

# Cadia Brazilian Tax Management for Business Central

## Scope of the Brazilian Localization for Microsoft Dynamics 365 Business Central (v18.2)

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This document describes the strategy and scope for tax, finance and accounting laws and regulations in Brazil that have been implemented as part of Microsoft Dynamics 365 Business Central (v18.2) through the Cadia Brazilian Tax Management. It is intended for channel partners and end users of Microsoft Dynamics 365 Business Central (v18.2) only. Channel partners or end users who use the information in this white paper when implementing other versions of Microsoft Dynamics 365 Business Central do so at their own risk.

This translation was prepared by Cadia and its content is purely informational. For any divergence of interpretation, the original Portuguese version shall always prevail.

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## Overview

In general, Microsoft invests significant resources in extending the business process functionality of Microsoft Dynamics 365 Business Central applications by developing features and functionality to address certain tax, accounting or financial regulatory requirements in countries where Microsoft makes Microsoft Dynamics Business Central available.

Microsoft Dynamics 365 Business Central helps organizations in Brazil to run their business operations while managing country-specific obligations, whether legal, regulatory, or widely adopted business practices.

**Cadia Consulting do Brasil Ltda.**, Under a PLLP (Partner Localization and Translation Licensing Program) contract, has developed the ***Cadia Brazilian Tax Management to Business Central (v18.2)*** module that deals with the localization of Microsoft Dynamics 365 Business Central®, delivering a set of additional functionalities that are destined to the compliance with legal obligations and business practices in Brazil. However, the ***Cadia Brazilian Tax Management module to Business Central (v18.2)*** does not cover all the obligations, since they vary according to the State, Municipality, Sector of activity, etc. It is possible, through specific hiring, to develop functionalities that meet each specific case.

Microsoft partners are an integral part of the global strategy for delivering Microsoft Dynamics 365 Business Central to help customers meet their specific needs using the extensible nature of the Microsoft Dynamics 365 Business Central development architecture. It is important to mention that Cadia Consulting cannot be held responsible for the operation of solutions created by other partners, which is why it does not provide any guarantee, implicit or explicit, about them. Cadia Consulting is solely responsible for the solutions developed and implemented by it, including the services provided under said solutions.

This document describes the strategy and scope of certain requirements that Cadia has implemented as part of the ***Cadia Brazilian Tax Management to Business Central (v18.2)***, under the PLLP mentioned above.

## Definitions

**Customization** refers to (a) any configuration, modifications or changes made by partners or customers to Microsoft Dynamics software or, when applicable, software documentation, to fit a customer's specific business needs (such as adding or renaming fields or tables, creating custom reports, integrating with third party solutions); or (b) any software developed for the Microsoft Dynamics software.

**Localization** refers to any modification to, addition to, and/or adaptation of Microsoft Dynamics software to enable or include certain features and/or functionality in the software to conform to applicable regulatory requirements (including, without limitation, versions and updates of the Microsoft Dynamics software, user assistance tools, and/or end-user documentation). Examples of laws or regulatory requirements that may require localization of software include local tax reporting

(such as sales, VAT, GST), invoice tracking by a government authority, government-required tax calculations, local accounting rules, and local regulatory and statutory reporting.

**National Standards** refers to feature requirements in software that are related primarily to banking practices (such as payment method, payment formats and bank statement) and less frequently commercial documents, such as electronic fiscal documents. National Standards are local requirements that are not required by law or regulation but are widely adopted within a geographic region and are critical to the sale of licenses for business management software in that geographic region.

## Brazilian Localization Strategy

In general, Cadia Consulting, in developing the localization for Microsoft Dynamics 365 Business Central®, follows Microsoft's strategy to address the legally required tax, financial, accounting or reporting requirements for Brazil. The ***Cadia Brazilian Tax Management for Business Central (v18.2)*** module is produced in such a way that:

