws for IPI* |
| **Tax law ICMS** | [...] → *Basic Settings → Settings for Tax on Sales/Purchases in Brazil → Tax Laws for ICMS* |
| **Tax regions** | [...] → *Basic Settings → Settings for Tax on Sales/Purchases in Brazil → Tax Regions* |
| **Foreign customers/vendors** | [...] → *Basic Settings → Settings for Tax on Sales/Purchases in Brazil → Tax Regions for Foreign Customers/Vendors* |
| **SubTrib groups** | [...] → *Basic Settings → Settings for Tax on Sales/Purchases in Brazil → Customer Groups for Sub.Trib. Calculation* |
| **Rates - Default rates** | [...] → *Calculation → Settings for Tax Calculation in Brazil → Tax Rates → Default Values* |
| **Rates - IPI per NBM code** | [...] → *Calculation → Settings for Tax Calculation in Brazil → Tax Rates → IPI (Normal)* |
| **Rates - IPI per material** | [...] → *Calculation → Settings for Tax Calculation in Brazil → Tax Rates → IPI (Exceptions)* |
| **Rates - ICMS (general)** | [...] → *Calculation → Settings for Tax Calculation in Brazil → Tax Rates → ICMS (Normal)* |
| **Rates - ICMS (exceptions)** | [...] → *Calculation → Settings for Tax Calculation in Brazil → Tax Rates → ICMS (Exceptions)* |
| **Rates - Compl. ICMS (exceptions)** | [...] → *Calculation → Settings for Tax Calculation in Brazil → Tax Rates → Complement ICMS (Exceptions)* |
| **Rates - Substituição Tributária** | [...] → *Calculation → Settings for Tax Calculation in Brazil → Tax Rates → Subst. Tributária (Normal)* |
| **Rates - Sub. Trib. (exceptions)** | [...] → *Calculation → Settings for Tax Calculation in Brazil → Tax Rates → Subst. Tributária (Exceptions)* |
| **Rates - ISS** | [...] → *Calculation → Settings for Tax Calculation in Brazil → Tax Rates → ISS* |

| Rates - Dynamic Exceptions - Grouping | [...] → *Calculation* → *Settings for Tax Calculation in Brazil* → *Tax Rates* → *Dynamic Exceptions - Grouping* |
|---|---|
| Rates - Dynamic Exceptions - ICMS | [...] → *Calculation* → *Settings for Tax Calculation in Brazil* → *Tax Rates* → *Dynamic Exceptions - ICMS* |
| Rates - Dynamic Exceptions - IPI | [...] → *Calculation* → *Settings for Tax Calculation in Brazil* → *Tax Rates* → *Dynamic Exceptions - IPI* |
| Rates - Dynamic Exceptions - ISS | [...] → *Calculation* → *Settings for Tax Calculation in Brazil* → *Tax Rates* → *Dynamic Exceptions - ISS* |

# Invoice Verification in MM

To customize Nota Fiscal functions in Invoice Verification, choose *Materials Management* →
*Invoice Verification* → *Logistics Invoice Verification* → *Incoming Invoice* → *Nota Fiscal*.

This leading path is replaced by [...].

| | |
|---|---|
| **Item type** | [...] → *Line Category* |
| **Value transfer to Nota Fiscal** | [...] →*Value Determination* |
| **Texts** | [...] → *Automatic Texts* |
| **Withholding tax to Nota Fiscal** | [...] → *Withholding Tax Value Determination* |
| **Material document lines** | [...] → *Material Document Lines* |

# Inventory Management in MM

To customize Nota Fiscal functions in Inventory Management, choose *Materials Management* →
*Inventory Management and Physical Inventory* → *Nota Fiscal*.

This leading path is replaced by [...].

| **NF item relevance and type determination** | [...] → *Maintain Nota Fiscal Category Derivation* |
|---|---|
| **Tax posting strings** | [...] → *Maintain Tax Posting String* |

# Sales and Distribution

To customize Nota Fiscal functions in Sales and Distribution, choose *Sales and Distribution →
Billing → Billing Documents → Country-specific Features → Country-specific Features for Brazil*.

This leading path is replaced by [...].

| | |
|---|---|
| **Assign Nota Fiscal type** | [...] → *Specify Nota Fiscal Category* |
| **Nota Fiscal header texts** | [...] → *Maintain Automatic Nota Fiscal Header Texts* |
| **Sales item category** | [...] → *Maintain Sales Document Item Category* |
| **Billing item category** | [...] → *Maintain Billing Document Item Category* |
| **Billing document type** | [...] → *Maintain Billing Types* |
| **Special pricing conditions** | [...] → *Special Conditions for Pricing* |

# Legal Books

To customize legal books/legal files, choose *Financial Accounting → General Ledger Accounting → Business Transactions → Closing → Reporting → Statutory Reporting Brazil*.

This leading path is replaced by [...].

| | |
|---|---|
| **Modelo 8, additional accounts** | [...] → *Modelo 8 - Special Accounts* |
| **Modelo 9, additional accounts** | [...] → *Modelo 9 - Special Accounts* |

# Actions Required after Installation

# FI: Upload Tax Rates for Tax Codes

You can import tax rates for FI tax codes implemented for Brazil using the RFTAXIMP program. To do so, choose *System → Services → Reporting* and enter the program name.

Maintain the following report parameter:

Country → BR

> The report must be started in all existing system clients where Brazilian functionality is required (including client 000).

Check to see if the related batch input has been processed.

# Conditions for Taxes in SD

## Tax Codes

For tax processing in SD, the system requires an assignment between customer tax classification, material tax classification, tax rate and FI tax code.

To maintain the conditions for tax calculation, in Customizing choose *Logistics → Sales/Distribution → Master Data → Pricing → Taxes → Change* and enter the following data:

| Tax class. For customer | Tax class. for material | Rate | Tax Code |
|---|---|---|---|
| 0 | 1 | | S0 |
| 0 | 2 | | S0 |
| 1 | 1 | 100,000 | SD |
| 1 | 2 | 100,000 | SI |
| 2 | 1 | 100,000 | SZ |
| 2 | 2 | 100,000 | SI |

## Condition Types

Maintain the following entries for the condition types listed below for Brazil. Both entries are time-independent, meaning they are valid until 01/01/2999, for example.

| | | | |
|---|---|---|---|
| | ICMO: | Rate: 100- | |
| | ICSO: | Rate: 100- | |
| | IPIC: | Rate: 100 | NOTE: no '-' |
| | IPIO: | Rate: 100- | |

Path: *Logistics → Sales/Distribution → Master Data → Pricing → Prices → Others → Create*

> The data must be maintained in all system clients where Brazilian functionality is required (including client 000).

# Returns, Complementars, and Corrections with Batch

To avoid warnings when creating returns, complementars and corrections with reference to a billing document containing batch sub-items, make the following Customizing settings:

| Sales Doc Type | Billing type | Item category | Copying requirements |
|:---:|:---:|:---:|:---|
| CRB | F2B | TBB | 302 Do not copy item |
| CXB | F2B | TBB | 302 Do not copy item |
| DRB | F2B | TBB | 302 Do not copy item |
| DXB | F2B | TBB | 302 Do not copy item |
| REB | F2B | TBB | 302 Do not copy item |
| ROB | F2B | TBB | 302 Do not copy item |

In Customizing choose *Sales and Distribution → Sales → Maintain copy control for sales documents → Define document flow for billing document to sales order.*

# Customizing Using CATT

## Introduction

The following Customizing settings required in Brazil for SD and MM are not delivered with client 000:

- Movement types

- Billing types

- Item categories

- Delivery types

- Sales document types

You can make these settings by running the test cases [Extern] below in a client other than client 000.

## Test Case for Materials Management

To install the Brazilian movement types, use test case P40XXXX_CU_BR. This deletes and reconfigures all the movement types in the SAP namespace starting 8——.

## Test Case for Sales and Distribution

To make the Brazilian Customizing settings for Sales and Distribution – covering billing types, item categories, delivery types, and sales document types – use test case P99CUST_SD_BR. If you want to delete these Customizing settings later on, use P99DECUST_SD_BR. The settings are as follows:

**Billing Types**

| Billing type | Short text |
|---|---|
| F2B | *Nota fiscal* |
| L2B | Debit memo |
| FA | Advance invoice |
| FAR | Invoice (future delivery) |
| FC | *Nota fiscal* (consignment issue) |
| FCR | *Nota fiscal* (consignment fill-up) |
| G2B | Credit memo |
| REB | Credit memo (returns) |
| FST | *Nota fiscal* (ship-to party) |
| FTB | *Nota fiscal* (transfer) |

**Item Categories**

| Item category | Short text |
|---|---|

| TBD | Services |
|---|---|
| KBNB | Consignment fill-up |
| KENB | Consignment issue |
| LANB | RTP pickup |
| LBNL | RTP pickup (statistical) in *nota fiscal* |
| LPLB | Scheduling agreement item |
| NLNB | Standard stock transport order item |
| RBB | Standard batch item |
| RBN | Standard item |
| TBL | RTP shipment |
| TBLL | RTP (statistical) in *nota fiscal* |
| TBN | Standard item |
| TBNL | Item with statistical billing |
| TBPS | Standard item (PS) |
| TBS | Third party Item |
| TBX | Non-stock item |
| TBB | Standard batch item |

**Delivery Types**

| Delivery type | Short text |
|---|---|
| E | Advance invoice |
| F | Sales future delivery |
| K | Consignment fill-up |
| M | Consignment issue |

**Sales Document Types**

| Sales document type | Short text |
|---|---|
| ORB | Standard order |
| DRB | Complement request |
| REB | Returns |
| COB | Schedule agreement |
| CRB | Correction request |
| CXB | Credit memo (error) |
| DLB | Delivery without order |

**Customizing Using CATT**

| DXB | Debit memo request |
|------|----------------------------------------|
| KBB | Consignment fill-up |
| KEB | Consignment issue |
| LAB | RTP pickup with separate *nota fiscal* |
| RCM | *Rem.p/cta.e ord.merc* |
| RCS | *Rem.p/ cta. simpl.f.* |
| ROB | Return |
| VDOR | Order *(venda à ordem)* |
| VEF | Future delivery (invoice) |
| VEFR | Future delivery (shipment) |

# Master Data

Master data is stored in several database tables in the R/3 System.

For Brazilian localization, the organizational unit *branch* was created and other existing master file objects are extended by new fields which are either required by Brazilian legislation or to customize Brazilian functionality.

The fields are used for reporting, tax calculation, Nota Fiscal handling, and so on.

The following master data objects contain new fields specific to Brazil:

Company code [Seite 28]

Plant [Seite 29]

Customer [Seite 30]

Vendor [Seite 30]

Material master [Seite 32]

Material group [Seite 32]

# Branch

## Introduction

To model Brazilian business, it is necessary to create a new organizational unit called branch. For example, the branch is the level where tax reporting and Nota Fiscal reporting is done. It is also the organizational unit where the CGC number is assigned.

In R/3, plants are assigned to branches. After the branches are defined, the existing plants must be assigned to the appropriate branch. The following chart shows the relationship between company, plant and branch.

## Branches in R/3

```
                    ┌─────────────────┐
                    │     Company     │
                    └─────────────────┘
                             │
        ┌────────────────────┼────────────────────┐
┌───────────────┐   ┌───────────────┐   ┌───────────────┐
│  Branch 0001  │   │  Branch 0002  │   │  Branch ...   │
│ ┌───────────┐ │   │ ┌───────────┐ │   │ ┌───────────┐ │
│ │  Plant 1  │ │   │ │  Plant 3  │ │   │ │ Plant ... │ │
│ └───────────┘ │   │ └───────────┘ │   │ └───────────┘ │
│  ┌──────────┐ │   │               │   │               │
│  │ Plant 2  │ │   │               │   │               │
│  └──────────┘ │   │               │   │               │
└───────────────┘   └───────────────┘   └───────────────┘
```
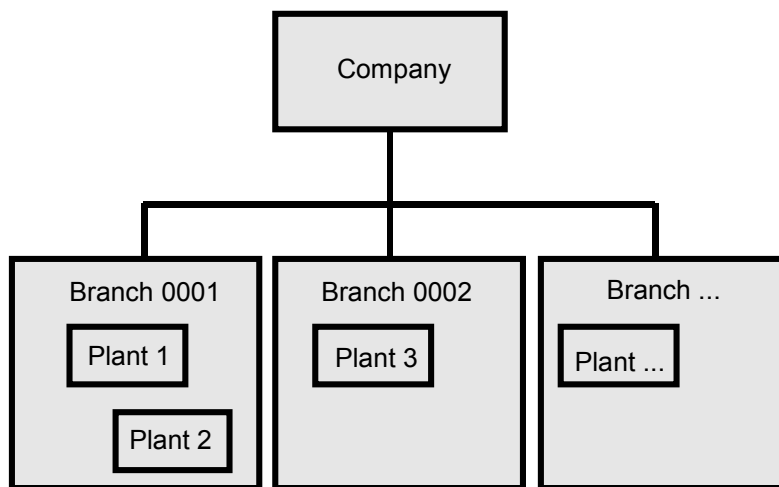
## Maintaining Branches

You can maintain branches by choosing the Customizing path for creating CGC branches [Seite 11]. You can define numerous branches per company.

Please maintain the following fields:

- CGC branch

  This is the part of the CGC number which indicates the branch number. It is recommended to use a branch name which corresponds to the CGC branch. However, even in this case, it is necessary to maintain the CGC branch.

- Regional tax code
- City tax code
- Branch category

  The branch category is used to determine the CFOP for an outgoing Nota Fiscal.

- Single page indicator

  This indicator controls whether SD creates Notas Fiscais that fit on one page.

If the indicator is not set, SD does not split a delivery into multiple Notas Fiscais. The Nota Fiscal print program can print a Nota Fiscal on multiple pages.

- Decimals of price including ICMS

  SD calculates the price including ICMS. To avoid rounding errors in the NF print, it is necessary to round the calculated price including ICMS with a fixed number of decimals.

- Address

  The Nota Fiscal print program uses the branch address as the address of the issuer. Therefore, it is necessary to maintain the complete address on the branch level. Please note that the address of the delivering plant is not used.

# Company Master Data

To maintain the Brazilian fields, in Customizing choose *Financial Accounting* → *Financial Accounting Global Settings* → *Company Code* → *Enter Global Parameters*.

Use the *Additional details* function to maintain the following fields:

- CGC company

  The CGC company is the part of the CGC number which is the same for all branches defined in the company. Please note that the system creates the CGC number using the CGC company and the CGC branch.

- CGC branch

  The CGC of the company's headquarters is required by A/R and A/P. The headquarters can be assigned any branch number but is usually CGC branch 0001. However, it is required to specify the branch of the headquarters in this field. →

# Plant Master Data

As described in the documentation on Branch - Organizational Unit [Seite 26], plants must be linked to branches. More than one plant can be assigned to a branch.

You can allocate a plant to a branch by choosing the Customizing path for assigning CGC branches [Seite 11].

> Before you can allocate the plant to a branch, the plant must be assigned to a company and the CGC company must be maintained.
>
> If either the plant is not assigned to a company code or the CGC company is not specified, the field to enter the branch is not available for input.

# Customer/Vendor Master Data

## Fields with Specific Brazilian Meaning

- Tax code 1

  The CGC number of the customer is stored in the field Tax code 1. In this case, the indicator Sole proprietor should not be set. Even though the system does not show the CGC formatted, it validates the input (check digits).

- Tax code 2

  The CPF number of the customer (natural person) is stored in the field Tax code 2. In this case, the indicator Sole proprietor should be set. Even though the system does not show the CPF formatted, it validates the input (check digits).

- Tax code 3

  This field is used to store the state inscription of the customer.

- Tax code 4

  This field is used to store the municipal inscription of the customer.

- CFOP category (only customers)

  This field is used to determine the CFOP if SD creates a Nota Fiscal.

- Tax law ICMS (only customers)

  The tax law ICMS specified in the customer master is used to determine the Nota Fiscal ICMS tax law.

- Tax law IPI (only customers)

  The tax law IPI specified in the customer master is used to determine the Nota Fiscal IPI tax law.

- Indicator Substituição Tributária exempt (only customers)

  If this indicator is set, the customer is exempted from Substituição Tributária.

- Indicator ICMS exempt (only customers)

  If this indicator is set, the customer is exempted from ICMS.

- Indicator IPI exempt (only customers)

  If this indicator is set, the customer is exempted from IPI.

- Tax split (only vendors)

  This indicator is used in the tax calculation program. It influences the calculation and posting of IPI.

- Tax base (only vendors)

  Only relevant for freights: ICMS tax base is reduced to 80 %.

- Region

  The Brazilian tax calculation procedure uses jurisdiction codes. The jurisdiction code is derived automatically from the region.

To force users to enter the required information, it is recommended to set the following field attributes for Brazilian customers:

- Tax code 1 or Tax code 2 set to required entry

- Region set to required entry

- Jurisdiction code set to display only

For more information about Nota Fiscal and CFOP determination, see Introduction to Nota Fiscal [Seite 125].

For more information about taxes, see Taxes [Seite 35].

# Material Master Data

## Country-specific fields

- Country code

   The control code is used to maintain the NBM code, also known as NCM code. The NBM code may depend on material and vendor. If maintained in the material/vendor info record, this NBM code is used in the purchase order. If there is no info record or no such NBM code entry in the info record, the NBM code as maintained in the material master is used.

   You can assign the NBM code to the material group by choosing the Customizing path for assigning NBM code to material group [Seite 11].

   The NBM code is further used in the Nota Fiscal, where it can be changed in the Nota Fiscal detail screen, and by the tax calculation program to calculate IPI.

- Material CFOP category

   This field is used to determine the CFOP in a Nota Fiscal..

- Material usage

   This field shows the intended usage of the material (Resale, Industrialization, Consumption). It is used to determine the CFOP in a Nota Fiscal.