- Meet to the tax requirements at the Federal level detailed in the **Brazilian localization scope** section;
- Meet to the tax requirements at the States level detailed in the Brazilian localization scope section;
- Deliver new regulatory features through configurations and/or development of new functionality that implements the federal and state/region requirements set forth in the Brazilian localization scope section in accordance with the business rules specified in this document and the Microsoft Dynamics 365 Business Central roadmap;
- Deliver certain new regulatory features in the most recent service pack available or in a new service pack for supported versions of Microsoft Dynamics 365 Business Central;
- Apply National Standards and competitive features in the localization that Microsoft, in its sole discretion, determines are necessary or appropriate based on business need in the region;
- Does not focus on requirements of specific businesses, segments, verticals, regions, or large enterprises, even when required by laws, statutes, or regulations at the federal, state or city levels; and
- Does not include municipal requirements, except for the ones detailed in the **Brazilian localization scope**.

There are also specific laws and requirements that are out of scope for Microsoft Dynamics 365 Business Central and are listed in a specific section of this document.

The ***Cadia Brazilian Tax Management for Business Central (v18.2)*** module developed by Cadia Consulting under the PLLP regime with Microsoft is limited to the features and functionalities described in this text.

Prospective customers are advised to obtain professional legal and tax advice to determine if the features provided in Microsoft Dynamics 365 Business Central (v18.2) are appropriate to their needs or if there is a need to develop custom solutions.

## Brazilian Localization Scope

The user interface and online Help for Microsoft Dynamics 365 Business Central (v18.2) are available in English by Microsoft itself. Additional documentation, such as white papers and training materials, may be available in English only and may not be available at the same time as the software is made available in Brazil.

The scope of Microsoft Dynamics 365 Business Central (v18.2) localization available in Brazil is limited to calculating taxes, accounting transactions, issuing and receiving tax documents in the following areas: accounting, purchasing and payables, sales and receivables, inventory management and project accounting.

The features that Cadia Consulting offers and supports as part of Microsoft Dynamics 365 Business Central (v18.2) Brazilian Localization are listed in **Table 1** below:

Table 1 - Functionalities of the Brazilian Localization for Business Central (v18.2)

Area	Items
Fiscal Information	<ul style="list-style-type: none"><li>• Category: Individual, legal entity, foreigner;</li><li>• CNPJ / CPF, IE, CCM, Type of establishment, NIT, INSS-CEI, CNAE, ISS, non-ICMS taxpayer, Usage and Consumption, SUFRAMA, Type of bookkeeping (centralized or non-centralized), Tax regime;</li><li>• Branches;</li><li>• Mercosur Common Nomenclature (NCM) codes and exceptions;</li><li>• Product origin codes (CST ICMS);</li><li>• Type of product (as per SPED Contributions);</li><li>• CFOP (Tax Code of Operations and Obligations);</li><li>• Tax status codes for IPI, ICMS, PIS, COFINS;</li><li>• Types of Tax Operations;</li><li>• Legal texts;</li><li>• Type of tax document: Series, Subseries, Model and Numeric Sequence of the invoice, issuers;</li><li>• Registration of services;</li><li>• Definition of Revenue / Withholding Codes (DARF) applicable to taxes on services taken;</li><li>• ICMS Calculation Adjustment Codes;</li><li>• IPI Framework Codes;</li><li>• CEST (Tax Substitution Specification Code);</li><li>• IBPT taxes;</li><li>• Accountant Data;</li><li>• ICMS tax code for SIMPLES NACIONAL is not covered by the scope of the Brazilian Localization.</li></ul>

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## Taxes

- Configuration, calculation and accounting of the following taxes: IPI, ICMS, ISS, PIS, COFINS, Withholding INSS, IRRF, CSL Withheld, COFINS Withheld, PIS Withheld, INSS, II, ISS Withheld, ST, COFINS Bonus and FCP;
- Tax Matrix with the following pre-configured information: CFOP, CST ICMS, CST IPI, CST PIS, CST COFINS, Cod. Tax Exception, Transaction Type, Tax Area, Tax Document Type, and Legal Texts;
- Withholding tax on invoice issuance: IRRF, INSS Withheld, ISS Withheld. Federal taxes for generation of DARF, this operation does not have the calculation of interest and fine of SICALC. The system has a support report for withholding taxes.
- Withholding Tax on Payment: PIS Withheld, COFINS Withheld, CSL Withheld. Federal taxes for the generation of DARF, this operation does not have the calculation of interest and fine of SICALC. The system has a support report for withholding taxes.
- Tax Substitution applied to sales based on value added margin, NCM and Federal Unit;
- Tax substitution applied to purchases based on value added margin;
- ICMS Base Reduction;
- ICMS tax rate differential (calculation applied in the State of São Paulo);
- Tax Credit.