- Material origin

   This field specifies whether the material was produced in Brazil or was imported. It is used to determine the CFOP in a Nota Fiscal.

- Indicator Produced in-house

   If this indicator is set, the material was produced by the company. This field is used to determine the CFOP in a Nota Fiscal.


For more information about Nota Fiscal and CFOP determination, see Introduction to Nota Fiscal [Seite 125]. For more information about taxes, see Taxes [Seite 35].

# Financials

# General Information

# Taxes

Localization for Brazil supports the automatic calculation of the following taxes:

- IPI [Seite 38]

- ICMS [Seite 40]

- Complement of ICMS [Seite 43]

- Substituição Tributária [Seite 45]

- ISS (outgoing) [Seite 50]

- INSS [Seite 51]

- Withholding taxes [Seite 52]

- ISSF [Seite 54]

- IRRF [Seite 54]

- FUNRURAL/FCPS

The calculation rules are stored in a series of Customizing tables that contain information about rates, tax bases, exemptions, and so on.

> All taxes are dependent on one or more parameters such as material, NBM code, ship-to and ship-from location, etc. This information is not available if a document is posted directly in FI (via transaction FB01, for example). Therefore, in FI, automatic calculation is not possible.

# Determination of Tax Rates

# Default Rates

You can specify the rates of tax types ICMS, IPI and ISS independently of factors such as ship-from and ship-to destinations. If the system cannot derive a rate from the tables described in the following sections, it takes the default rates.

You can maintain default rates by choosing the Customizing path for taxes [Seite 12].

> Since material, ship-from and ship-to destination and so on are not available in FI posting transactions, the tax calculation routines always use the default rates for FI postings.

# Imposto Sobre Produtos Industrializados (IPI)

## Introduction to IPI

IPI is a federal tax applied when selling, transferring, etc. goods.

The percentage rate and the base value of IPI depends on several factors:

- **Usage of the goods:** Usage determines how the amounts are posted in purchasing. If a material is used for production, the tax amounts are posted to separate line items. If a material is used for consumption, the taxes are seen as non-deductible. The IPI amount is added to the value of the material and can not be recovered. If a material is used for reselling, the IPI tax value is not deductible but added to the inventory value.

- **NBM code:** IPI is applied per product and calculated from the goods value including ICMS. The rate depends on a product classification called NBM code. For some products, IPI is calculated on a reduced base.

- **Material:** NBM dependent codes can be overwritten by specific material dependent codes as exceptions.

- **Customer:** Companies can be exempted from IPI. This is only relevant for SD.

- **Vendor:** If the vendor is not an industry equivalent company, half of the IPI amount is deducted from the inventory value and the other half of the IPI amount is posted to deductible IPI. This is only relevant for MM.

## Rate Determination in MM

IPI rates are derived from the following parameters and tables:

1. **FI tax code:** The FI tax code carries the information to determine whether IPI must be calculated.

2. **Vendor master:** The indicator *Not ind. equivalent* controls how IPI is posted for vendors which are not industry equivalent companies.

3. **IPI rate tables per NBM code and per material:** When calculating the tax, the system tries to first find a *material* dependent rate. If no material dependent rate exists, the calculation uses the *NBM-code* dependent rate. In both cases, IPI rates are defined date-dependent. You can define the fields tax rate, tax base, indicator for *Other Base*, and tax law per material and per NBM code. To maintain IPI rates per material and per NBM code, choose the Customizing paths for IPI Rates [Seite 12].

> If no rate can be found in the table *IPI rates*, the IPI tax rate is taken from *Default rates.*

## Rate Determination in SD

IPI rates are derived from the following parameters and tables:

1. **SD tax codes:** The SD pricing procedure uses the indicator Calculate IPI of the SD tax code to determine whether IPI must be calculated. SD tax codes are specified in the sales order on line level.

2. **Customer master:** A customer can be exempted from IPI. Use the indicator IPI exempt for customers who are not obligated to pay IPI.

3. **IPI rate tables per NBM code and per material:** When calculating the tax, the system tries to first find a material dependent rate. If no material dependent rate exists, the calculation uses the NBM-code dependent rate. In both cases, IPI rates are defined date-dependent. You can define the fields tax rate, tax base, indicator for Other Base, and tax law per material and per NBM code. To maintain IPI rates per material and per NBM code, choose the Customizing paths for IPI Rates [Seite 12].

> If no rate can be found in the table IPI rates, the IPI tax rate is taken from Default rates.

## IPI Pauta

R/3 also supports a special variant of IPI tax, which is the volume-dependent tax IPI Pauta. Customizing tables are the same as for the regular IPI.

## IPI Tax Law

The IPI tax law is used for generating automatic Nota Fiscal texts and for legal reporting. R/3 can automatically determine the IPI tax law in MM and SD.

You can maintain IPI tax laws by choosing the Customizing paths for IPI Rates [Seite 12].

*Determination Rules in MM:*

The IPI tax law is determined from the tax code enhancement (see Tax Code Enhancements [Seite 61]). It can be overwritten by an entry in at least one of the tables *IPI rates (general)* or *IPI rates (exceptions).*

*Determination Rules in SD:*

The access sequence for tax laws is:

1. Sales item category only if tax code is entered

2. Customer master

3. Material (IPI general / IPI exceptions / ICMS exceptions)

4. Sales item category again without checking tax code

A manual entry in the sales order is also possible.

# Imposto s. Circulação de Mercadoria e Serviços (ICMS)

## Introduction

ICMS is a state tax applied when selling, transferring, etc. goods. The percentage rate and the value base of ICMS depends on several factors including:

- State of origin and state of destination of the goods

- Product codes

    Exemptions of ICMS for particular products are possible. Exemptions can either be permanent or only valid until a certain date. Exemptions can be valid only inside a state or for all states.

    Different/reduced rates of ICMS for particular products. Reduced rates are only used within a state. Therefore, they do not depend on state of origin and state of destination.

    For some products, ICMS is calculated on a reduced base (e.g. 80% of the goods value is taxed and 20% is not taxed). The reduction of the base can be valid either permanently or only for a certain time period. Reduced bases are only used within a state. Therefore, they do not depend on state of origin and state of destination.

    - Customer

    Some companies are not obligated to pay ICMS tax (e.g. some government companies).

    - Usage of the goods

    The base value for the calculation of ICMS depends on the usage of the goods.  If a customer buys goods for production or reselling, ICMS is calculated on the goods value without IPI. If the goods are used in a different way (e.g. consumption), ICMS is calculated on the goods value plus IPI.

    Additionally, the usage determines how the amounts are posted in purchasing. If a material is used for production or reselling, the tax amounts are posted to separate line items. If a material is used for consumption, the tax increases the value of the material and can not be recovered.

## Rate Determination in MM

ICMS rates are derived from the following parameters and tables:

1. FI tax code

    The FI tax code carries the information to determine whether ICMS is calculated.

2. Vendor master

    R/3 uses the tax jurisdiction of the vendor to determine the ship-from tax region which is required to read the ICMS rate tables.

    Only for *Conhecimentos,* ICMS may be automatically calculated on a base reduced to 80%. The activation of the 80% base for 'Conhecimentos' is done in the vendor master maintenance screen: *General - Control data*.

3. Receiving plant

    R/3 uses the tax jurisdiction of the receiving plant to determine the ship-to tax region which is required to read the ICMS rate tables.

4.  ICMS general rates

    General ICMS rates are defined date-dependent. Rates are maintained per ship-from and ship-to tax region combination.

    Please note that if ICMS rates are within the same tax region, then the values of ship-from and ship-to tax region are the same.

    To maintain ICMS general rates, choose the Customizing path for ICMS (general) [Seite 12].

5.  ICMS exceptions

    General rates can be overwritten by the ICMS exceptions. Exceptions can be defined per material for a certain time period.

    Please note that if ICMS exceptions are within the same tax region, then the values of ship-from and ship-to tax region are the same.

    To maintain ICMS exceptions rates, choose the Customizing path for ICMS (exceptions) [Seite 12].

    

    If no rate can be found in the tables *ICMS general rates* and *ICMS exceptions*, then the ICMS tax rate is taken from *Default rates*.

## Rate Determination in SD

ICMS rates are derived from the following parameters and tables:

1.  SD tax codes

    The SD pricing procedure uses the indicator *Calculate ICMS* of the SD tax code to determine whether ICMS is calculated. SD tax codes are specified in the sales order on line level.

2.  Sending plant

    R/3 uses the tax jurisdiction of the sending plant to determine the ship-from tax region which is required to read the ICMS rate tables.

3.  Customer master

    R/3 uses the tax jurisdiction of the customer to determine the ship-to tax region which is required to read the ICMS rate tables.

    A customer can be exempted from ICMS. Use the indicator *ICMS exempt* for customers who are not obligated to pay ICMS.

4.  ICMS general rates

    General ICMS rates are defined date-dependent. Rates are maintained per ship-from and ship-to tax region combination.

    Please note that if ICMS rates are within the same tax region, then the values of ship-from and ship-to tax region are the same.

    To maintain ICMS general rates, choose the Customizing path for ICMS (general) [Seite 12]

5.  ICMS exceptions

**Imposto s. Circulação de Mercadoria e Serviços (ICMS)**

General rates can be overwritten by the ICMS exceptions. Exceptions can be defined per material for a certain time period.

Please note that if ICMS exceptions are within the same tax region, then the values of ship-from and ship-to tax region are the same.

To maintain ICMS exception rates, choose the Customizing path for ICMS (exceptions) [Seite 12].

If no rate can be found in the tables *ICMS general rates* and *ICMS exceptions*, then the ICMS tax rate is taken from *Default rates*.

## ICMS Tax Law

The ICMS tax law is used for generating automatic Nota Fiscal texts and for legal reporting. R/3 can automatically determine the ICMS tax law in MM and SD.

You can maintain ICMS tax laws by choosing the Customizing path for Tax Law ICMS [Seite 12].

*Determination Rules in MM*

The ICMS tax law is determined from the tax code enhancement (see Tax Code Enhancements [Seite 61]). It can be overwritten by an entry in table *ICMS (exceptions)*.

*Determination Rules in SD*

The access sequence for tax laws is:

1. Sales item category only if tax code is entered

2. Customer master

3. Material (IPI general / IPI exceptions / ICMS exceptions)

4. Sales item category again without checking tax code

A manual entry in the sales order is also possible.

# Complement of ICMS

## Introduction

A special case of ICMS is the Complement of ICMS. This tax is calculated and posted under the following conditions:

- a company buys a product in another state

- the product is used for consumption

The Complement of ICMS is calculated as the difference between the ICMS rate charged by the vendor and the ICMS rate that is valid when buying in the same state. Comp. ICMS has to be posted as a tax liability, but it is not added to the product price.

In addition to the normal calculation of the Complement of ICMS, the following exceptions exist. A state can define that for a certain material

- the complement is not calculated and not paid

- a different calculation base (e.g. 80%) is used

Note that the Complement of ICMS affects the FI posting only. The amount is not part of the Nota Fiscal and is therefore not stored in the Nota Fiscal database.

## Rate Determination

The ICMS rates of the ship-from and ship-to tax regions are determined as described in Rate Determination MM and Rate Determination SD [Seite 40].

You can define exceptions by choosing the Customizing path for Complement of ICMS (exceptions [Seite 12]).

# Substituição Tributária

Substituição Tributária is calculated as the ICMS amount of a calculated surcharge. The surcharge is either calculated by applying a percentage rate or it is derived from a fixed price per unit.

You can maintain the Substituição Tributária by choosing the Customizing path for Substituição Tributária [Seite 12].

# Substituição Tributária Rate Determination

## Rate Determination in MM

Substituição Tributária rates are derived from the following parameters and tables:

- FI tax code

  The FI tax code carries the information to determine whether Substituição Tributária must be calculated.

- Vendor master

  R/3 uses the tax jurisdiction of the vendor to determine the ship-from tax region which is required to read the Substituição Tributária table.

- Receiving plant

  R/3 uses the tax jurisdiction of the receiving plant to determine the ship-to tax region which is required to read the Substituição Tributária table.

- Material

  R/3 uses the material to be able to define calculation rules on the most detailed level of information available in the business process.

## Rate Determination in SD

Substituição Tributária rates are derived from the following parameters and tables:

- SD tax codes

  The SD pricing procedure uses the indicator *Calculate Substituição Tributária* of the SD tax code to determine whether Substituição Tributária must be calculated. SD tax codes are specified in the sales order on line level.

- Sending plant

  R/3 uses the tax jurisdiction of the sending plant to determine the ship-from tax region which is required to read the Substituição Tributária table.

- Customer master

  R/3 uses the tax jurisdiction of the customer to determine the ship-to tax region which is required to read the Substituição Tributária table.

  If the tax classification in the customer master record is set to '2', the calculation of Substituição Tributária can also support the special processing logic when selling to customers located in the Zona Franca de Manaus.

- Material

R/3 uses the material to be able to define calculation rules on the most detailed level of information available in the business process.

# Substituição Tributária on Freight

For freight services which are provided by transport companies, in certain business cases the ICMS amount is not calculated and paid by the transport company, but by the company which pays for the freight service.

That means the 'Conhecimento' does not contain the ICMS amount. In such a case the ICMS amount must be calculated by the receiving company. This tax is then called 'Substituição Tributária on freight'.

The delivered tax codes are *IF* and *CF*.

## General Customizing

Two tax types have been introduced:

- ICMS on freight

- ICMS Sub.Trib. on freight

These tax types are only relevant for the calculation of taxes on freight values.

## SD tax codes

The SD tax codes maintenance contains two fields to activate the calculation of

- ICMS on freight

- ICMS Sub.Trib. on freight

*Definition of the tax calculation base value*

In order to calculate ICMS on freight and/or ICMS Sub.Trib. on freight in SD, it is necessary to define the base value for the calculation. The freight conditions which build the base value have to be entered in the Brazil specific SD customizing of 'Special pricing conditions'. Conditions which are part of the calculation base have to be marked (field 'S.T.fr.').

The system does not check if such a condition is statistical or not. The control for the freight tax calculation base is not related to definition of freight conditions in the 'NF value' field.

## FI tax codes

If the calculation of the new taxes (ICMS on freight, ICMS Sub.Trib. on freight) is necessary for a specific business process, a new FI tax code has to be created (copied from an existing code) and the calculation of the respective tax types has to be switched on.

The activation of calculation for the new taxes (ICMS on freight, ICMS Sub.Trib. on freight) in MM is done by defining a tax percentage rate of 100% for condition types IFR1 and/or IFS1 in addition to the other percentage rates which activate the tax calculation as it was available up to 3.0F/B.

*Definition of the tax calculation base value*

On order to calculate ICMS on freight and/or ICMS Sub.Trib. on freight in MM it is necessary to define the base value for the calculation. The freight conditions which build the base value have to be entered in the Brazil specific MM invoice verification customizing of 'Value transfer to Nota Fiscal'. Conditions which are part of the calculation base have to be marked (field 'S.T.fr.').

The system does not check if such a condition is statistical or not. The control for the freight tax calculation base is not related to the definition of special conditions in the 'NF value' field.

# Substituição Tributária Calculation Rules

The rules for calculating Substituição Tributária data are defined in two Customizing tables.

In the **'Exception table'** data is maintained per ship-from and ship-to tax region combination, per material, and per customer group. In MM the customer group is always initial.

In the **'General table'** data is maintained per ship-from and ship-to tax region combination and per customer group. In MM the customer group is always initial.

The system checks the 'Exception table' first. If an entry is found, this calculation rule is used. If no Customizing entry was found, the system checks the general table. If no calculation rule is defined in the 'General table' Sub.Trib. is not calculated.

You can maintain the Substituição Tributária by choosing the Customizing path for Substituição Tributária [Seite 12].

Critical fields for the control of the calculation rules of Substituição Tributária in these Customizing tables are:

**'Calculation type'**

The calculation type determines the base value for the Sub.Trib. calculation. Base value is either the 'Invoice value (incl. ICMS/IPI)' or a 'Fixed price per unit'. If the calculation type is 'Fixed price per unit', the Customizing fields 'Fixed price', 'Number of units', 'Unit of measure' must be maintained.

If the calculation type is set to 'No Sub.Trib. calculation' the calculation for this specific parameter combination is deactivated. The calculation type 'No Sub.Trib. calculation' is only available for the material dependent calculation rules.

In SD, the base value is modified according to the definition in the 'Special pricing conditions'. For each pricing procedure it is possible to modify the base value of Sub.Trib. by adding or subtracting condition values. The conditions defined in the 'Special pricing conditions' must be positioned before the tax calculation condition 'IBRX'.

The possible base modifications are:

'+'        Condition value is added/included into Sub.Trib. base

'-'        Condition value is subtracted/excluded from Sub.Trib. base

**'Surcharge'**

The surcharge rates is used to calculate a surcharge on the Sub.Trib. base value. The surcharge rate defined is applied on the base value for both calculation types 'Invoice value' / 'Fixed price'.

**'Base reduction 1' and 'Base reduction 2'**

Two percentage rates for base reductions which are applied to the Sub.Trib. base.

**'ICMS reduction'**

The ICMS reduction defined here reduces the original ICMS amount before calculating the Sub.Trib. value. The normal ICMS amount is not affected.

**'Fixed price', 'Number of units', 'Unit of measure'**

If the calculation type 'Fixed price per unit' is selected for the calculation of the Sub.Trib. base value, these fields must be filled. For the calculation of the Sub.Trib. base a unit conversion from the unit of measure entered here to the sales or purchasing unit of measure takes place. If such

a conversion is not possible due to missing conversion rules, the tax calculation ends with an error and posting is not possible. The 'Number of units' defines by how many units the price is defined.


**Flexible Conditions for Substituição Tributária in SD**

It is possible to modify the Sub.Trib. base value by adding or subtracting other condition values from the base value in pricing. The definition of these condition values is done in the Brazil specific SD Customizing of 'Special pricing conditions'.

To have more flexibility regarding the conditions which influence the tax calculation it is now possible to define conditions, which are not relevant for the value transfer to Nota Fiscal. These conditions must have "NF value = '  '".

For all conditions defined in the 'Special pricing conditions' a modification rule for the Sub.Trib. base can be defined. The modification rules are '+' (add to Sub.Trib. base) or '-' (subtract from Sub.Trib. base). Any condition, also statistical ones, can be used for that purpose. The only restriction for conditions influencing the Sub.Trib. base is, that they have to positioned before tax condition 'IBRX' in the SD pricing scheme.

# Imposto Sobre Servicos (ISS)

## Introduction

ISS is a municipal tax on services. The tax rate is determined by the city of the supplier and the type of service.

One exception includes construction companies that use the ISS rate of the city where they are building/working. The exception for construction companies is currently not in scope for the localization. The ISS tax amount is normally included in the service price.

The calculation of ISS is only relevant on the outgoing side (SD) because the ISS amount has to be stored in the Nota Fiscal database for reporting purposes. On the incoming side (MM), the ISS amount is not posted as an ISS credit but is included in the service price. Therefore, no ISS calculation is necessary in MM. ISS is not stored in the Nota Fiscal database on the incoming side. On the incoming side, no ISS related reporting is necessary.

## Rate Determination (only SD)

ISS rates are derived via the following parameters and tables:

- SD tax codes

  The SD pricing procedure uses the indicator *Calculate ISS* of the SD tax code to determine whether ISS must be calculated. SD tax codes are specified in the sales order on line level.

- ISS rate table

  ISS rates are defined date-dependent. The rate is defined per material. You can maintain the rates by choosing the Customizing path for ISS [Seite 12].

# Instituto Nacional de Previdencia Social (INSS)

INSS is a social security tax that the company pays when receiving the service from a natural person. The calculation of INSS is based on a fixed rate. The delivered tax code for INSS is *IN*.

# Withholding Taxes

The Brazilian localization supports the specific Brazilian withholding taxes *ISSF, IRRF for natural persons, IRRF for companies, Purchase from farmer (FCPS and FUNRURAL).*

The specific customizing entries for withholding taxes are delivered in client 000. It is recommended to copy these entries from client 000 to each client where the calculation of withholding taxes is needed. In particular, you may adapt the account assignment corresponding to your respective chart of accounts.

Brazilian withholding taxes are always posted at the time when the invoice is created.

For more information on the use of R/3 withholding tax functionality in South America, please refer to Extended Withholding Functionality [Extern].

## Activation of a Company Code

The activation of the extended withholding tax functionality for a company code is done as follows:

1. The 'Document entry screen variant' of the company code processing parameters set to '2'.

2. The extended withholding tax functionality is activated.

3. The withholding tax types have to be assigned to the respective company codes. A withholding tax type is processed only if it is assigned to a company code and the company code is 'withholding agent' for the withholding type.

## Activation of a Vendor

In addition, the activation of extended withholding tax functionality for a vendor is done as follows:

- The withholding tax fields are open for input in the posting transactions in which withholding tax is calculated. This is achieved by checking/maintaining the field status on posting key level and the field status group(s) which are assigned to the reconciliation accounts for A/P. For further information, please see the R/3 documentation.

- The withholding tax types have to be assigned to the respective vendors. A certain withholding tax type is processed only if it is assigned to a vendor and the vendor is subjected to this withholding type.

## Integration in Nota Fiscal

In invoice verification, the following withholding tax data can be transferred to the Nota Fiscal:

- Transfer of the withholding tax amount for selected withholding tax types. The amount of these withholding tax types is summed up and deducted from the total value of the Nota Fiscal.

- Generation of variable header texts with the withholding tax amount for selected withholding tax types.

To activate the value transfer and assign the text key for the header text, choose the Customizing path for Withholding tax value transfer to Nota Fiscal [Seite 14].

To define text keys and corresponding texts, choose the Customizing path for Text keys for automatic texts [Seite 14].

To insert the withholding tax amount into such a header text, use the argument 'WTAMOUNT''.

# Imposto Sobre Servicos na Fonte (ISSF)

If the vendor is a natural person and not registered in the city where the vendor's service is provided, then ISS [Seite 50] is withheld by the company buying the service. The ISS is calculated according to the normal ISS calculation. The withheld tax is called ISSF. The ISSF amount does not affect the calculation of other taxes.

For more information on withholding taxes when buying from natural persons, see IRRF [Seite 55].

# Imposto de Renda Retida na Fonte (IRRF)

For some services, the income tax IRRF is applied. There is no automatic determination to calculate IRRF. The applicable percentage rate is therefore set manually per business transaction using a specific withholding tax code.

- IRRF for companies

  IRRF can also be applied in combination with ISS.

- IRRF for natural persons

INSS can be calculated in combination with IRRF for natural persons. If the natural person is not registered in the city where the service is rendered, then ISSF is calculated and withheld (see ISSF [Seite 54]).

# Calculation Procedure in MM and FI

SAP delivers the calculation procedure TAXBRJ, which defines tax calculation in the modules MM and FI. The calculation procedure must be assigned to the country BR. The tax calculation procedure TAXBRJ uses the account determination processes MW1, MW2, MW3, MW4, VS1, VS2, VS3, VS4, VST, IC1, ICC, ICP, ICX, ICB, INX, IPC.

To support the calculation of taxes, the tax codes must be defined. SAP delivers a set of tax codes that determine the tax type to be calculated.

The following table shows all delivered tax codes:

| Tax Code | Description |
|---|---|
| A0 | Outp. Industrialization: No tax |
| A1 | Outp. Industrialization: ICMS only |
| A3 | Outp. Industrialization: ICMS + IPI |
| B0 | Outp. Consumption: No tax |
| C0 | Input Consumption: No tax |
| C1 | Input Consumption: ICMS + CompICMS only |
| C2 | Input Consumption: ICMS + Sub.Trib. |
| C3 | Input Consumption: ICMS + CompICMS + IPI |
| C4 | Input Consumption: ICMS + Sub.Trib. + IPI |
| C5 | Input Consumption: IPI only |
| CF | Inp. Consumption: ICMS (S.T. on freight) |
| I0 | Input Industrialization: No tax |
| I1 | Input Industrialization: ICMS only |
| I2 | Input Industrialization: ICMS + Sub.Trib. |
| I3 | Input Industrialization: ICMS + IPI |
| I4 | Input Industrialization: ICMS + Sub.Trib. + IPI |
| I5 | Input Industrialization: IPI only |
| I6 | Input Industrialization: ICMS + IPI: Reselling |
| I7 | Input Industrialization: ICMS + Sub.Trib. + IPI: Reselling |
| I9 | ISS |
| IE | Input: Tax exempt transactions |
| IF | Inp. Industr.: ICMS (S.T. on freight) |
| IN | INSS 15% |
| K0 | Future delivery purchasing G/R |
| K1 | Future delivery purchasing I/R |

| K2 | Future delivery purchasing G/R-Ind. all taxes |
|----|-----------------------------------------------|
| K3 | Future delivery purchasing I/R-Ind. stat taxes |
| K5 | Consignment - Shipment G/R |
| K6 | Consignment - Invoice I/R |
| K8 | Future delivery Resale Purchasing G/R |
| K9 | Future delivery Resale Purchasing I/R |
| S0 | Output SD tax: No tax |
| SD | Output SD tax: ICMS/IPI/Sub.Trib. |
| SE | Output: Tax exempt transactions |
| SI | Output SD tax: ISS |
| SZ | Output SD tax: ICMS Zona Franca |

For more information about tax codes, read the R/3 documentation.

> On the company code level for Brazilian companies, the following indicators must be maintained:
>
> Indicator *Tax base is net value* not set
>
> Indicator *Discount base is net value* not set

# Pricing Procedure in SD

SD calculates taxes using a pricing procedure. SAP delivers the following Brazilian sample pricing procedures:

**TPP/Pricing Procedure**

| TPP | Pricing Procedure | Description |
|-----|-------------------|-------------|
| E | RVXBRE | Advance Invoicing |
| F | RVXBRF | Sales Future Delivery |
| K | RVXBRK | Consignment fill-up |
| L | RVXBRL | Consignment issue |
| S | RVXBRA | Brazil: Standard |

# Tax Regions and Tax Jurisdictions

Most taxes are calculated depending on the ship-from and ship-to locations. Within Brazil, tax-relevant ship-from and ship-to locations are stored in the tax jurisdiction which must be available for the following master files:

- Plant

- Customer

- Vendor

- Cost center

The tax jurisdiction for Brazil is a single-level jurisdiction which consists of a 3-digit tax region. You can maintain the tax regions by choosing the Customizing path for Tax regions [Seite 12].

The tax jurisdiction is maintained automatically. It is determined from the region in the respective address:

- If a region has just one tax region assigned, the system automatically uses this tax region.

- If a region has two or more tax regions assigned, the user must choose one from a list.

If the system cannot find a tax region, the jurisdiction code cannot be determined and the system issues a message during master file maintenance.

> The region should be a mandatory field in the screen layout for master file maintenance.

# Foreign Customers/Vendors

To define specific tax rates when dealing with foreign customers or vendors, a special processing logic is implemented as follows:

- Foreign customer/vendors do not need a Brazil-specific jurisdiction code. The jurisdiction code in foreign customer/vendor master records is not used in tax processing.

- The country maintained in the foreign customer/vendor master record is assigned to a tax region. This assignment between country and tax region must be customized; to do so, choose the Customizing path for Tax regions for foreign customers/vendors [Seite 12]. It is then possible to group countries together so that they use the same special tax region. For example, the tax region *XX* is assigned to country *US* in client *000*.

- The tax region for foreign customer/vendors is defined in the tax region table. For this tax region, the 'Region' assignment to a geographical Brazilian region can be initial.

# Tax Code Enhancements

The calculation of taxes in MM and FI is driven by tax codes. To fulfill Brazilian tax requirements, the tax code enhancements must be maintained.

You can maintain the following fields for each tax code by choosing the Customizing paths for taxes [Seite 12]:

- **Usage (Industrialization, Consumption)**: The usage indicator determines how the amounts are calculated in purchasing.

- **Indicator for Service tax calculation**: The system calculates a service tax such as ISS or INSS only if this indicator is set. Note that the definition of the tax code must have the ISS or INSS line active.

- **Tax law ICMS**: Tax laws specify legal Nota Fiscal texts and the ICMS tax situation used for legal reporting. Both are transferred to the Nota Fiscal database.

- **Tax law IPI**: Tax laws specify legal Nota Fiscal texts and the IPI tax situation. Both are transferred to the Nota Fiscal database.

- **Indicator ICMS exempt**: If this indicator is set, the ICMS base value is stored as *Excluded/Exempt base* instead of *Other base* in the Nota Fiscal database, if the respective tax code does not trigger an ICMS calculation. The indicator is ignored if an ICMS calculation takes place.

- **Indicator IPI exempt**: If this indicator is set, the IPI base value is stored as *Excluded/Exempt base* instead of *Other base* in the Nota Fiscal database if the respective tax code does not trigger an IPI calculation. The indicator is ignored if an IPI calculation takes place.

# Tax Codes in SD

The pricing procedure calculates taxes in SD. However, the tax calculation routines require information about the type of taxes to be calculated and the usage of the sold goods.

To make this information available, it is necessary to specify a SD tax code in the sales order. A default tax code can also be automatically determined in the following access sequence:

1. Enter in table *Sales Item Category* by choosing the Customizing path for sales item category [Seite 16].

2. Enter in the customer material info record

You can maintain SD tax codes by choosing the Customizing path for taxes [Seite 12].

The SD tax code contains the following information:

- **Usage (Industrialization, Consumption):**This field describes how the customer who ordered the goods intends to use the sold goods.

- **Indicator for ICMS calculation:** The system calculates ICMS tax only if this indicator is set.

- **Indicator for IPI calculation:** The system calculates IPI tax only if this indicator is set.

- **Indicator for Substituição Tributária calculation:** The system calculates Substituição Tributária tax only if this indicator is set.

- **Indicator for ISS calculation:** The system calculates ISS tax only if this indicator is set. If this indicator is set, none of the other tax types is possible.

- **Indicator ICMS exempt:** If this indicator is set, the ICMS base value is stored as *Excluded/Exempt base* instead of *Other base* in the Nota Fiscal database, if the respective tax code does not trigger an ICMS calculation. The indicator is ignored if an ICMS calculation takes place.

- **Indicator IPI exempt:** If this indicator is set, the IPI base value is stored as *Excluded/Exempt base* instead of *Other base* in the Nota Fiscal database if the respective tax code does not trigger an IPI calculation. The indicator is ignored if an IPI calculation takes place.

# Country-Specific Formats in FI

# Banks

Bank numbers, account numbers and corresponding control digits do not follow a standard pattern in Brazil. You can, however, classify them according to the three types described below. Only for the third type (banco Bamerindo, for example), you must enter the account control digits directly in the account field, separated by a '-' from the actual account number:

- **Bank number: XXXYZ..Z**

  XXX  Bank number (e.g. 341 for Itaú)

  Y  Control digit for bank number (e.g. 7 for Itaú)

  Z..Z  Bank key (no leading zeroes, e.g. four digits for Itaú)


- **Bank account and control digits for bank and account number:**

  *'Itaú type'*:  Account: U...U  Control : X

  X: Control digit for combination of bank and account

  *'Bradesco type'*:Account: U...U  Control : XY

  X: Control digit for bank

  Y: Control digit for account

  *'Other type'* :Account: U...U-XY  Control : Z

  Z: Control digit for bank

  XY: Control digits for account

# Bank Number Format for Bank Statement Customizing

In Customizing of the bank account statement, the transaction type defines bank statement formats to be used. In the table that allocates this transaction type to banks, you must maintain corresponding bank numbers. Maintain the bank number in this table as it is in the bank master.

# Carteira in Accounts Receivable

Entry in *Transaction type* field via the Customizing path *Financial accounting → General Ledger Accounting → Bank-related accounting business transactions → Bank transactions → Define value date rules*:

Carteiras must be maintained in the following format:

Banco Itau: YXXX or XXX, where y is the carteira code and X the carteira number.

Example: I112 or 112

Banco Bradesco: XXX, where X is the carteira code.

Example: 009

Other banks: XABC, where

X = Codigo de Carteira

A = Forma de Cadastramento (currently only '1' supported for DME)

B = Identificação da emissão ('1' or '2')

C = Identificação da distribuição ('1' or '2')

# Carteira in Accounts Payable

For each incoming boleto, the carteira number must be entered together with the bank duplicata number in the *Duplicata number* field of the open item:

Carteira nr/Bank duplicata nr:  **XXX/YY...Y-Z**

**XXX**:  Carteira number (e.g. 110 for *Itaú*)

**YY...Y**:  Bank duplicata number (e.g. 8 digits for *Itaú*)

**Z**:  Control digit for bank duplicata number

# Accounts Payable

The localization Brazil supports Fatura creation and payments in local currency via prenumbered checks, payment list (bordero) and DME files (Arquivo remessa). The system also supports the optional handling of received boletos.

# Vendor Master Records

Vendor master maintenance follows standard procedures. However, for Brazil, you must maintain the following fields:

- Partner bank type in order to enter the vendor's bank into the open item.

- Bank address

- When paying in general individually, use the indicator Individual payment.

- For vendors that send boletos, the maintenance of payment terms with payment block.

# Fatura

A fatura summarizes Notas Fiscais of a certain period. It can be posted by choosing *Accounts Receivable → Others Internal transfer posting → With clearing*.

For more information on this transaction, see the standard R/3 documentation.

# Boleto Handling

For incoming boletos, the following manual document changes are required:

- Remove payment block, if set before.

- Enter Carteira and bank duplicata number (Nosso numero) in the bank reference field, using the following example format: 123/12345678-9.

- For the use of DME:

- Enter the numerical barcode in the *barcode* field

> Numerical barcode: 34191.10121 34567.880058 71234.570001 6 12345
>
> Enter: 3419110121345678800587123457000161234345

# Payment Transactions

The country version for Brazil supports Fatura creation and payments in local currency via prenumbered checks, payment list (bordero) and DME files (Arquivo remessa). The system also supports the optional handling of received boletos.

# Bank Transfers

The following Brazilian-specific print program must be entered in the country-dependent Customizing of all payment methods that are used to create bank transfers. As part of the localization, payment methods U and N are already customized this way:

- RFFOBR_U

  This program prints a payment list (Bordero) or a DME file containing all payment information. The required entry to choose between these two options is set in the corresponding variant of the program. For more information on this program, see the online documentation.

The following Brazilian-specific payment transfer media must be customized per company code:

- J_1B_BORDERO:   Payment list

- J_1B_DME:   DME accompanying sheet

Optionally, you can print in parallel payment advises to your vendor. In this case, maintain the following form per paying company code:

- J_1B_AVIS

For more general information on payment transfer media, see the standard R/3 documentation for the payment program or the online documentation of the relevant print program RFFOBR_U. In the latter case, detailed help is provided for the complete Customizing of bank transfers.

# Payment Forms

The Brazilian localization supports all Brazilian-specific payment forms summarized in the table below.

**Payment Forms**

| Payment Forms | Code | Explanation |
|---|---|---|
| Credito emConta Corrente | 01 | House bank and partner bank are equal |
| Cheque Pagamento | 02 | House bank issues check for payee |
| Documento de Credito | 03 | House bank and partner bank are different |
| Ordem de Pagamento a Disposição | 10 | Payee gets payment at some branch of house bank |
| Titulo nosso banco | 30 | Payment with boleto issued by the same bank as house bank |
| Titulo outro banco | 31 | Payment with boleto issued by other bank than house bank |

For each of the both payment forms *02* and *10*, a respective payment method has to be defined country dependent as a copy of the released payment method *U* (Bank transfer) with a corresponding entry (02 or 10, respectively) in the field *Key in code line.*

For all payment forms *01*, *03*, *30* and *31*, you may use payment method *U* without specifying the field *Key in code line*. In this case, the system automatically determines the payment form based on the following conditions:

**Payment Forms**

| Banks | Entry in field Barcode nr. | Payment Form |
|---|---|---|
| House bank and partner bank are equal | no | 01 |
| House bank and partner bank are different | no | 03 |
| House bank and boleto issuing bank are equal | yes | 30 |
| House bank and boleto issuing bank differ | yes | 31 |

For payments without boleto, that is, for payment forms 01, 02, 03 and 10, any entry in the field *Key in code line* overwrites the automatic selection.