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## Sales

- Sales Quotation and Sales Orders according to the scope of the Brazilian localization;
- Shipping Information: carrier and freight type;
- Legal texts;
- Sale of goods or services;
- Exports of goods or services;
- Sale of Tax Replacement product based on value added margin;
- Outbound Tax Remittances (future sale, repair, demo, beneficitation, free sample, etc.);
- Tax Remittance with control of own material held by third parties;
- Sale of products for the Manaus Free Zone;
- Sale to end user;
- Interstate sale to end user;
- Sale of Fixed Assets;
- Complementary price notes;
- Additional Tax Notes (IPI, ICMS)
- Display of accounting before sales document registration;
- Sales returns;
- Sales cancellation (sales credit memo).

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## Purchasing

- Quotation of Purchases and Purchase Orders according to the scope of the Brazilian localization;
  - Legal texts;
  - Shipping Information: carrier and freight type;
  - Tax Remittances (industrialization, processing, repair, demonstration, free sample, etc.);
  - Purchase for usage and consumption;
  - Purchase with Tax Substitution based on value added margin;
  - Purchase of goods or services;
  - Purchase of Fixed Assets;
  - Direct Imports (we are not dealing with ST imports, and products with their own legislation (Example: Armament));
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- Imports of material for usage and consumption / Fixed Assets;
  - Additional Import Notes;
  - Automatic apportionment by value or weight, depending on the import customs charge;
  - Additional Price Notes;
  - Supplementary Tax Notes (ICMS, IPI);
  - Purchase cancellations (purchase debit notes);
  - Return of purchase;
  - Display of the accounting before the purchase document registration;
  - Vendor XML import based on Vendor CNPJ and Vendor X Product cross-references. XML selection will be manual.
  - Points that are not handled on XML import:
    - a) The unit of measurement of the products considered is the one registered in the product in Business Central and not the unit of measurement contained in the supplier's XML.
    - b) Tax amounts are calculated by Business Central based on previously set tax settings. These values are not reconciled with the values in the vendor XML.
    - c) No reconciliations are made with existing orders in Business Central. For each XML a new order is created.

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#### Finances

- Calculation of withholding taxes on payments and receipts, as applicable;
- Calculation of the respective due date of withholding taxes;
- Advances to customer and suppliers.

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#### Projects

- Project invoicing based on features located in Microsoft Dynamics 365 Business Central for tax calculation and accounting & invoice issuance.
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## Fiscal Solution

In general, a tax solution system handles tax data posted on it and adjusts this information into different file and report formats. A typical tax solution system does not create accounting and tax transactions such as accounting and invoices or generating business transactions.

For the Brazilian localization of Microsoft Dynamics 365 Business Central (v18.2), Cadia Consulting has developed a repository of tax information in the system itself that receives, through the process of extracting registration and transactional information, all the information necessary for the generation of various reports and tax files.

Based on this process, the reports and files supported by the default localization of Microsoft Dynamics 365 Business Central (v18.2) are listed in **Table 2** below:

Table 2 – Documents, Reports and Fiscal Files

Área	Itens
Accounting Reports	<ul style="list-style-type: none"> <li>• Ledger;</li> <li>• Accounting journal;</li> <li>• BR balance sheet;</li> <li>• Kardex of Products;</li> <li>• Inventory Log.</li> </ul>
Books and Fiscal Reports	<ul style="list-style-type: none"> <li>• Entry Log Book mod. P1A;</li> <li>• Output Log Mod. P2-A;</li> <li>• Book of Registration of ICMS calculation mod. 9;</li> <li>• Registration Book of IPI calculation mod. 8;</li> <li>• Inventory Register Book mod. 7;</li> <li>• GIA (Sao Paulo);</li> <li>• SINTEGRA;</li> <li>• DIRF for services taken from PF and PJ.</li> <li>• Taxes withheld - Sales;</li> <li>• Taxes withheld - Purchases;</li> <li>• Report of Provided Services.</li> </ul>
SPED	<ul style="list-style-type: none"> <li>• <b>ACCOUNTING SPED</b> - G profile - Daily Journal (complete, without auxiliary bookkeeping). Registers and generated blocks are listed in <b>Table 3</b> below:</li> </ul>

Table 3 – Detailed Scope of ACCOUNTING SPED

Blocks	Registers	Description of the Register
<b>Block 0</b>	<b>Opening , Identification and References</b>	
	REG 0000	Opening of the Digital Archive and Identification of the entrepreneur or business company
	REG 0001	Block 0 Opening
	REG 0007	Other subscription registrations of the entrepreneur or company
	REG 0020	Decentralized Bookkeeping
	REG 0150	Participant Registration Table
	REG 0180	Identification of the relationship with the participant
	REG 0990	Block 0 Closure
<b>Block I</b>	<b>Accounting Posts</b>	
	REG I001	Block I Opening
	REG I010	Bookkeeping Identification
	REG I030	Opening Term
	REG I050	Chart of Accounts
	REG I051	Referential Chart of Accounts
	REG I052	Indication of agglutination codes
	REG I075	Standardized History Table
	REG I100	Cost center
	REG I150	Periodic Balances - Period Identification
	REG I155	Details of Periodic Balances
	REG I157	Transfer of Previous Account Balances



REG I200	Accounting entry
REG I250	Posting Entries
REG I350	Profit and Loss Account Balances before Closing - Date Identification
REG I355	Earnings account balance details before closing
REG I990	Block I Closure
<b>Block J</b>	<b>Accounting Statements</b>
REG J001	Block J Opening
REG J005	Accounting statements
REG J100	Balance sheet
REG J150	Income Statement
REG J800	Other information
REG J900	Closure term
REG J930	Identification of bookkeeping signatories
REG J990	Block J Closure: Record Generated in Text File Only
<b>Block 9</b>	<b>Control Closure of Digital File</b>
REG 9001	Block 9 Opening
REG 9900	File Records
REG 9990	Block 9 Closure
REG 9999	Digital File Closure

- **ECF** – Registers and blocks generated are listed in **Table 4** below:

*Table 4 – ECF Detailed Scope*

<b>Blocks</b>	<b>Register</b>	<b>Register Description</b>	<b>Scope</b>
<b>Block 0</b>	<b>Identification</b>		
	REG 0000	Opening and Identification	ECF implementation scope
	REG 0010	Taxation Form	ECF implementation scope
	REG 0020	Complementary Parameters	ECF implementation scope
	REG 0030	Company data	ECF implementation scope
	REG 0930	Signatories (accountant + representative)	ECF implementation scope
<b>Block C</b>	<b>Information Recovered from ECD</b>		Information not provided by the Company
<b>Block E</b>	<b>Information Recovered from ECF</b>		Information not provided by the Company
<b>Block J</b>	<b>From-To: Company Chart of Accounts / Referential Chart of Accounts</b>		
	REG J050	Company Chart of Accounts	ECF implementation scope
	REG J051	From-to	ECF implementation scope
	REG J100	Cost Centers	ECF implementation scope

**Block K G/L account balances and their mapping to the referral plan (trial balance before and after closing business plan / referral plan)**

REG K030	Identification of the period and IRPJ / CSLL calculation forms	ECF implementation scope
REG K155	Balances accounts results before closing	ECD implementation scope
REG K156	Referential Mapping of Balance Sheet Ending Balance	ECD implementation scope
REG K355	Closing Accounting Balances	ECD implementation scope
REG K356	Referential Mapping of Profit and Loss Account Balances Prior to Period End	ECD implementation scope

**Block L Balance Sheet and DRE and adjustments of RTT (if they exist)**

REG L030	Identification of calculation period	ECF implementation scope
REG L100	Reference Balance Sheet	ECF implementation scope
REG L200	Inventory evaluation methods	ECF implementation scope