However, if the field *barcode number* is entered into the open item, the resulting payment form is 30 or 31 pending on the above conditions and the field *Key in code line* is of no relevance.

House bank and partner bank are identified by the first three digits of the bank number. The bank that issues the boleto is identified by the first three digits of the entered barcode number.

Banco Bradesco does not offer payment form 10.(Ordem de Pagamento a Disposição).

Banco Bradesco uses payment form 31 even if house bank and boleto issuing bank are equal.

# Data Medium Exchange (Arquivo Remessa)

# Bank File Formats

Brazilian localization supports the following bank file formats for DME:

- SISPAG Itaú, version 12/96.

- PFEB (Banco Bradesco), version 01/97

- Febrahan/CNAB version3.0, 04/97

# Codigo de Empresa

For DME, some Brazilian banks require a bank-internal company code ID. The respective field in the bank file layout is called *Codigo da empresa*.

This applies, for example, to Banco Bradesco and is particularly important in the context of DME file reception from Banco Bradesco because here the link to the relevant general ledger bank accounts is made through the *Codigo da empresa* (see Automatic Bank File Reception [Seite 84]).

You can maintain the bank-internal company code by choosing *Financial accounting → General ledger accounting → Bank related accounting → Bank related accounting business transactions → Bank transaction → Define DME user Ids*

Maintain only *bank, bank account* and *ID* and leave *payment method* blank.

> For a given Codigo da empresa, only one account number may be maintained. If you have several accounts at one bank, you must use a different ID for each account.

# Seu Numero

In accounts payable, the relevant number to be communicated to the bank is the document number of the document generated though the payment program. This is *Seu Numero* in accounts payable.

# Without Boleto

The following Brazilian-specific payment forms are used when a boleto is not involved in the payment. Note the required maintenance.

**Payment Forms: Without Boleto**

| Payment Form | Code | Explanation | Maintenance |
|---|---|---|---|
| Credito em Conta Corrente | **01** | House bank and partner bank are equal | 1) Key in payment method is 01<br><br>2) If blank, house bank and partner bank are equal |
| Cheque Pagamento | **02** | House bank issues check for payee | Key in payment method is 02 |
| Documento de Credito | **03** | House bank and partner bank are different | 1) Key in payment method is 03<br><br>2) If blank, house bank and partner bank are different |
| Ordem de Pagamento a Disposição | **10** | Payee gets payment at some branch of house bank | Key in payment method is 10 |

# With Boleto

The following Brazilian-specific payment forms are used when a boleto is involved in the payment. Note the required maintenance.

**Payment Forms: With Boleto**

| Payment Form | Code | Explanation | Maintenance |
|---|---|---|---|
| Titulo nosso banco | 30 | Payment with boleto issued by the same bank as house bank | Barcode number is entered. |
| Titulo outro banco | 31 | Payment with boleto issued by other bank than house bank | Barcode number is entered. |

All debit notes with invoice reference are processed by the automatic payment program together with the original item, that is, one payment is created for both the item and the related credit memo. If the bank layout requires an entry in the *rebate* field (for Banco Itaú, for example), the credit note amount enters into the corresponding bank file as rebate belonging to the original item and reducing its amount. If there is more than one credit note pointing to one item, the rebate of this item is the sum of all those credit notes.

# Individual Payment/Grouped Payment

Each open item must be paid individually because there is always one boleto per open item (except for debit notes with invoice reference).

However, for payment via DOC or OP (that is, without boletos), you may want to pay several items grouped together with one payment.

The Brazilian localization offers various possibilities to automatically cover this situation:

1. Individual payment in vendor/customer master is set:

   All items for this vendor/customer are always paid individually regardless of any further specifications.

2. Individual payment in vendor/customer master is not set.

   The payment method is not explicitly entered into the open item.

   - You enter the barcode number -> Individual payment

   - You do not enter the barcode number -> No individual payment

3. The payment method is explicitly entered into the open item.

   Payment method is flagged Single payment for marked item. -> Individual payment

   Payment method is not flagged 'Single payment for marked item'. -> No individual payment

# Checks

The R/3 System supports the use of prenumbered checks as it is common in Brazil. For the proper set-up of lots and check number ranges, see the R/3 standard documentation.

The following Brazilian-specific print program must be entered in the country-dependent Customizing of all payment methods that are used to create checks. As part of the localization, payment method C is already customized this way:

- RFFOUS_C

  This program prints a prenumbered check and a payment list (bordero). For more information on this program, see the online documentation.

In addition, the maintenance of the following print program in the payment run set-up results in detailed information on used check numbers and related payments:

- RFCHKN00

  For more information, see the online program documentation.

The following Brazilian-specific payment transfer media must be customized per company code:

- J_1B_CHECK:  Prenumbered check

Optionally, you can print in parallel payment advises to your vendor. In this case, maintain the following form per paying company code:

- J_1B_AVIS

For more general information on payment transfer media, see the standard R/3 documentation for the payment program or the online documentation of the relevant print program RFFOUS_C. In the latter case, detailed help is provided for the complete Customizing for payment by check.

# Bank Sub-Accounts

It is recommended to use bank sub-accounts for posting incoming and outgoing payments in accounts payable. If you do not use sub-accounts, set up your standard bank accounts in the payment program configuration menu. For more information, see the standard payment program documentation.

It is also recommended to use a different bank sub-account for each payment method. Using such sub-accounts offers some advantages: You can at any time reconcile the balance of the account at your bank with the balance of your corresponding G/L account. The sub-accounts ensure that all incoming and outgoing payments are posted to the G/L bank account until the money is actually debited from/credited to your bank account.

# Automatic Bank File Reception

Files in the format *SISPAG Itaú*, *PFEB (Banco Bradesco)* and *Febraban/CNAB* can be automatically read and processed by the Brazilian localization. This includes the simultaneous processing of different payment forms.

The automatic file reception is based on the standard bank account statement. For the bank account statement, choose the following Customizing paths:

- Import: *Treasury → Cash Management → Basic Functions → Input → Electronic bank statement → Import*

- Post processing: *Treasury → Cash Management → Basic Functions → Input → Electronic bank statement → Post processing*

- Display: *Treasury → Cash Management → Basic Functions → Input → Electronic bank statement → Display*

For standard bank account statement functionality, see the standard R/3 documentation.

> Unlike for A/R, the clearing occurs on a G/L account, preferably on a bank subaccount. Therefore, the relevant document number to search for clearing is the payment document number generated through the payment run.

Beyond the standard functionality, i.e. automatic posting and clearing, the Brazilian localization offers the following:

- Status update on rejected and confirmed payments

- Automatic reversal of rejected payments on the bank subaccount and of the corresponding clearing on the vendor account. The automatic reversal is posted immediately regardless whether you used batch input or immediate processing.

- In post-process mode, drill-down to documents still to be posted.

Base Customizing for the file formats *SISPAG Itaú* and *PFEB (Banco Bradesco)* is part of the Brazilian localization. This includes the definition of SAP-internal transaction codes, the allocation to external transaction codes used in the *SISPAG Itaú* format, and the required rules for postings.

When using the *Febrahan/CNAB* layout, the same Customizing may be used as for *Banco Itaú*.

For Customizing, see electronic bank account statement [Extern].

In addition, the following maintenance has to be considered:

- Error codes

- Customizing follows standard electronic bank account statement Customizing

- Only for *PFEB (Banco Bradesco)*: The external transaction, i.e. the return code from the bank, is customized as a composition:

   - P (fixed), 1 character

   - 'Tipo de processamento' in the file header, 1 character

   - 'Nive' in the detail record, 1 character

– 'Situação de pagamento' in the detail record, 2 characters

Tipo de processamento = 1

Nivel = 2

Situação de pagamento = 02

External transaction = P1202

When introducing new external transaction codes, it is advisable to maintain the interpretation algorithm '20' for all transactions.

# Accounts Receivable

An essential element of accounts receivable in Brazil is the concept of *duplicata* : For each debit liability, the vendor collects the expected money with the active help of its house banks. For this purpose, information on the liability must be passed to the respective bank. This information is called *duplicata.*

The localization Brazil supports the automatic generation and processing of duplicatas in local currency. This includes the generation and processing of duplicatas from both installments and invoices with credit memos.

The duplicata information is based on the related open items and is extended through additional information such as the instruction key. All duplicata information can be sent through the application of the standard payment program to selected house banks via payment list *(bordero)* or DME *(Arquivo remessa)*. The information returned by the bank can be electronically processed *(Arquivo retorno)*.

# Customer Master Records

Customer master maintenance follows standard procedures. However, for Brazil, you must maintain the following fields.

- Interest calculation indicator

  This indicator is used to charge interest payments for overdue items.

- Individual payment

This must be entered because a duplicata is created for each open item.

# Fatura

A company usually issues Notas Fiscais Faturas. However, few companies also create separate Notas Fiscais and Faturas, where a Fatura summarizes Notas Fiscais of a certain period.

While Fatura printing is not supported, the Fatura can be posted by choosing *Accounts Receivable → Others → Internal transfer posting → With clearing.*

For more information on this transaction, see the standard R/3 documentation.

# Duplicata

# Duplicata Creation

# Payment Program

## Introduction

Duplicatas are created from existing open items in the customer accounts through the application of the standard payment program. In this context, the duplicata creation is represented by the creation of a *bill of exchange request*, which is one of the R/3 standard payment methods. You may maintain several payment methods representing the bill of exchange creation - to work with different carteiras, for example.

The application of the payment program offers the following options in accounts receivable:

- Bank selection according to various criteria

- Automatic consideration of credit memos and down payments

- Selection of specific customers and open items

- Printing of different Bordero and DME file layouts.

For more detailed information on the payment program, see the standard R/3 documentation.

> Duplicatas cannot be created for one-time vendors.

## Bill of Exchange Payment Request

Duplicata creation is represented by a standard R/3 payment method, namely the creation of a bill of exchange payment request. As for any other R/3 payment method, specifications have to be customized country and company code dependent.

For more information on payment program customizing, see the standard R/3 documentation.

When running the payment program for the duplicata creation, one bill of exchange payment request is created for each open item. This bill of exchange request is only a statistical document. In the context of the Brazilian localization, it has two main functions:

- It labels the related item as being processed, meaning it indicates that the duplicata has been created: Thus, no second duplicata is created for this specific item when running the payment program again.

- It carries the information on the selected bank and carteira.

## Print Programs and Forms for Payment Transfer Media

The following Brazilian-specific print program must be entered in the country-dependent Customizing of all payment methods that are used to create duplicatas. As part of the localization, payment method A is already customized this way:

- RFFOBR_A

    This program prints a duplicata list or a DME file containing all duplicata information. The required entry to choose between these two options is set in the corresponding variant of the program. For more information on this program, see the online documentation.

The following Brazilian-specific payment transfer media must be customized per company code:

- **J_1B_DUPLICATA**:  Duplicata list

**Payment Program**

- **J_1B_DME: DME** accompanying sheet

Optionally, you may print in parallel payment advises to your customer. In this case, maintain the following form per paying company code:

- **J_1B_AVIS**

For more information on payment transfer media, see the standard R/3 documentation for the payment program or the online documentation for the relevant print program RFFOBR_A. In the latter case, detailed help is provided for the complete Customizing of the duplicata creation.

## Organization of the Payment Run

When running the payment program, the only items to be processed are those that are related to Notas Fiscais that have already been printed, that is, Notas Fiscais that have a proper Nota Fiscal number and no zero in the relevant field as in the case for Notas Fiscais that have not been printed yet. This can be assured in three ways:

- Printing Notas Fiscais immediately after creation.

- Selecting only relevant document entry dates via payment program.

- Exclude the Nota Fiscal number '0' via payment program. In this case, the technical field name for the Nota Fiscal number - *BSEG-XBLNR* - is maintained as payment program input parameter.

# Duplicata Number (Seu numero)

The duplicata number is composed of the Nota Fiscal number and the line item number of the respective item in the document.

Nota Fiscal number:  123456

Line item number:  001

Duplicata number:  123456001

This duplicata number uniquely identifies one duplicata and is therefore used as *Seu Numero* in accounts receivable.

# Data Medium Exchange (Arquivo Remessa)

## Bank File Format

Brazilian localization supports three bank file formats for DME:

- Cobrança Itaú, version 11/95

- Cobrança Bradesco, version 08/96

- Febraban/CNAB, version 3.0, 04/97

## Instruction Code

The instruction code specifies further processing of the duplicata. Basic instruction codes are part of the localization Brazil. However, if required, additional instruction codes may be added though customizing.

Please note the following convention:

Instruction Code 1 = Codigo de Occorencia
Instruction Code 2/3 = Instruçoes de Cobrança

The instruction code can be entered into each individual item. When creating a duplicata, the entered instruction code is transported into the duplicata. If there is no instruction code entry in the open item, instruction code defaults (e.g. REMESSA) are set either through the customer master or the respective house bank. For more details on the maintenance of instruction codes, please refer to the respective standard R/3 documentation.

## Agência Cobradora

If the field *Agência Cobradora* in the DME layout is to be filled, please enter corresponding data into the open item field *Reference number 2.*

## Automatic Collection

Banco Bradesco offers automatic collection through DME. Please flag *Collection* for the respective bank account in the customer master record and create a payment method requiring the maintenance of partner bank data. For further control, you may also flag the corresponding "collection" flag for this payment method.

## Codigo da Empresa

For DME, some Brazilian banks require a bank internal company code ID. The respective field in the bank file layout is called *Codigo da empresa*.

For example, this applies to Banco Bradesco and is particularly important in the context of DME file reception from Banco Bradesco, because here the link to the relevant general ledger bank accounts is made through the *Codigo da empresa* (see Automatic Bank File Reception [Seite 84]). The file layouts in A/R and A/P allow for different number ranges (20 digits in A/R, only 8 digits in A/P).

To maintain the bank-internal company code, choose *Financial accounting → General ledger accounting → Bank related accounting → Bank related accounting business transactions → Bank transaction → Define DME user Ids.*

For a given *Codigo da empresa*, only one account number may be maintained. If you have several accounts at one bank, you must use a different ID for each account.

# Rebate through Credit Memo

All credit notes with invoice reference are processed by the automatic payment program together with the original item, meaning one duplicata is created for both the item and the related credit memo. The credit note amount is entered into corresponding bank files and payment lists as a rebate belonging to the original item and reducing its amount. If there is more than one credit note pointing to an item, then the rebate of this item is the sum of all credit notes.

# Interest on Overdue Items

The duplicata contains information on the amount the customer is charged per overdue day. For this, a reference interest rate per year and an optional surcharge can be maintained in a time-dependent manner. For a specific item, the valid interest rate at the item due date is applied in interest calculation. To calculate the daily interest amount to be paid by the overdue customer per item, the annual interest rate is divided by 360.

A Customizing example for the interest on arrears calculation is part of the Brazilian localization. For changes, the following fields must be customized:

- Interest calculation indicator

  Customize by choosing *Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Interest Calculation → Interest Calculation Global Settings → Define Interest Calculation Types.*

- Define reference interest rate

  Customize by choosing *Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Interest Calculation → Define Reference Interest Rates.*

- Define time-dependent terms

  Customize by choosing *Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Interest Calculation → Define Time-Based Terms.*

- Enter interest values

  Customize by choosing *Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Interest Calculation → Enter Interest Values.*

  Alternatively, you can specify tolerance days for arrears. Customize this by choosing *Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Interest Calculation → Interest Calculation Global Settings → Prepare Interest on Arrears Calculation.*

  If a customer is charged for overdue items, maintain the interest calculation indicator in the customer master record.

# Overview of Issued Duplicatas

## Standard Line Item Overview

Open items appear on the standard screen for line item display. If a duplicata has been issued for these items, the field bill of exchange payment request is filled and the corresponding bill of exchange request appears on the same screen through the display of the special G/L transactions. The bill of exchange request contains the information on the selected bank and payment method.

Due date analysis is possible through standard R/3 reports on open items.

## SAP Query

A report on issued duplicatas in the form of a SAP Query is part of the localization for Brazil. This specific SAP Query is called DU. It is linked to the functional area /SAPQUERY/J1B1 and the user group /SAPQUERY/XX.

This report covers the legal requirements for the 'Registro de Duplicatas a receber' such as reporting due date, duplicata issue date, gross amount, customer name/street and amount. The list is sorted by due date. You can select via customer, company code, due date, issue date and document number (internal or seu numero).

In addition, specific Brazilian business needs are covered:

- Display *bank ID* where duplicata is presented

- Display rebate assigned to a duplicata through credit notes

- Display *instruction code*

- Display *bank duplicata number*

- Subtotals per bank

- Select *bank ID*

- Select *instruction code*

- Select *bank dupl nr.* This field is only filled if the duplicata is confirmed by the bank. Therefore, you can select either confirmed or not confirmed duplicatas.

An additional feature enables you to also select the open items where no duplicata has been created by selecting *Issue date* = space.

The query can be included in the relevant reporting tree. For more details, see the standard documentation on SAP Query.

> The SAP Query is a tool customers use to easily generate and modify reports without source code modifications. Therefore, for the 'Registro de Duplicatas a receber', the released SAP Query can be copied and enhanced according to specific customer needs.

# Carteira

Carteiras are bank transactions within the R/3 System. They are maintained per bank account and per payment method. Therefore, through the use of different payment methods, different carteiras can be used for one bank.

To customize, choose *Financial accounting → General Ledger Accounting → Bank-related accounting business transactions → Bank transactions →*....

1.   ... → Define value date rules

2.   ... → Allocate payment method to bank transaction

Carteiras must be maintained in the following format:

- Banco Itau:   YXXX or XXX, where y is the carteira code and X the carteira number.

    Example: I112 or 112

- Banco Bradesco:   XXX, where X is the carteira code.

    Example: 009

- Other banks:XABC, where

    X = Codigo de Carteira

    A = Forma de Cadastramento (currently only '1' supported for DME)

    B = Identificação da emissão  ('1'  or  '2')

C = Identificação da distribuição ('1' or '2')

# Special Carteira: Boletos Issued by the Vendor's House Bank

Use payment method A for duplicata creation together with the print program RFFOBR_A as precustomized and released as part of the Brazilian localization. For each house bank and bank account, the corresponding carteira number must be defined as bank transaction.

For vendor operation use payment method V for boleto creation together with the print program RFFOBR_V.

# Special Carteira: Boletos Issued by the Vendor

For vendor operation, use payment method V together with print program RFFOBR_V.

For duplicata, use payment method D together with print program RFFOBR_D. Create a new check lot for the respective bank account and enter payment method D in the payment method list.

To assign the correct Boleto form to print program RFFOBR_D, you need to enter this form in the *Alternative Boleto form* field on the selection screen of this program. The SAP standard form for ITAU Boletos, *J_1B_BOLETO_ITAU*, is set as the default. This form refers to the layout of a Boleto for Itau. If you wish to also create boletos from other banks such as Bradesco, you need to create a specific form according to the respective layout. The easiest way to do this is by starting with a copy of the Itau form.

However, apart from the layout, certain banks may require data on the boleto different from Itau or Bradesco. This may be the case particularly for the control digit for 'Nosso Numero', as well the numerical and graphical barcode, because used algorithms for control digits may differ from bank to bank. In these cases, you can implement a user exit via Transaction CMOD and enhancement J1BF0001.

Boletos are handled using the standard check management - so its whole functionality is also available for Boletos as far as it is sensible in this context. In particular, this comprises number range maintenance and administration through number lots.

For the used bank account and payment method (D), the corresponding carteira number must be defined as bank transaction.

For more information, see the program documentation for print program RFFOBR_D.

# Carteiras with Limited Available Amounts

Maximum available amounts can be assigned to bank accounts in the R/3 payment program Customizing. If you establish a separate bank account for a specific carteira, then, similar to the R/3 standard, you can assign the maximum available amount for this specific carteira.

# Guarantee

A guarantee is a duplicata with a special carteira that justifies a loan from the bank to which the guarantee is presented. The amount of the loan equals the duplicata amount.

A *Guarantee* is consequently maintained as a duplicata with a special carteira, that is, as a payment method representing a bill of exchange payment request. If a maximum available amount is planned for guarantee payments, a separate bank account must be established for guarantees.

# Operação Vendor

Payment by *operação vendor* is represented in the R/3 System through the bill of exchange procedure. See the detailed standard documentation on bill of exchange.

# Changing Duplicatas

## Procedure

Duplicata changes must be performed manually in several steps:

1. Write the bank and the payment method for the respective duplicata into the open item

2. Cancel the bill of exchange request

3. Change data in the open item

4. Enter the corresponding instruction key

> If the bank confirms the duplicatas, the system completes the first step automatically.

## Result

The R/3 document change administration logs the entire duplicata history - including duplicata changes.

# Incoming Payments

## Manual Clearing and Posting

Incoming payments, such as a check, can be handled through standard manual posting to a bank account in the general ledger and clearing of open items in the customer account. When selecting the open items for clearing, the Brazilian localization offers the option to display the expected interest payment on arrears.

To customize, the fields 'Line item interest' and/or 'Line item interest + gross amount' must be included in a special clearing line layout.

## Automatic Bank File Reception (Arquivo Retorno)

Handling [Seite 107]

Processing Open Items [Seite 108]

Interest [Seite 109]

Confirmation of Received Duplicatas [Seite 110]

Rejected Duplicatas [Seite 111]

Customizing [Seite 112]

# Handling

Files in the format *Cobrança Itaú* and *Cobrança Bradescco* can be automatically read and processed by the Brazilian localization. The automatic file reception is based on the standard bank account statement. The following Customizing paths are relevant for the bank account statement:

- Import:  *Treasury → Cash Management → Basic Functions → Input → Electronic bank statement → Import*

- Post processing:  *Treasury → Cash Management → Basic Functions → Input → Electronic bank statement → Post processing*

- Display:  *Treasury → Cash Management → Basic Functions → Input → Electronic bank statement → Display*

# Processing Open Items

For standard bank account statement functionality, see the standard R/3 documentation.

Beyond the standard functionality - automatic posting and clearing - the Brazilian localization offers the following functions:

- Clearing of credit notes with reference to duplicatas (*abatimento*)

- Line item posting of bank charges on customizable account

- Line item interest posting on customizable account

- Interest exemption for specific items

- Report on paid interests in comparison to calculated interests

- Status update on duplicatas at bank that are not yet cleared

- Status update on rejected duplicatas and display of error reason

- Post processing of incorrectly paid items, duplicatas at the bank or rejected duplicatas

- In post-process modus, drill-down to documents still to be posted.

# Interest

If the incoming interest payment is not zero, the paid interest amount is displayed per each item on the bank account statement.

If the item is overdue, the expected interest is calculated and compared to the actual paid interest. If the difference exceeds a customer-dependent, customizable threshold, a warning is displayed. Discount and interest never coincide and therefore, this difference threshold is customized via the same field as it is used for discount differences, such as the field *Cash discount adj.* in the following Customizing activity:

*Financial accounting → Accounts Receivable and Accounts Payable → Business transactions → Manual payment receipt → Define tolerances (customers)*

# Confirmation of Received Duplicatas

The Brazilian localization supports the business practice that banks only confirm the reception of duplicatas in return files. In these cases, the status of the related item is indicated (*duplicata at bank*) and the following data are entered into the open item:

- Bank

- Payment method

- Bank duplicata number (*Nosso numero*)

- Bank account statement number and item number within the bank account statement (into field Reference number 1*).*

  Agencia Cobradora (into field Reference number 2).

# Rejected Duplicatas

For rejected duplicatas, no data is entered into the open item but customizable error reasons may be displayed on the bank statement. Via post-processing you can enter the corresponding open item directly and perform required corrections manually. Before recreating a corresponding duplicata, you must remove the existing bill of exchange request related to the respective open item.

# Customizing

Basic Customizing for the file formats *Cobrança Itaú* and *Cobrança Bradescco* is part of the Brazilian localization. This includes the definition of SAP-internal transaction codes, the allocation to external transaction codes used in the *Cobrança Itaú* and *Cobrança Bradescco* format, and the required rules for postings.

When using the Febrahan/CNAB layout, the same Customizing as for Banco Itaú may be used.

For additional Customizing or changes to Customizing, refer to the documentation on electronic bank account statement. In addition, the following maintenance has to be considered:

- Error codes

  Customizing follows standard electronic bank account statement Customizing

- Account for bank charges

  *Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Incoming Payments → Incoming Payments Global Settings → Define Accounts for Bank Charges (Customers)*

- Posting rule and account for interests

  *Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Interest Calculation → Interest Posting → Prepare Interest on Arrears Calculation*

  When introducing new external transaction codes, the Brazilian-specific interpretation algorithm 30 has to be maintained for posting and clearing. However, if your automatic duplicata collection does not require the handling of rebates and installments, you may instead use other standard algorithms. For confirmations or rejections, choose interpretation algorithm '0'.

# Asset Accounting

# Chart of Depreciation

## Definition

See Chart of Depreciation [Extern].

## Use

When you create a company code using the template for Brazil, you can use the chart of depreciation 1BR, which follows Brazilian accounting requirements.

> Chart of depreciation 1BR is a template and can only be used as a reference. You must then make additional settings based on the individual structure and legal requirements for your company.

# Reporting

The R/3 System offers a variety of tools to create reports and files. The tools and existing R/3 reports can be used to fulfill most reporting requirements.

However, additional Brazilian reporting functions have been developed to fulfill specific Brazilian requirements.

You can process the following reports by choosing the corresponding paths below (1, 2 or 3).

1) *Accounting → Financial accounting → Accounts receivable → Periodic processing → Closing → Document → Select report.*

2) *Accounting → Financial accounting → Accounts payable → Periodic processing → Closing → Document → Select report.*

3) *Accounting → Financial accounting → General ledger → Periodic processing → Closing → Report → Report selection.*

| Report | Path | Section |
|---|---|---|
| Arquivo Magnético ICMS 75/96 | 1 or 2 | *Reporting → Brazil* |
| Registro de Controle da Produção e do Estoque | 1 or 2 | *Reporting → Brazil* |
| Registro de Apuração do IPI | 1 or 2 | *Reporting → Brazil* |
| Registro de Apuração do ICMS | 1 or 2 | *Reporting → Brazil* |
| Registro de Apuração do ISS | 1 or 2 | *Reporting → Brazil* |
| List. de Operações Interestad. | 1 or 2 | *Reporting → Brazil* |
| Registro de Entradas | 1 or 2 | *Reporting → Brazil* |
| Registro de Saídas | 1 or 2 | *Reporting → Brazil* |
| Registro de Inventário | 1 or 2 | *Reporting → Brazil* |
| Instrução Normativa 68 (IN68) | 1 or 2 | *Reporting → Brazil* |
| Livro Razão auxiliar | 1 or 2 | *Reporting → Brazil* |
| Livro Razão | 3 | *Closing → Balance audit trail →* G/L *accounts → G/L from the document file* |
| Livro Diário | 3 | *Closing → Document Closing → Brazil* |
| Registro de Duplicatas a Receber | 1 | *Reporting → Brazil* |
| DIRF | 2 | *Withholding tax → Brazil* |
| Relação de Saídas-ZFM/ALC | 1 or 2 | *Reporting → Brazil* |

For more information, see the report documentation.

# Livro Diario as SAP Query

The *Livro Diario* is released as part of the Brazilian localization in form of an SAP Query. This allows for easy extensions without source code modifications.

The name of the relevant query is *LD*, the related functional area is called */SAPQUERY/J1B2* and the related user group is */SAPQUERY/XX*.

The query to create the Livro Diario can be included into the General Ledger Reporting Tree.

**SAP AG** **Brazil**

Decl. de Informações do Imposto sobre Produtos Industr. (DIPI)

# Decl. de Informações do Imposto sobre Produtos Industr. (DIPI)

DIPI is a yearly declaration of IPI taxes. The following instructions explain how to fill in the respective form sheet manually using SAP data. The design is based on the Instrução Normativa 43, de 19.07.96, valid from 01.01.1997 on.

Required entries are either administrative data known by the user or can be obtained from SAP reports as outlined in the following chapter.

The form sheet is devided into blocks 1 – 20:

| Block | Description | Where information can be found |
|-------|-------------|-------------------------------|
| 1 | Administrative data:<br><br>CGC | **Known by user** |
| 2 | Administrative data:<br><br>Relevant year | Known by user |
| 3 | Administrative data:<br><br>Address | Known by user |
| 4 | Administrative data:<br><br>Business type | Known by user |
| 5 | Administrative data:<br><br>Option to use 'Convenio ICMS' | Known by user |
| 6 | Administrative data:<br><br>Economical Activity | Known by user |
| 7 | IPI debit and credit values. Use values from modelo 8 per month or per 10 days, run simplified version (only entradas and saidas). | Modelo 8 |
| 8 | Supplier data (CGC, name, value): Report those suppliers that make up 70% of the total for incoming material (at most 20). | Information systems -> Logistics -> Purchasing -> Vendor – Purchsing values |
| 9 | Material data (NBM code, name, value): Report those materials that make up 70% of the total for incoming material (at most 20). | Information systems -> Logistics -> Purchasing -> Material – Purchsing values |
| 10 | Overview of good entries per CFOP. Values are available from modelo 8 | Modelo 8 |
| 11 | Customer data (CGC, name, value): Report those customers that make up 70% of the total for incoming material (at most 20). | Information systems -> Logistics -> Sales/Distribution -> Customer – Invoiced sales |
| 12 | Delivered goods data (NBM code, name, value): Report those goods that make up 70% of the total for outgoing goods (at most 20). | Information systems -> Logistics -> Sales/Distribution -> Material – Invoiced sales |
| 13 | Overview of delivered goods per CFOP. Values are oavailable from modelo 8 | Modelo 8 |

**Decl. de Informações do Imposto sobre Produtos Industr. (DIPI)**

| 14 | Cumulated IPI credits per CFOP, available from cumulated data from modelo 8 | Modelo 8 |
|----|------------------------------------------------------------------------------|----------|
| 15 | Incentive credits | Not available |
| 16 | Cumulated IPI credits per CFOP, available from cumulated data from modelo 8 | Modelo 8 |
| 17 | Working hours | Not available |
| 18 | Energy consumption | Not available |
| 19 | Responsible person | Known by user |
| 20 | Represententative of the company, entry not mandatory | Known by user |

# Special Notes

# Registro de Apuração do IPI

This book also reports tax entries which have been posted manually through regular FI postings.

The following GL accounts have to exist before entering the information. Note that the GL accounts must be defined per branch. The account must allow *Single item display*.

- Outros Débitos - IPI

    Line items appear in the Demonstrativo de Créditos (row-id 004, Estorno de Débitos) and in the Demonstrativo de Débitos (row-id 012, Outros Débitos).

- Outros Créditos - IPI

    Line items appear in the Demonstrativo de Créditos (row-id 005, Outros Créditos) and in the Demonstrativo de Débitos (row-id 010, Estorno de Créditos).

- Saldo Credor no Periodo anterior - IPI

    Line items appear in the Demonstrativo de Créditos (row-id 007, Saldo Credor no Periodo anterior).

- Ressarcimento de Creditos - IPI

    Line items appear in the Demonstrativo de Debitos (row-id 011, Ressarcimento de Creditos)

Please assign the account to the list layout in the table *List layout: Additional accounts - Modelo 8*. You can maintain the table by choosing the Customizing path for legal books [Seite 17].

# Registro de Apuração do ICMS

This book also reports tax entries which have been posted manually through regular FI postings.

The following GL accounts have to exist before entering the information. Please note that the GL accounts must be defined per branch. The account must allow *Single item display*.

- Outros Débitos - ICMS

    Line items appear in the Débito do Imposto (row-id 002, Outros Débitos) and in the Crédito do Imposto (row-id 007, Estorno de Débitos).

- Outros Créditos - ICMS

    Line items appear in the Débito do Imposto (row-id 003, Estorno de Créditos) and in the Crédito do Imposto (row-id 006, Outros Créditos).

- Saldo Credor no Periodo anterior - ICMS

    Line items appear in the Crédito do Imposto (row-id 009, Saldo Credor no Periodo anterior).

- Deducões - ICMS

    Line items appear in the Apuracão do Saldo (row-id 012, Deducões)

Assign the account to the list layout in the table *List layout: Additional accounts - Modelo 9.* You can maintain the table by choosing the Customizing path for legal books [Seite 17].

# Registro de Inventário - Modelo 7

This report is represented by program J_1BLB07. Incorporate program J_1BLB07 into your report tree or execute J_1BLB07 directly.

# Instrução Normative 68 (IN68)

This report is represented by program J_1BLFB1. Incorporate program J_1BLFB1 into your report tree or execute J_1BLFB1 directly.

# Materials Management/Sales and Distribution

# Nota Fiscal

The R/3 System can create a Nota Fiscal in four different ways:

*   Integrated into MM Invoice Verification [Seite 128]

*   Integrated into MM Inventory Management [Seite 137]

*   Integrated into SD Billing [Seite 152]

*   Manually with the Nota Fiscal Writer [Seite 170]

## Nota Fiscal Number Ranges

The R/3 System stores Notas Fiscais with an internal Nota Fiscal document number. This document number is a unique key assigned to each Nota Fiscal.

For outgoing Notas Fiscais, the external Nota Fiscal number is assigned in the print program.

Before you can create a Nota Fiscal, you must maintain the number range for the Nota Fiscal document number. To maintain the number range, choose the Customizing path for number ranges [Seite 11].

> The number range must be defined with Number Range Number 01. External numbering is not supported.

## Nota Fiscal Types

The Nota Fiscal type is used to determine important attributes of a Nota Fiscal. A Nota Fiscal (NF) must have a specified NF type. The type is either derived automatically (in the case of SD) or you specify it manually (Nota Fiscal Writer and Logistics Invoice Verification).

You can define Nota Fiscal types by choosing the Customizing path for Nota Fiscal types [Seite 11].

You must specify the following data:

*   Indicator Nota Fiscal entrada

    This indicator specifies whether a Nota Fiscal is of the type Nota Fiscal Entrada (issued by the company itself).

*   NF cancel type

    If a Nota Fiscal is canceled, the system creates a new Nota Fiscal of the type *Cancel.* The system automatically assigns the appropriate NF cancel type. Please note that a Nota Fiscal of type *Cancel* does not appear in any type of legal reporting.

    A Nota Fiscal can only be canceled if the corresponding FI period is still open. If the period is already closed, the system will issue an error message.

*   Direction of movement

    A Nota Fiscal can be either an incoming or an outgoing Nota Fiscal. The NF type specifies the direction of movement.

*   Document type

**Nota Fiscal**

R/3 supports the document types Nota Fiscal, Complementar, Correction, Conhecimento (single or multiple), Cancel, and Return.

- Information for invoice verification

  − *NF partner function* (main partner for nota fiscal header)

  − *NF partner type*:

    - Vendor

    - Branch

    - Customer

  − *NF record type* (for special processes, for example, third-party deliveries, future deliveries, consignments)

  − *Text key* (determination of automatic texts – IPI return handling)

- Nota Fiscal form

  This form is needed to print the Nota Fiscal (see Nota Fiscal Form [Seite 178]).

- Nota Fiscal model

  The Nota Fiscal model is used to create legal files.