**Block 9 Closing**

• **ECF related features:**

- ✓ **DIPJ** - the Fiscal Accounting Bookkeeping (ECF) replaces the Declaration of Economic and Fiscal Information of the Legal Entity (DIPJ), as of calendar year 2014.
- ✓ **LALUR** - is not covered by the scope of the Brazilian Localization scope;

• **FISCAL SPED** - (Not included outbound information related to the following activities: ANP and Tobacco, Beverages and Cold, Armaments, Automotive Assemblers, Rural Producer, Electric Energy, Communication, Pharmaceutical, Chemical and Carrier. Electric Energy, Communication and Carrier will be met by incoming documents and the corresponding blocks). Extemporaneous credit rules are not covered either. Registers and generated blocks are listed in **Table 5** below:

*Table 5 – FISCAL SPED Detailed Scope*

Blocks	Registers	Register Description
<b>Block 0</b>	<b>Opening , Identification and References</b>	
REG 0000	Digital File Opening and Entity Identification	
REG 0001	Block 0 Opening	
REG 0002	Classification of industrial or industrial-equated establishment	
REG 0005	Entity Supplemental Data	
REG 0015	Substitute or Responsible ICMS Taxpayer Data Destination	
REG 0100	Accountant Data	
REG 0150	Participant Registration Table	

REG 0190	Identification of units of measure
REG 0200	Item Identification Table (Products and Services)
REG 0220	Unit Conversion Factors
REG 0400	Nature of Operation / Installment Table
REG 0450	Tax Document Supplementary Information Table
REG 0460	Fiscal Posting Observation Table
REG 0500	Accounting Chart of Accounts
REG 0600	Cost Center
REG 0990	Block 0 Closure
<b>Block C</b>	<b>Fiscal Documents I - Merchandise (ICMS/IPI)</b>
REG C001	Block C Opening
REG C100	Document - Invoice (code 01), Single Invoice (code 1B), Producer Invoice (code 04) and Electronic Invoice (code 55)
REG C101	Supplementary Information on Tax Documents for Interstate Transactions for Non-Contributing End Consumers EC 87/15
REG C110	Complementary Document - Complementary Invoice Information (code 01, 1B, 55)
REG C113	Document Supplement - Referenced Tax Document
REG C120	Document Supplement - Import Operations (code 01)
REG C170	Document Add-on - Document Items (code 01, 1B, 04, and 55)
REG C180	Additional information from the entry receipt operations subject to tax substitution (code 01, 1b, 04 And 55).
REG C185	Additional information from the output issue operations subject to tax substitution (code 01, 1b, 04, 55 And 65).
REG C190	Document Analytical Record (code 01, 1B, 04 and 55)
REG C191	Poverty Alleviation Fund Information - FCP - NA Nfe (Code 55)
REG C195	Analytical Record Completion - Tax Posting Notes (Code 01, 1B and 55)
REG C500	Invoice / Electricity Bill (code 06) and Invoice / Gas Supply Consumption (Code 28)
REG C590	Document Analytical Record - Invoice / Electricity Bill (code 06) and Invoice / Gas Supply Account (Code 28)
REG C591	Information from the anti-poverty fund - FCP in NFE - Electronic Electric Energy Tax note (code 66).
REG C595	Fiscal Posting Notes (codes 06, 28, 29 and 66)
REG C597	Outras obrigações tributárias, ajustes e informações de valores provenientes de documento fiscal.
REG C990	Block C Opening
<b>Block D</b>	<b>Fiscal Documents II - Services (ICMS)</b>
REG D001	Opening of Block D