## CFOP

The CFOP code describes the performed business transaction from the tax authorities point of view.

A Nota Fiscal line including the taxes ICMS and/or IPI requires a CFOP. The R/3 System either allows you to specify the CFOP manually (Nota Fiscal Writer) or it derives the CFOP automatically (integrated case in MM/SD).

You can define a CFOP by choosing the Customizing path for CFOP [Seite 11].

It is necessary to specify the CFOP code and a 2-digit extension. If only one extension is required, then use the extension 01. Only some CFOPs require multiple extensions (such as 199).

## Screen Control Group Assignment

The Nota Fiscal Writer and the edit function in MM are controlled by screen control groups.

Screen control groups, delivered by SAP, control all fields in the NF transactions. Changes are not possible.

For new Nota Fiscal types, you must specify screen control groups.

## Archiving a Nota Fiscal

You can archive, delete, and read a Nota Fiscal from the archive by using the archiving object J_1BNF. For more information, see the standard documentation on archiving.

# Nota Fiscal: Integration into Materials Management

# Introduction to Invoice Verification in MM

Invoice Verification can automatically create a Nota Fiscal. The following graphic shows the relationship between the different MM objects.

Note that for every goods receipt, only one invoice is permitted. The invoice verification transaction automatically creates the Nota Fiscal. No extra steps are necessary.

**Nota Fiscal Integrated into Invoice Verification**

| Purchase Order | → | Goods Receipt 1 | → | Invoice 1 | → | Nota Fiscal 1 |
| | → | Goods Receipt 2 | → | Invoice 2 | → | Nota Fiscal 2 |
| | → | Goods Receipt ... | → | Invoice ... | → | Nota Fiscal ... |
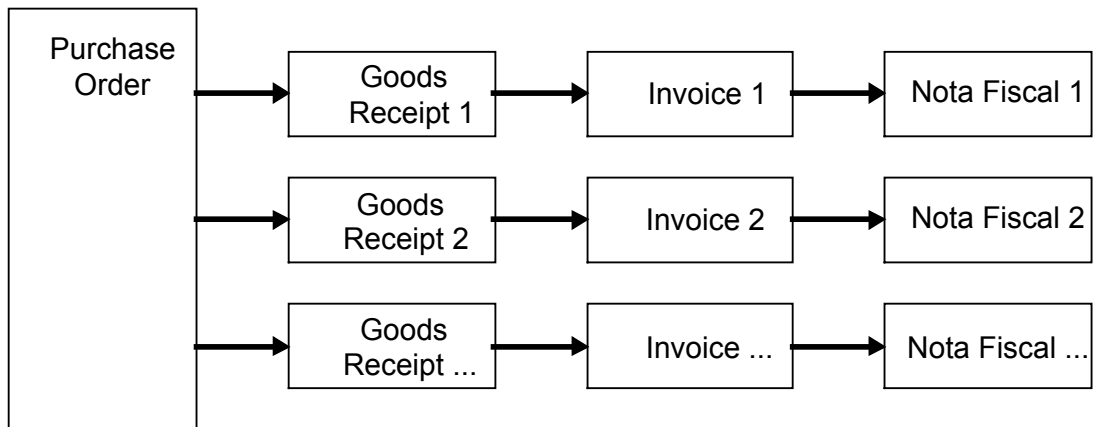
The R/3 System supports two different types of invoice verification. Only the Logistics Invoice Verification supports the integrated Nota Fiscal update.

# Activating Nota Fiscal Creation

Invoice Verification only creates a Nota Fiscal if a *Nota Fiscal type* is entered in the invoice verification header screen.

If needed, you may additionally maintain special pricing conditions for invoice verification. On creation or change of a purchase order, the system calculates values for maintained pricing conditions. The calculated values are passed to the NF during invoicing. To maintain this customizing table, choose the Customizing path for Value transfer to Nota Fiscal [Seite 14].

The option of late enqueue is not available for goods movement with Nota Fiscal generation. For more information on the late exclusive enqueue, see the IMG documentation for Set material enqueue [Extern].

# CFOP Determination in Invoice Verification (MM)

To make automatic Nota Fiscal creation possible, it is necessary to determine the CFOP code. You can maintain this Customizing table by choosing the Customizing path for Determination incoming/return [Seite 11].

You can assign a CFOP code to a combination of the fields:

- Direction of movement

- Destination CFOP category

- Material CFOP category

- Item type

- Special case for CFOP determination

    – *Substituição tributária*

    – Normal

All of these fields are mandatory for automatic CFOP determination. In addition, you can specify the following two fields.

- Usage of the material

- Branch CFOP category

The selection sequence is as follows:

1. Read with specified customer category and specified material usage

2. Read with blank customer category and specified material usage

3. Read with specified customer category and blank material usage

4. Read with blank customer category and blank material usage

> If Invoice Verification cannot determine a CFOP via the table *CFOP determination*, you must enter a CFOP manually. This must be done in the Nota Fiscal dialog.

# Generating a Nota Fiscal in Invoice Verification (MM)

## Preparation in Purchase Order

Nota fiscal creation in Invoice Verification is only possible with a reference to a purchase order (direct or indirect reference).

R/3 requires special Brazilian fields when creating a purchase order. The information is either derived from the material master (in case of material items) or must be entered (in case of non-material items).

The required fields include:

- Material group to determine NBM code (only for nonmaterial items)

- Material usage

- Material origin

- Indicator Produced in-house

- Material CFOP category

> These fields are not relevant for service.

## Goods-Receipt-Based Invoice Verification

As shown in the Nota Fiscal Integrated into Invoice Verification [Seite 128], only one nota fiscal is possible for one invoice/goods receipt. Therefore, it is recommended to use the R/3 function *Goods receipt based invoice verification*.

For more information about *Goods receipt based invoice verification,* see the R/3 standard documentation.

### Exception: Conhecimento for Multiple Notas Fiscais

In the Logistics Invoice Verification selection screen, you can specify which documents (purchase orders, delivery notes/notas fiscais) you want to create a conhecimento for.

If you have not posted an invoice for a goods receipt, the system does not allow the material lines to be included in the conhecimento. You must suppress these lines in the Logistics Invoice Verification selection screen manually.

The function is based on a new document type (7 – conhecimento for multiple notas fiscais). It is similar to document type 4, except that there is no check as to whether the two documents correlate directly.

To activate this function, create a new nota fiscal type by copying it from C1, and assign the document type *Conhecimento for multiple notas fiscais*.

### Conhecimento for Multiple Notas Fiscais

**Generating a Nota Fiscal in Invoice Verification (MM)**
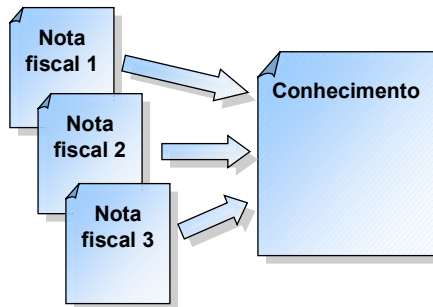


## Nota Fiscal Number

For incoming Notas Fiscais, it is necessary to enter the nota fiscal number given by the issuer. There are two ways to enter the nota fiscal number:

- Specify the nota fiscal number in the Goods Receipt transaction in the field *Delivery note*. In this case, the nota fiscal number can be used in Invoice Verification to select the relevant data of the goods receipt. The field value is transferred automatically to the nota fiscal number.

- Specify the nota fiscal number in Invoice Verification in the field *Reference doc*. This is only necessary for Goods receipts without a nota fiscal number. It is recommended to make the field mandatory for document types which require input in the field *Reference doc*.

The following input formats are allowed:

- xxxxxx

- xxxxxx-sss

- xxxxxx-Suu

|  | Where | xxxxxx | → | Nota fiscal number |
|---|---|---|---|---|
|  |  | sss | → | Series (without subseries) |
|  |  | S | → | Series (letter between A and Z) |
|  |  | uu | → | Subseries |

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**Display and Change of Values in Nota Fiscal in Inv. Verif. (MM)**

# Display and Change of Values in Nota Fiscal in Inv. Verif. (MM)

Via the push button *Nota Fiscal* on the item overview screen, it is possible to enter the Nota Fiscal edit mode. This mode allows you to view the Nota Fiscal and to perform changes.

Note that all fields can be determined automatically. The Nota Fiscal dialog integrated in Invoice Verification allows changes for the following fields.

- Tax law ICMS

- Tax law IPI

- CFOP

- Tax base amount, excluded base amount and other base amount

- Tax rate

- Tax value

- Discount

- Insurance

- Other expenses

- Observation field, used e.g. to refer to external documents

- Item texts

You cannot change values for *price, freight* and *total,* because *price* is calculated from value and quantity and *freight* and *total* are derived from the invoice. Changing these values is only possible via the invoice verification screen.

All changes at nota fiscal level are lost if you change the invoice data in Invoice Verification after changing Nota Fiscal data. In this case, the system raises a warning.

> Changes are only possible in the invoice verification. You can not use the Nota Fiscal Writer to change Notas Fiscais created by invoice verification, except for the observations. If the original MM document has already been canceled, you can cancel the nota fiscal that goes with it using the Nota Fiscal Writer.

# Header Texts in Nota Fiscal in Invoice Verification (MM)

Header texts can be generated for:

- Returns where the IPI value is shown as text

- Material documents items which are not processed in invoice verification and do not create separate NF items

- Withholding tax amounts

To maintain header texts, choose the Customizing path for texts [Seite 14] and proceed as follows:

1. Maintain desired texts for the Nota Fiscal header. Start with sequence number "1" and assign the argument to be inserted for the placeholder. The placeholder is defined in the text by an ampersand (&).

2. Maintain the interface table for non-invoice-relevant items. Insert/maintain the movement type and special stock indicator and assign the text number.

# Correction Letter Request in Invoice Verification (MM)

## Creation

Error details in the correction letter may be entered in invoice verification or by the created FI document.

From the display of the respective FI document, go to *Environment → Correspondence* and select the appropriate correspondence type. A standard text displaying possible errors and corresponding error codes may be modified by flagging the relevant errors and specifying the error details.

## Printing

A list of all correction letters to be printed is displayed via the following menu path:

*Accounting → Financial accounting → Account → Correspondence → Maintain*

> Individual correction letters can still be changed directly before printing.
>
> Alternatively, there is the option to print all stored correction letters together via
>
> *Accounting → Financial accounting → Periodic Processing → Print correspondence → Acc. to requests.*
>
> For more information, see Correspondence.

## Customizing

Choose the following menu path for all required Customizing:

*Financial Accounting →Financial Accounting Global Settings → Correspondence →...*

- *Define Correspondence Types*

  You must flag *Individual text*.

- *Assign Programs for Correspondence Types*

  Select program RFKORD50. Create a variant for each correspondence type with no selection restrictions. In the variant, define a different form set for each correspondence type. Enter the text proposal J_1B_CORRECTION.

- *Define Form Names for Correspondence Print*

  You can use the sample form name:  J_1B_CORRECTION1

- *Define Sender Details for Correspondence Form*

  Header text: J_1B_CORR_HEADER

  Footer text: J_1B_CORR_FOOTER

  Signature text: not used

- *Determine Call-Up Functions*

  Flag document entry and document display.

**Correction Letter Request in Invoice Verification (MM)**

> If certain errors occur frequently, it is convenient to define a correspondence type only for this specific correction letter type

# Introduction to Inventory Management

Goods Movement transactions can automatically create Notas Fiscais. This is required for Nota Fiscal relevant movements that are not entered in Invoice Verification (MM) or Billing (SD).

The following graphic shows the relationship between the different MM objects.

**N o t a  F i s c a l  i n  G o o d s  M o v e m e n t  T r a n s a c t i o n**
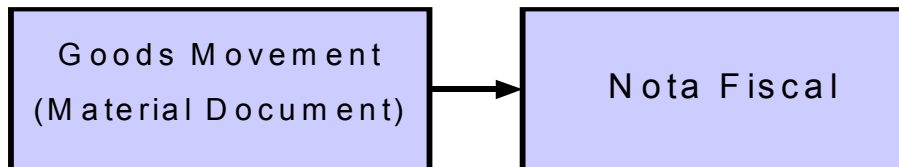
Note that for every material document, only one Nota Fiscal can be generated. The Nota Fiscal is automatically created by the Goods Movement transaction.

# Activating Nota Fiscal Creation

Nota Fiscal creation is activated through the customizing table Nota Fiscal item relevance and type determination by choosing the Customizing path for Nota Fiscal item relevance and type determination [Seite 15].

💡

The option of late enqueue is not available for goods movement with Nota Fiscal generation. For more information on the late exclusive enqueue, see the IMG documentation for Set material enqueue [Extern].

Activate an entry via the indicator NF relevant and maintain the NF type. In addition, maintain the fields Item type needed for CFOP determination and the fields partner type and partner function needed for partner determination.

# CFOP Determination in Inventory Management (MM)

The goods movement transactions automatically determine the CFOP per line.

In the case of goods receipt, the R/3 System determines the CFOP in the same way as in Invoice Verification (CFOP Determination-MM [Seite 130]).

In the case of goods issue, the R/3 System determines the CFOP in the same way as in Billing (CFOP Determination-SD [Seite 155]).

# Generating a Nota Fiscal in Inventory Management (MM)

## Nota Fiscal in Goods Movement

Nota Fiscal relevant goods movements automatically generate a Nota Fiscal.

You can use the function Nota Fiscal to enter the Nota Fiscal edit mode.

## Item Values

The Nota Fiscal item value is determined by the entry in the field *Alternative base amount*. If a purchase order exists, the Nota Fiscal value of a line item is defaulted by the purchase order net value.

## Nota Fiscal Number

For incoming Notas Fiscais, it is necessary to enter the Nota Fiscal number given by the issuer. Enter the Nota Fiscal number in the field *Material slip*.

The following input formats are allowed:

- xxxxxx

- xxxxxx-sss

- xxxxxx-Suu

| where | xxxxxx | → | Nota Fiscal number |
|---|---|---|---|
| | sss | → | Series (without subseries) |
| | S | → | Series (letter between A and Z) |
| | uu | → | Subseries |

## Reference Nota Fiscal Number for Returns

In case of returns, it is necessary to specify the reference Nota Fiscal number. Enter the reference Nota Fiscal number in the field Doc.header text.

Possible input formats are described above.

# Taxes in Inventory Management (MM)

Inventory management can calculate and post taxes in the accounting document. In order to call tax calculation, a tax code must be entered per material document item.

**See:**

Plant to Plant Transfer with Taxes [Seite 143]

Future Delivery [Seite 148]

Valuation of Vendor Stock [Seite 149]

> All inventory accounts should have tax category set to *all tax types allowed*.

# Change of Values in Nota Fiscal in Inventory Management (MM)

The Nota Fiscal dialog integrated in inventory management allows changes for the following fields. Please note that all fields can be determined automatically.

- Tax law ICMS

- Tax law IPI

- CFOP

- Tax base amount, excluded base amount and other base amount

- Tax rate

- Tax value

# Plant to Plant Transfers with Taxes

A plant to plant transfer is an important example for a Nota Fiscal relevant inventory management business process involving two NF relevant movement types.

For goods issue, create goods transfer with movement type 833. Enter tax code A0, A1, A3 or B0 at item level.

For goods receipt, choose *Materials Management* → *Material document* → *Place in storage*. Movement type 835 is automatically used. Enter the Nota Fiscal number as delivery note and the corresponding tax code I0, I1, I3 or C0 at item level The net item value, which should be printed on the Nota Fiscal, of the sending plant is defaulted.

Both a vendor master and a customer master must be defined and assigned to the plants that use above movements.

For the vendor master assignment, choose *Change Vendor: Purchasing data* → *Extras* → *Additional purchasing data*.

For the customer master assignment, in Customizing choose *Materials Management* → *Purchasing* → *Purchase order processing* → *Set up stock transport order*.

Enter the account assignments for process GBB and offset TRA by choosing in Customizing *Materials Management* → *Valuation and account assignment* → *Account Determination* → *Create automatic postings*.

# Plant to Plant Transfers with Stock Transfer Orders

In a company, goods movements do not only occur as goods issues and goods receipts. It may also be necessary to use internal stock transfers from plant to plant. To be able to generate a stock transfer using material requirements planning (MRP), you process the goods issue by an SD delivery and the goods receipt by an MM goods receipt.

Two new movement types have been created to post a stock transfer using MRP:

- Movement type 862 for goods issue

- Movement type 861 for good receipt

To post a stock transfer using MRP, proceed as follows:

1. Create a stock transfer order in the receiving plant in MM

   (*Logistics → Materials Management → Purchasing → Purchase Order → Create → Vendor/Supplying Plant Known*, or Transaction ME21N)

2. Generate a delivery document in SD

   (*Logistics → Sales and Distribution → Shipping and Transportation → Outbound Delivery → Create → Collective Processing of Documents Due for Delive*ry *→ Purchase Orders*, or Transaction VL10B)

3. Perform picking, packing, and posting of a goods issue in SD

   (*Logistics → Sales and Distribution → Shipping and Transportation → Outbound Delivery → Change → Single Document*, or Transaction VL02N)

4. Print an outgoing Nota Fiscal (Transaction J1B3N)

5. Post a goods receipt in MM (Transaction MB0A), for example using movement type 861

# Special Cases

# Subcontracting

## Subcontracting - Component Shipments

Notas Fiscais are created based on the following component shipments:

- Shipments with an appropriate movement type.

- Cancellation of shipments

- Returns with a second appropriate movement type.

Create purchase order with item category 'L' = subcontracting. Enter a tax code at the item level.

Create goods transfer with the first movement type. Enter a net alternative base amount at the item level.

## One-Nota-Fiscal Receiving

Create a goods receipt for purchase order with an appropriate movement type. Enter the Nota Fiscal number of the symbolic return as delivery note.

Create an invoice referencing to the delivery note. Enter the Nota Fiscal number of the invoice as reference document and the Nota Fiscal number of the symbolic return as vendor text.

## Two-Nota-Fiscal Receiving

Create a goods receipt for purchase order with an appropriate movement type. Set the component quantities to 0.

Create an invoice and enter the Nota Fiscal number of the invoice as reference document.

Create a subsequent adjustment for purchase order. Enter the Nota Fiscal number of the symbolic return as delivery note and the Nota Fiscal number of the component shipment as header text. Push *Copy* and enter the component quantity. Push *Copy* again. The system automatically creates an item with proper movement type. Enter the net alternative base amount at the item level.

# Returnable Transport Packaging

## Movement Types for Returnable Transport Packaging (RTP)

There are two ways to automatically create a Nota Fiscal in RTP:

1. Only quantity is posted like in standard RTP handling.

2. Quantity and inventory is posted in inventory management. A separate material must be created for this form of RTP handling. This material has to be valuated separately from all normal materials.

Use only one relevant movement type in your productive system.

## RTP in Simple Material Movements

Notas Fiscais are created based on the following returnable transport packaging shipments:

- Shipments with an appropriate movement types

- Cancellation of shipments

- Returns with a second appropriate movement type

Please create goods receipt with the first movement type and enter the Nota Fiscal number of the RTP shipment into the field *material slip*.

## RTP in Invoices

Notas Fiscais are also created based on returnable transport packaging together with other items in the invoice:

- Debit notes with additional items out of the shipment

- Cancellation of invoices with additional items out of the shipment

In this case, proceed as follows:

1. Create a purchase order with item category ' = Normal.

2. Create a goods receipt for purchase order with an appropriate movement type. Please enter the Nota Fiscal number of the invoice as delivery note. Before posting, create a new item w/o purchase order using a second appropriate movement type.

3. Create invoice referencing to the delivery note. Enter the Nota Fiscal number of the invoice as delivery note. The resulting Nota Fiscal contains both the invoice relevant items as well as the RTP items found in the goods receipt.

# Future Delivery

Notas Fiscais are created based on the following future delivery shipments:

- Shipments with an appropriate movement

- Cancellation of shipments

- Returns with a second appropriate movement types

Notas Fiscais are created based on the following future delivery invoices:

- Debit notes

- Credit notes

- Cancellation of invoices

Use the following sequence for Future Delivery:

- Create purchase order with item category ' = Normal. Enter tax code 'K1' at the item level. Switch the GR-based IV flag off at the item level.

- Create invoice referencing to the purchase order. Enter the Nota Fiscal number of the invoice as reference document and enter the tax code 'K1' for selected items.

- Create goods receipt for purchase order with an appropriate movement type. Enter the Nota Fiscal number of the delivery as delivery note and the Nota Fiscal number of the invoice as header text. Enter the tax code 'K0' for all selected items.

# Valuation of Vendor Stock

Notas Fiscais are created based on the following consignment shipments:

- Shipments with an appropriate movement type

- Cancellation of shipments

- Returns with a second appropriate movement type

Notas Fiscais are created based on the following consignment invoices:

- Debit notes

- Credit notes

- Cancellation of invoices

A separate material must be created for consignment handling. The material has to be valuated separately from all normal materials.

Proceed according to the following sequence:

1. Create a purchase order with item category ' = Normal. Enter tax code 'K6' at the item level.

2. Create a goods receipt for purchase order with the first movement type. Enter the Nota Fiscal number as delivery note and the tax code 'K5' for all selected items.

3. Create goods issues as usual. You may transfer the material to your own stock by a material to material transfer.

4. Create an invoice referencing to the delivery note. Enter the Nota Fiscal number of the delivery as delivery note and the Nota Fiscal number of the invoice as reference document. Enter the tax code 'K6' for all selected items.

# Third-Party Handling

## Introduction

Third-party handling comprises the handling of third party shipments, vendor invoices, supplier invoices and future delivery supplier invoices.

## Third Party Handling in MM
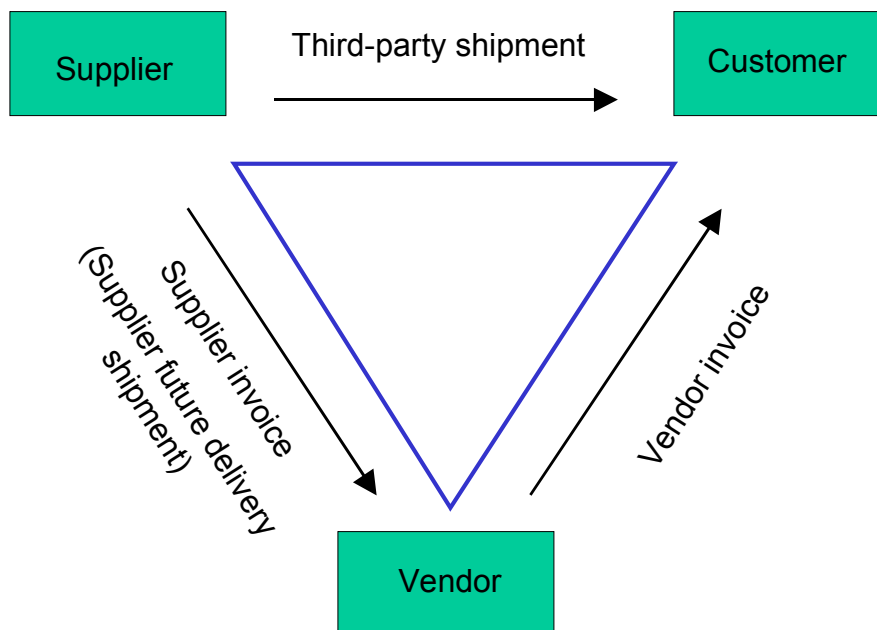


## Perspective of Vendor

From the vendor perspective, the Nota Fiscal is created based on a supplier invoice. In this case, please proceed as follows:

Create purchase order with item category 'S' = Third party. Conversion of a purchase requisition created out of sales can also be done. Create goods receipt for purchase order with an appropriate movement type. Create an invoice referencing to the delivery note. Enter the Nota Fiscal number of the invoice as reference document and the Nota Fiscal number of the actual shipment as vendor text.

Create a goods receipt for purchase order with the same movement type. Enter the Nota Fiscal number of the delivery as delivery note.

Create a financial document with the ICMS tax postings.

For the supplier future delivery shipment, create a Nota Fiscal by writer. Please enter the Nota Fiscal number of the symbolic delivery. Enter the Nota Fiscal number (in this case, a document number) of the invoice as original document and enter the Nota Fiscal number of the actual shipment as observation.

## Perspective of Customer

From the customer perspective, Notas Fiscais are created based on third party shipments and vendor invoices.

Nota Fiscal creation for the following third party shipments is supported:

- Shipments with an appropriate movement types

- Cancellation of shipments

- Returns with a second appropriate movement type

Nota Fiscal creation for the following vendor invoices is supported

- Debit note

- Credit note

- Cancellation of invoices

Proceed in the following sequence:

1. Create a purchase order with item category ' = Normal. Enter the supplying vendor in the header details.

2. Create a goods receipt for purchase order with the first movement type. Enter the Nota Fiscal number of the shipment as delivery note and the Nota Fiscal number of the invoice as header text.

3. Create an invoice referencing to the delivery note. Enter the Nota Fiscal number of the invoice as reference document and the Nota Fiscal number of the shipment as vendor text.

Use goods receipt based invoice verification even when the invoice arrives first.

# Nota Fiscal: Integration in Sales and Distribution

# Nota Fiscal Handling in SD

SD Billing can automatically create a Nota Fiscal. The following figure shows the relationship between SD objects and Nota Fiscal.

**Nota Fiscal Integrated into SD Billing**

```
┌────────────┐      ┌────────────┐        ┌────────────┐       ┌────────────┐
│            │─────▶│ Delivery 1 │───┐───▶│  Invoice 1 │──────▶│Nota Fiscal 1│
│            │      └────────────┘   │    └────────────┘       └────────────┘
│            │                       │
│            │                       │    ┌────────────┐       ┌────────────┐
│ Sales Order│                       └───▶│  Invoice 2 │──────▶│Nota Fiscal 2│
│            │                            └────────────┘       └────────────┘
│            │      ┌────────────┐        ┌────────────┐       ┌────────────┐
│            │─────▶│ Delivery 2 │───────▶│  Invoice 3 │──────▶│Nota Fiscal 3│
│            │      └────────────┘        └────────────┘       └────────────┘
│            │      ┌────────────┐        ┌────────────┐       ┌────────────┐
│            │─────▶│ Delivery ...│──────▶│  Invoice ...│─────▶│Nota Fiscal ...│
└────────────┘      └────────────┘        └────────────┘       └────────────┘
```
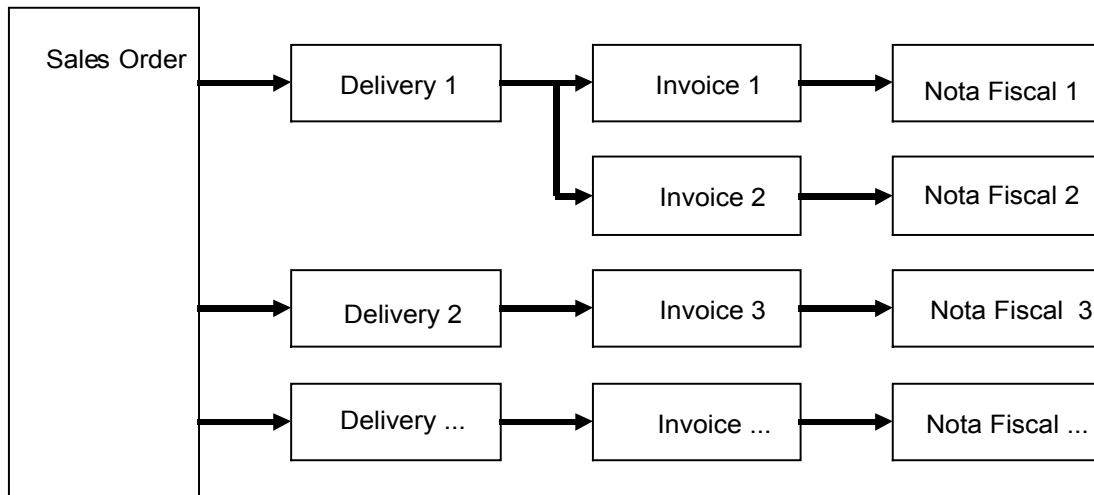
Notas Fiscais are generated 1:1 out of billing documents. This implies that each Nota Fiscal relevant delivery must be relevant for billing.

# Activating Nota Fiscal Creation in SD

It is necessary to activate Nota Fiscal creation on three different levels. The R/3 System can only create a Nota Fiscal item when all levels allow Nota Fiscal creation.

- Nota Fiscal type determination

  You must activate Nota Fiscal creation per sales document type. Assign a Nota Fiscal type to every sales document type which is relevant for Nota Fiscal creation.

- Billing document type

  You must activate Nota Fiscal creation per billing type. It is necessary to specify other control information (such as main partner id, text ids of header and item, etc.) per activated billing type.

- Billing item category

  You must activate Nota Fiscal creation per combination of billing type and item category.

You can maintain all Customizing tables via the Customizing paths.

# CFOP Determination in SD

To make an automatic Nota Fiscal creation possible, it is necessary to determine the CFOP code. You can maintain the table for CFOP determination by choosing the Customizing path for CFOP determination [Seite 11].

You can assign a CFOP code to a combination of the fields:

- Direction of movement

- Destination CFOP category

- Material CFOP category

- Item type

- Produced in-house

- Customer CFOP category

The item type is determined by the field Item category. The determination is done via the Customizing table Sales item type. You can maintain this table by choosing the Customizing path for sales item type [Seite 16].

> If Billing cannot determine a CFOP using the table CFOP determination, you must enter a CFOP manually. This must be done in the preceding document (delivery slip or sales order).

> As it is not allowed to sell materials intended for consumption, the system does not automatically determine the CFOP for materials which have 'consumption' as usage.

# Splitting of Invoices in Billing (Nota Fiscal Split)

If a branch is not allowed to print multiple page-page Notas Fiscais, the indicator *Single page* of the branch must be set. This activates the function *Automatic NF split.*

Billing documents are split so that the corresponding Notas Fiscais fit on a single page.

Maintain the number of items and header lines in the Nota Fiscal form table.

> Number of items per Nota Fiscal are reduced if one item causes several Nota Fiscal lines, for example discount cases.

# Texts in the Nota Fiscal

Nota Fiscal texts are determined automatically. The following text types are automatically transported to the Nota Fiscal:

- Order-type dependent Nota Fiscal header texts

  Automatic Nota Fiscal header texts can be defined for each sales order type through customizing. A limited number of arguments such as order reason or exchange rate can also be incorporated into these texts. To maintain header texts, choose the Customizing path for Nota Fiscal header texts [Seite 16]

- Tax laws

  Default IPI and ICMS tax law texts can be customized in table *Sales Item Category* by choosing the Customizing path for sales item category [Seite 16]. For more information on tax law determination, see IPI Tax Law [Seite 38] and ICMS Tax Law [Seite 40].

- Dangerous goods text

  The field *Hazardous material number* must be filled in the material master. For additional dangerous goods text, enter the dangerous goods text in the material master field *Internal comment*.

- Manual texts

  Enter the text in the sales order. Use the *NF header text* or *NF item text* fields.

# Nota Fiscal Values

Different categories of values are incorporated into the Nota Fiscal such as NF value, discounts, freight, and insurance.

The used pricing procedure defines how those values are calculated. Therefore, it is necessary to specify which conditions are assigned to which category.

This is done in the Customizing table *Special pricing condition* by choosing the Customizing path for special pricing conditions [Seite 16].

# Orders in Foreign Currency

The Brazilian localization supports the creation of sales orders in foreign currency with integrated creation of Notas Fiscais in local currency.

The exchange rate is available as an argument for the automatic Nota Fiscal header texts. For more information, see Texts in the Nota Fiscal [Seite 157].

For Brazil, the rate used in billing for conversion from foreign to local currency is not copied to a follow-up sales document. Therefore, when the follow-up sales document is billed, the actual exchange rate is used.

# Special Cases in Integration in SD

# Cancellation

Cancellation of a Nota Fiscal created in SD is only possible through cancellation of the respective billing document.

The cancel Nota Fiscal of outgoing Notas Fiscais is stored in the Nota Fiscal database. Note that the billing document cannot be canceled before the Nota Fiscal is printed.

# Return

A return can only be created after the preceding Nota Fiscal saída has been printed. In contrast to the regular delivery, the returns delivery will be billed directly and not by returns delivery.

There are two types of returns:

- **Return with customer Nota Fiscal:**  The customer accepted the goods, then rejected them and sent them back with a new Nota Fiscal. The sales document type REB is appropriate for this situation. Enter the customer Nota Fiscal number in the field *Reference no*. The customer Nota Fiscal is created in the subsequent billing.

- **Return with own Nota Fiscal:**  The customer has directly rejected our Nota Fiscal. The vendor receives his goods with his own Nota Fiscal saída. The sales document type ROB is appropriate for this situation. A new Nota Fiscal entrada is created in the subsequent billing.

# Returnable Transport Packaging

Both delivery and return of Returnable Transport Packaging (RTP) material is supported with integrated Notas Fiscal creation.

As in the standard R/3 system, the RTP should have item category *LEIH* marked in the material master record.

## RTP Delivery

- Delivery of RTP with separate Nota Fiscal:

    Please use the sales order type *LB* to avoid mixing RTP materials with other materials in the same order. The total value of the Nota Fiscal will be the sum of RTP items, but no payables will be created for the customer.

    Wherever possible, SAP recommends to use this process with separate NF for the RTP.

- Delivery of RTP together with other items by one Nota Fiscal:

    Enter the RTP material as item in the sales order of type *ORB*. Delivery and billing follows normal procedures. The RTP price will not be included in the total value of the Nota Fiscal.

    It is also possible to add the RTP item during delivery only. In this case, the SD tax code will be filled automatically only if saved in the customer-material info.

## RTP Pickup

RTP returns orders have to be created separately from the returns orders of regular material, even if they are returned with a single Nota Fiscal.

The RTP returns orders cannot be created with reference to the previous billing document. Thus, you have to enter customer, RTP material, and returned quantity manually in all RTP returns orders.

In the *purchase order number* field, enter the number of the previous billing document that was created when the RTP was sent to the customer.

- Returns order with separate Nota Fiscal for RTP:

    Use order type *LAB*, and enter the Nota Fiscal number of the reference Nota Fiscal in the *reference no*. field.

- Returns order with single Nota Fiscal for RTP together with other material:

    In the case of returns with customer NF, use the order type *RTEB*, and fill in the fields *PO date* and *reference no*. as in the case of regular returns with customer NF. It is necessary to create a separate order of type *REB* as usual for the non-RTP materials.

    In case of returns with own NF, use the order type *RTOB*, and enter the Nota Fiscal number of the reference Nota Fiscal in the *reference no.* field. It is necessary to create a separate order of type *ROB* as usual for the non-RTP materials.

- RTP returns delivery:

    As with regular returns.

- Billing and creation of Nota Fiscal:

**Returnable Transport Packaging**

- Billing of the returns order follows the procedure for regular returns. If the incoming Nota Fiscal of this process consists of RTP and other material, process the normal returns and the RTP returns order together to produce a single Nota Fiscal.

> If you need to produce a single Nota fiscal for the returns of RTP with other material, make sure that the shipping conditions are the same for the original order type and the RTP returns orders *RTEB* and *RTOB*, and that the customer NF number has exactly the same format in return orders *REB* and *RTEB*.

# Future Delivery

Handling of future delivery sales with integrated of Nota Fiscal creation is supported.