REG D100	Invoice for Transport Service (code 07) and Bill of Lading Cargo (code 08), Cargo Waterway (code 09), Air (code 10), Freight Rail (code 11) and Multimodal Cargo (code 26) ) and Rail Freight Invoice (code 27). Bill of Lading Cargo (Code 8B)
REG D110	Document Items - Invoice for Transport Services (code 07)
REG D190	Analytical Record of Documents (CODE 07, 08, 09, 10, 11, 26 and 27), Bill of Lading Cargo (Code 8B)
REG D195	Fiscal Posting Notes
REG D500	Communication Service Invoice (code 21) and Telecommunication Service (code 22)
REG D590	Document Analytical Record (codes 21 and 22)
REG D990	Block D Closure
<b>Block E</b>	<b>ICMS and IPI calculation</b>
REG E001	Block E Opening
REG E100	ICMS Determination Period
REG E110	ICMS Calculation - Own Operations
REG E111	ICMS Calculation Adjustment / Benefit / Incentive
REG E116	ICMS Obligations to Collect - Own Obligations
REG E200	ICMS Calculation Period - Tax Substitution
REG E210	ICMS Calculation - Tax Substitution
REG E220	Icms Tax Adjustment / Benefit / Incentive Tax Replacement
REG E250	Icms Obligations To Collect - Tax Replacement
REG E300	Calculation period of ICMS tax rate differential - source / destination State EC 87/15
REG E310	Calculation of ICMS tax differential - source / destination state EC 87/15
REG E311	Adjustments / benefits and incentives for the calculation of the ICMS tax rate differential of federated units of origin / destination EC87 / 15
REG E316	ICMS obligations collected or to be collected - rate differential UF source / destination EC 87/15.
REG E500	IPI Determination Period
REG E510	Consolidation of IPI Values
REG E520	IPI calculation
REG E530	IPI Calculation Adjustments
REG E531	Additional Information on IPI Calculation Adjustments - Identification of Tax Documents (01 and 55)
REG E990	E Block Closure
<b>Block G</b>	<b>ICMS Credit Control of Permanent Assets - CIAP - models "C" and "D"</b>
REG G001	Block G Opening
REG G990	Block G Closure
<b>Block H</b>	<b>Fiscal Inventory</b>
REG H001	Block H Opening
REG H005	Inventory Totals

	REG H010	Inventory
	REG H990	Block H Closure
<b>Block K</b>	<b>Production and Inventory Control</b>	
	REG K001	Block K Opening
	REG K100	ICMS / IPI Determination Period
	REG K200	Carrying Stock
	REG K230	Produced Items
	REG K235	Inputs Consumed
	REG K250	Third Party Industrialization - Items Produced
	REG K255	Industrialization in Third Parties - Inputs Consumed
	REG K990	Block K Closure
<b>Block 1</b>	<b>Other Information</b>	
	REG 1001	Block 1 Opening
	REG 1010	Block 1 Requirement of records
	REG 1100	Export Information Record
	REG 1105	Export Tax Documents
	REG 1250	Consolidated information on restitution, reimbursement and complementation balances of ICMS.
	REG 1255	Consolidated information on restitution, reimbursement and complementation balances of ICMS.
	REG 1990	Block 1 Closure
<b>Block 9</b>	<b>Control and Closure of Digital File</b>	
	REG 9001	Block 9 Opening
	REG 9900	File Records
	REG 9990	Block 9 Closure
	REG 9999	Digital File Closure

- **PIS/COFINS SPED** – (Outgoing information regarding the following activities are not included: ANP and Tobacco, Beverages and Cold, Armaments, Automotive Assemblers, Rural Producer, Electric Energy, Communication, Chemical Pharmaceutical, Real Estate Carrier and Incorporation, Electric Energy, Communication and Carrier, are by incoming documents and in the corresponding blocks).

To generate Blocks 1, 1010, 1020, 1100, 1300, 1500, 1700, F100, F120, F130, F600 and F700 it will be required manual typing on specific screens of Dynamics 365 Business Central for further generation of the file. Block M will not be generated in Dynamics 365 Business Central as it is a totalizing block that can be generated directly in the validator. Extemporaneous credit rules are not contemplated either.