Notas Fiscais are created based on future delivery invoices:

1. Create a sales order of type VEF

2. Create the subsequent billing document. The billing type FA is automatically used

Notas Fiscais are created based on future delivery shipments:

1. Create a sales order of type *VEFR* with reference to the previous invoice billing document.

2. Create the delivery type *LFB* as normal.

3. Create the billing document. The billing type *FAR* will be automatically used.

# Consignment

Handling of consignment fill-up and consignment issue is supported with integrated Nota Fiscal creation.

## Consignment fill-up:

- Create a sales order of type *KBB* as with a standard fill-up (*KB*).

- Create the delivery as normal.

- Create the billing document from the delivery note.

## Consignment issue:

- Create a sales order of type *KEB* as in standard (*KE*).

  It is not possible to create a consignment issue with reference to the fill-up billing document. Enter the number of the fill-up billing document into the field Purchase order no. instead.

  A matchcode search for the fill-up billing document via Nota Fiscal number is not available here. If you need to do such a search, do it via the entry screen of Display billing document (transaction *VF3*) and memorize the billing document number.

- Create a subsequent delivery.

- Create the billing document.

# Third-Party Handling

## Third-Party Sales *Venda a Ordem*

Third-party sales *Venda à Ordem* are supported on the SD side. This is the case when the company sells goods to be delivered by a third party [Seite 150]. The supplier is reported in the Nota Fiscal header.

The following differences to SAP standard have to be observed:

- Standard items should not be mixed with third-party items. A separate sales order type has to be used.

- Use the *fixed vendor* field in the purchase requisition to define who will deliver the goods. Since the vendor is included in the NF, this step must precede SD Billing. Creation of the Nota Fiscal is not possible until this is completed.

## Third-Party Sales Remessa p/ conta e ordem

Handling of third-party sales *Remessa p/ conta e ordem* is supported with integrated Nota Fiscal creation. This is the case when ship-to and bill-to party are not identical.

## Procedure to create the NF that accompanies the material:

1. Create a sales order of type *RCM*:

   Enter the ship-to party (*SH*) using the header partner data (as in standard) by changing the entry for *SH*. The sold-to party has already sent a NF to the customer, and he has informed you about this NF. Please fill in the date of this customer NF in the field PO date and the NF number in the field *Reference no*.

2. Create the delivery as normal.

3. Create the billing document.

   This invoice has a total value of zero and does therefore not create an accounting document. But it generates the Nota Fiscal that is sent to the ship-to party.

## Procedure to create the NF to the bill-to party:

1. Create a sales order of type *RCS*:

   A reference is mandatory, therefore please fill in the billing document number of the previous invoice.

2. Create the billing document.

   This generates the NF to the bill-to party and creates the accounting document.

# Batches

The localized fields in the accounting part of the material should have the same content for all batches of the material.

When the batches are identified in the shipping process, they are summarized into one line on the Nota Fiscal and it is, therefore, not possible to differentiate the prices of the batches.

In order to differentiate the prices, the batches must be identified in the sales order. Batches identified in the sales order appear individually in the Nota Fiscal.

# Nota Fiscal Volume Number

In the standard delivery, the volume number equals the sum of the individual lines. If this is not sufficient, the customer exit EXIT_SAPLJ1BG_001 may be used to modify the volume number.

# Nota Fiscal Writer

The Nota Fiscal Writer can be used to enter Notas Fiscais manually. It is possible to enter all relevant Nota Fiscal data.

The Nota Fiscal Writer should only be used if the Nota Fiscal cannot be generated automatically via the integration in MM or SD. It can also be used to display Notas Fiscais created by MM or SD.

No automatic updates in other R/3 modules are done by the Nota Fiscal Writer. Therefore, it is absolutely necessary, for example, to post taxes and material movements in FI/MM separately in addition to every Nota Fiscal created by the Nota Fiscal Writer.

This is also the case for canceled Notas Fiscais: Cancellation of the relevant material document is necessary in an extra step.

A reference from the Nota Fiscal to the respective source document (FI, MD, BI) can be entered manually.

# Navigation in the Transaction

You maintain Nota Fiscal data on the following screens:

- **Initial Screen:** The initial screen differs depending on whether you are in the create, change or display mode.

- **Header:** The header screen contains Nota Fiscal header data, such as document and posting date, transportation data, withholding tax information, and so on.

- **Item Overview:** The item overview screen provides an overview of all Nota Fiscal items. Data cannot be entered on this screen. From this screen you can branch to the item screens Item Detail, Item Taxes and Link to Messages.

- **Item Detail:** This screen contains item data such as material, quantity, price, discount, freight, tax control information, tax laws, NBM code, and so on.

- **Item Taxes:** This screen contains the tax details such as tax type, base amount, excluded base amounts, rates, tax amount, and so on. All taxes must be entered on this screen. You can enter tax amounts manually, or they can be calculated for selected items using the base amount and the rate via the Calculate taxes function.

- **Linked Messages:** This screen displays all messages which are linked to the specified item. For manually created messages, you must specify the links on the Links to items screen.

- **Partner:** This screen can be used to specify partners other than the main partner (such as a carrier).

- **Partner Detail:** The partner detail screen shows detailed information about the specified partner, such as address, CGC, CPF, and so on. No data can be entered here except when creating Notas Fiscais for one-time partners.

- **Totals:** The totals screen summarizes all tax values across the items. No data can be entered here.

- **Messages Overview:** This screen is used to specify specific Nota Fiscal texts (header and line texts). A text created automatically cannot be changed (tax law, for example). You can create new texts.

- **Long Text:** If a header or item text has multiple lines, you can enter all lines on this screen. You can only enter the first line on the Messages Overview screen.

- **Links to items:** Item texts must be linked to the particular item. All items are shown on this screen. You can select Items that are linked to the chosen message.

- **Administrative Data:** This screen contains administrative data, such as the name of the user who created the Nota Fiscal, print indicator, and so on.

# Navigation in the Enjoy Transaction

You maintain Nota Fiscal data on the following screens:

- **Initial Screen:** The initial screen differs depending on whether you are in the create, change or display mode.

- **Overview**: The overview screen provides an overview of all Nota Fiscal items. Data can be entered on this screen. From this screen you can branch to the item screens Item Detail, Taxes and Item Messages .

  **Item Detail:** This tab page contains item data such as material, quantity, price, discount, freight, tax control information, tax laws, NBM code, and so on. You can also enter data here.

  **Taxes:** This tab page contains the tax details such as tax type, base amount, excluded base amounts, rates, tax amount, and so on. All taxes must be entered here. You can enter tax amounts manually, or they can be calculated for selected items using the base amount and the rate via the Calculate taxes function.

  **Item Messages:** This screen displays all messages that are linked to the specified item. For manually created messages, you can specify the links by choosing the Links pushbutton on the tab page Messages on the overview screen.

- **Total Values:** The Total values tab page summarizes all tax values across items. No data can be entered here.

- **Partners:** Here you can specify partners other than the main partner (such as a carrier).

  **Partner Detail:** The Partner detail screen displays detailed information on the specified partner, such as the address, CGC, CPF, and so on. No data can be entered here except when creating Notas Fiscais for one-time partners.

- **Messages:** Here you can enter specific Nota Fiscal texts (header and line texts). An automatically created text cannot be changed (tax law, for example). You can create new texts.

  **Long Text:** If a header or an item text has multiple lines, you can enter all lines on this screen. You can only enter the first line on the Messages Overview screen.

  **Links to items:** Item texts must be linked to the particular item. All items are shown on this screen. You can select items that are linked to the chosen message.

- **Transport:** This tab page contains transportation data.

- **Financial Data:** This tab page contains financial data, including withholding tax information.

- **Administration:** This tab page contains administrative data, such as the name of the user who created the Nota Fiscal, print indicator, and so on.

# Creation of Nota Fiscal

To create a Nota Fiscal, call the transaction code J1B1/J1B1N.

You must enter the following data on the initial screen:

- Nota Fiscal type

- Company code and branch

- Partner function and partner ID

- Indicator Incl. ICMS/ISS

    If you set this indicator, it is possible to enter the price including ICMS tax.

Use the screens described in to enter the data for the document. After you enter the relevant data, save the Nota Fiscal. The system automatically creates a print request for the Nota Fiscal according to the rules defined for the Nota Fiscal form.

# Change/Display of Nota Fiscal

To change a Nota Fiscal, call the transaction code J1B2 or J1B2N. To display a Nota Fiscal, call the transaction code J1B3 or J1B3N.

You must enter the internal Nota Fiscal document number on the initial screen. Since you usually do not know this number, you can choose F4 to use match codes (for example, the Nota Fiscal number).

# Special Functions of the Nota Fiscal Writer

## Cancellation

This function cancels a Nota Fiscal that was created by the Nota Fiscal Writer.

## Reprint

This function reprints a Nota Fiscal that was already printed. Note that *Reprint* only creates a reprint request (NAST record). For the actual hardcopy print, use the *Output* function.

## Output

If a Nota Fiscal with a print form was created but not printed, use this function to immediately print the Nota Fiscal.

See: Nota Fiscal Form [Seite 178]

## Copy with Reference

This function enables you to copy any type of existing Nota Fiscal - except for Cancel Notas Fiscais (document type 5).

## One-Time Partners in the Nota Fiscal

The Brazilian localization supports one-time partner handling in the Nota Fiscal writer subsystem.

> For  one-time partners, bank data cannot be maintained in the Nota Fiscal Writer but in the respective FI document.

# Authority Checks

The Nota Fiscal Writer performs authority checks for the functions Create, Change, Cancel, Print, and Output.

The authority object is the object F_BKPF_BUK. You need to assign the following activities to perform Nota Fiscal Writer functions:

|  | Create: | Activity 01 (Create) |
|---|---|---|
|  | Change: | Activity 02 (Change) |
|  | Display: | Activity 03 (Display) |
|  | Cancel: | Activity 02 (Change) |
|  | Print: | Activity 02 (Change) |
|  | Output: | Activity 02 (Change) |

# Nota Fiscal Print

Most Brazilian companies have very specific requirements for printing a Nota Fiscal. Companies usually have different layouts and data on the Nota Fiscal form.

The R/3 System uses SAPscript to print a Nota Fiscal. This allows companies to define their own Nota Fiscal layout set.

SAP delivers a sample layout set J_1BNOTA_FISCAL. The layout and data of the form fulfills the legal requirements. If you wish to make changes, copy the sample layout set and make changes to the copy as needed.

For more information about SAPscript, refer to the R/3 documentation.

# Nota Fiscal Form

Nota Fiscal forms are used to:

- Find the Nota Fiscal number via the assigned *Group number*

- Specify the size of a Nota Fiscal page (important for Single Page Notas Fiscais)

- Specify series and sub-series for the NF number

- Define a Nota Fiscal as a Nota Fiscal Fatura

- Define timing and destination attributes of the NF print

- Specify print program and layout set used to print the Nota Fiscal

- Initiate automatic print via SAP message control (NAST with output application NF)

If you create a new Nota Fiscal form, afterwards you must also:

- Define branch-dependent form information (Customizing function *Nota Fiscal number and form size)*

- Specify the processing programs and SAPscript layout set for printing (Customizing function *Processing programs*)

- Define output types for the form (Customizing function *Output conditions*). Only the *Send time indicators* 1 and 2 are supported.

Note that you must maintain the output device.

To maintain the Nota Fiscal form, choose the Customizing path for Form [Seite 11].

> Each Nota Fiscal type is assigned to one Nota Fiscal form. The system uses the assignment to derive the data stored in the Nota Fiscal form.

# Nota Fiscal Number

When a Nota Fiscal is printed, the R/3 System automatically assigns the Nota Fiscal number. Number ranges are defined via the *Group number*.

The system determines the group number via the form. Each form must be linked to a group number.

You can maintain group numbers by choosing the Customizing path for Group number [Seite 11].

You can maintain the number ranges for the group number by choosing the Customizing path for External number range [Seite 11].

# Nota Fiscal on Multiple Pages

For every branch, you can specify whether Notas Fiscais are to fit on one page. The branch [Seite 26] table contains the *Single page* indicator. If this indicator is set, SD billing splits the billing document into multiple documents according to the form size. All outgoing Notas Fiscais then fit on one page.

You define the form size of a Nota Fiscal page in the Customizing table *Nota Fiscal number and size form*.

# Nota Fiscal Layout Set

You can use most SAPscript functions to adapt the Nota Fiscal layout set to meet your company's needs.

The following communication structures are used to transfer data relevant to Nota Fiscal. Use the R/3 Repository Information System for information about the available fields of the structures.

- **J_1BPRNFDE - Destination data:** This structure contains data about the NF destination (such as address, CGC, and state inscription).

- **J_1BPRNFFA - Fatura data:** This structure contains data about the payment terms of the different installment payments. Up to five different installments are supported.

- **J_1BPRNFHD - Document header:** This structure contains data about the NF header (such as NF type, NF number, and issue date).

- **J_1BPRNFIS - Issuer data:** This structure contains data about the NF issuer (such as address, CGC, and state inscription). The sending plant is usually the issuer.

- **J_1BPRNFLI - Line information:** This structure contains data about the Nota Fiscal line (such as material, material description, ICMS, and IPI).

- **J_1BPRNFRE - Bill-to party data:** This structure contains data about the bill-to party (such as address, CGC, and state inscription).

- **J_1BPRNFRG - Payer data:** This structure contains data about the payer (such as address, CGC, and state inscription).

- **J_1BPRNFST - Subtotals at top/bottom of page:** This structure is used to print the totals of the previous page in the case of printing multiple pages.

- **J_1BPRNFTR - Transport data:** This structure contains data about the carrier (such as address, CGC, and state inscription).

- **J_1BPRNFTX - Texts:** This structure contains Nota Fiscal texts. It is used to print up to 16 lines in the text window. The number of printed lines depends on the Nota Fiscal form. All other texts are printed in the window MAIN.

There are a few restrictions when defining windows and text elements:

- The window MAIN must contain the text elements HEADER (print header information), LINE (print line information), INTERTOTALS (totals per tax situation and ICMS rate), and TEXTS (print additional text which does not fit into the text window).

- The window SUBTOTAL must contain the text element FOOTER (subtotals on the bottom of a page in the case of multiple-page Nota Fiscal).

# Nota Fiscal: SAP ArchiveLink

Starting in Release 4.6C, a Business Object Repository object has been created for Notas Fiscais. The technical name of the object is BUS2143, and one document type exists for it (MMINOTAFIS). Notas Fiscais have been integrated into SAP ArchiveLink with the help of this object. Therefore, all services provided by SAP ArchiveLink are available for Notas Fiscais. For more information, see the documentation on SAP ArchiveLink.



The full functionality of SAP ArchiveLink is available in the new Nota Fiscal Writer (Enjoy transactions: J1B1N, J1B2N and J1B3N). The generic services are not available in the old Nota Fiscal Writer (transactions J1B1, J1B2 and J1B3).

# Indexing

Index handling in Brazil corrects the inflation impact on prices between the purchase order and the invoice verification (MM) and between the sales order and billing (SD).

# Indexing in Materials Management

To index a value, the index must be entered at the purchase order item level (on the additional data screen). You can also enter the index date if you do not wish to take the system date (default).

During goods receipt and invoice verification, the system recalculates the value of the purchase order item. The corrected value is stored in the financial accounting document as well as in the Nota Fiscal.

# Indexing in Sales and Distribution

The indexing feature is used in an SD business process in the following ways:

- In sales order creation, you can enter the index type and the indexing date on the *Item business data: Details* screen. If you do not enter an index type for an item, no indexing correction will be applied in billing. The indexing date marks the beginning date for the indexing correction to be applied later in billing. This date is taken to be the current date unless otherwise specified.

- In billing, new pricing is carried out that applies an inflation correction to the net price. The end date of the correction is the billing date. All taxes and so on are calculated based on the corrected net price.

An indexing condition INDX must be incorporated into all relevant SD pricing procedures directly behind the net price condition (PR00). This entry should call the alternative calculation type 330 as shown below:

| Level | Cnt | Ctyp | Description | FroTo | Man | Mdt | Stat | P | Sub | To | Reqt | AltCTy |
|-------|-----|------|-------------|-------|-----|-----|------|---|-----|----|------|--------|
| 10 | 0 | PR00 | Price | | | X | X | | | | 2 | |
| 40 | 0 | INDX | Inflation Index | | | | | | | | 2 | 330 |
| 45 | 0 | | Price after infl | | | | | X | | | | |

# Inflation Index

## Definition

An inflation index contains data used for the inflation adjustment calculation. After defining an index, you can assign it to business objects, such as G/L accounts, that are to be adjusted for inflation.

## Structure

Indexes consist of several parts:

### Header Data

In the header area, you define the general settings for an inflation index:

- 5 digit identification

- Explanatory text

- Indicator if the index is a composite index

- The format that the index is published in

- Version of values which is active

- Number of digits for reporting index values

If an index is a composite index, no index values can be maintained for it. The index is derived by combining index values of other indexes previously defined.

### Version

You can maintain several versions of index values for one index. The inflation adjustment programs use the index value version specified as the active version in the index header data. Therefore, it is important to maintain this entry.

In most cases, it is sufficient to use only one index version.

### Values

You can maintain index values for all indexes that are not marked as composite indexes. Which format you can maintain index values in depends on what format you select in the header data. The *until date* indicates the last day of the time period in which the corresponding index value is valid. The first day of the time period is the day that follows the previous entry in the table. Therefore, the first entry serves as a start date for the following periods.

An index value can be definitive or provisional. It is not allowed to have a provisional value after a definitive value. You can change a provisional value to a definitive value by setting the corresponding indicator. A change in the other direction is only allowed if the definitive index as not previously used for posting an inflation adjustment.

You can change definitive values only if they have not been used before. This ensures the consistency of the audit trail. If you have to change old values, you must create a new version of the index values.

## Composite Index

If an index is marked as a composite index, then you do not maintain real values for it. Instead, you specify how the index is derived by combining other indexes with values. For each component of a composite index, you can specify by which factor should be taken into account.

See also the information about the country version for Turkey [Extern].