Registers and generated blocks are listed in **Table 6** below:

*Table 6 – PIS/COFINS Detailed SPED Scope*

<b>Blocks</b>	<b>Registers</b>	<b>Register Description</b>
<b>Block 0</b>	<b>Opening , Identification and References</b>	
	REG 0000	Digital Archive Opening and Legal Entity Identification
	REG 0001	Block 0 Opening
	REG 0100	Accountant Data

REG 0110	Social Contribution and Credit Appropriation Regimes
REG 0111	Monthly Gross Revenue Table for Common Credit Sharing Purposes
REG 0140	Establishment Registration Table
REG 0150	Participant Registration Table
REG 0190	Identification of Units of Measure
REG 0200	Item Identification Table (Products and Services)
REG 0400	Nature of Operation / Installment Table
REG 0450	Fiscal Document Supplementary Information Table
REG 0500	Accounting Chart of Accounts - Informed Accounts
REG 0600	Cost Center
REG 0990	Block 0 Closure
<b>Bloco A</b>	<b>Fiscal Documents - Services (not related to ICMS)</b>
REG A001	Block A Opening
REG A010	Establishment Identification
REG A100	Document - Service Invoice
REG A110	Document Supplement - NF Supplementary Information
REG A120	Supplementary Information - Import Operations
REG A170	Document Add-on - Document Items
REG A990	Block A Closure
<b>Bloco C</b>	<b>Fiscal Documents I - Merchandise (ICMS / IPI)</b>
REG C001	Block C Opening
REG C010	Company Identification
REG C100	Document - Invoice (code 01), Single Invoice (code 1B), Producer Invoice (code 04) and NF-e (code 55)
REG C110	Document Complementary - Invoice Supplementary Information (codes 01, 1B, 04 and 55)
REG C120	Document Supplement - Import Operations (code 01)
REG C170	Document Add-on - Document Items (codes 01, 1B, 04, and 55)
REG C490	Consolidation of ECF Issued Documents (codes 02 and 2D)
REG C491	Consolidation of Documents Issued by ECF (Codes 02 and 2D) - PIS / PASEP
REG C495	Consolidation of Documents Issued by ECF (Codes 02 and 2D) - COFINS
REG C500	Invoice / Electricity Account (Code 06), Invoice / Piped Water Supply Account (Code 29) and Invoice / Gas Supply Consumption (Code 28) - Entry / Acquisition Documents
REG C501	Operation Complement (Codes 06, 28 and 29) - PIS / PASEP
REG C505	Complement of the operation (Codes 06, 28 and 29) - COFINS
REG C990	Block c closure
<b>Block D</b>	<b>Fiscal Documents II - Services (ICMS)</b>

	REG D001	Block D opening
	REG D010	Company Identification
	REG D100	Acquisition of Transport Services (Codes 07, 08, 8B, 09, 10, 11, 26, 27 and 57).
	REG D101	Transport Document Supplement - PIS / PASEP
	REG D105	Transport Document Supplement - COFINS
	REG D500	Communication Service Invoice (Code 21) and Telecommunication Service (Code 22) - Credit Acquisition Operation
	REG D501	Operation Complement (Code 21 and 22) - PIS / PASEP
	REG D505	Operation Complement (Code 21 and 22) - COFINS
	REG D990	Block D Closure
<b>Block F</b>	<b>Other documents and operations</b>	
	REG F001	Block F Opening
	REG F010	Company Identification
	REG F100	Other Contribution and Credit Generating Documents and Operations
	REG F120	Assets Incorporated to Property, Plant and Equipment - Credit Generating Operations Based on Depreciation / Amortization Charges
	REG F130	Property Incorporated in Property, Plant and Equipment - Credit Acquisition-Based Operations
	REG F600	Withholding Tax
	REG F700	Miscellaneous Deductions
	REG F990	Block F Closure
<b>Block 1</b>	<b>Bookkeeping Supplement - Balance and Withholding Control, Extemporaneous Operations and Other Information</b>	
	REG 1001	Block 1 Opening
	REG 1100	Tax Credit Control - PIS / PASEP
	REG 1300	Control of Withholding Values - PIS / PASEP
	REG 1500	Control of Tax Credits - COFINS
<b>Block 9</b>	<b>Control and Closure of Digital File</b>	
	REG 1999	Block 1 Closure
	REG 9001	Block 9 Opening
	REG 9900	File Records
	REG 9990	Block 9 Closure
	REG 9999	Digital File Closure

- **EFD REINF** – Records generated with A1 certificate are listed in **table 7**:

*Table 7 – EFD REINF Detailed Scope*

<b>Registers</b>	<b>Register Description</b>
R-1000	Taxpayer Information
R-1070	Administrative / Judicial Process Table
R-2010	Withholding Social Security Contribution - Services Taken
R-2020	Withholding Social Security Contribution - Services Provided
R-2040	Resources passed on to Sports Association
R-2060	Social Security Contribution on Gross Revenue - CPRB
R-2098	Reopening of Periodic Events
R-2099	Closing of Periodic Events
R-5001	Basis and tax information by event
R-5011	Consolidated base and tax information by calculation period
R-9000	Event Exclusion

#### NF-e

- NFe Generation - including its submission and validation in SEFAZ and importing the SEFAZ return file into Dynamics Business Central;
- Disable NFe;
- Cancellation of NFe;
- Contingency:
  - ✓ SCAN;
  - ✓ SVC-AN
  - ✓ SVC-RS
- NFe Correction Letter.
- Specific product information is not included: Weapons, New Vehicles, Medicines, Immune Paper and Fuels.

#### NFS-e

- Electronic Services Invoice (*Consult with Cadia for available municipalities*)

#### CIAP

- Report auxiliary to the control of ICMS credits to be appropriated.

#### DCTF

- The following records are included in the scope: 01/02/03/10/90 relating to the following taxes: IRRF, PIS Withheld, COFINS Withheld and CSL Withheld.

## Absorption Costs in Manufacturing

Cadia Consulting offers a specific module, sold separately on demand, to apply the absorption cost method. This method consists of the settlement of all costs (direct and indirect, fixed and variable) incurred by the use of production resources.

Therefore, all expenditures related to the manufacturing effort will be distributed to all products produced, as adopted by Brazilian tax legislation.



## Market Availability

Cadia Consulting makes its best efforts to provide legally required functionality in a timely manner.

Cadia Consulting aims to release legal functionality updates for Microsoft Dynamics 365 Business Central prior to the effectiveness date of obligation or such other date as may be required by the federal or state Government authority (States listed in the Brazilian Localization Strategy section). This early release of updates should be sufficient to allow the partner to update its solutions on customer's databases. This date is called the "*market required date*" (MRD).

We will make our best efforts to meet established MRDs and dates required by Government authorities. However, several factors may adversely affect the planned delivery of legal feature updates, such as:

- Requirements and legal changes made by the government authority with announcement shortly before the new regulation takes effect. In some cases, it was effective on the same day as the publication of the legal change (or even retroactively);
- Limitations on the features, functionality, infrastructure, and / or architecture of commercially available software versions affected by legal change;
- Complexity of coding, redesign or improvement required in the software to implement new legislation or change in legal requirements;
- Schedule conflicts;

Although situations such as those described above occur and it is not possible to meet the requirements on time, Cadia Consulting will use its best efforts to develop and release legal and tax updates as quickly as possible.

Cadia Consulting plans to develop the localization of new versions of Microsoft Dynamics 365 Business Central as they become available from Microsoft. The development of these localizations will depend on a number of factors, internal and external to Cadia Consulting that, except when legally provided for, disclaims any liability in the time-to-market for locating new versions.

The dates Cadia publishes are for planning purposes only and are subject to change at any time without notice.

## Features that imply specific development or complementary systems

- Special Regimes \*;
- Specific segments;
- National Simple Scheme;
- Solution for specific sectors, such as: Tobacco, Beverages and cold food, armaments, pharmaceutical, chemical, automotive assemblers, Rural Producer, electricity and communication, among others;

- "Regulatory Agency" Regulations;
- Customer-specific regulations relating to specific activities, events or facts;
- Payroll;
- Enterprise portal;
- Quality management;
- Packing list;
- Industry solutions;
- State Legislation;
- Municipalities Legislation;
- Issuance of combined products and services;
- Issuance of CTE (electronic transportation knowledge);
- Issuance of Tax Receipt.

**Note:**

*\* Special Regulation - any differential treatment adopted in peculiar cases, in relation to the general rules of the ICMS requirements and compliance with ancillary obligations by manifestation of tax authorities, aiming to facilitate the fulfillment of tax obligations by taxpayers, without resulting of tax load relief.*



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