


MEXICO LOCALIZATION

For Microsoft Dynamics 365 Business Central



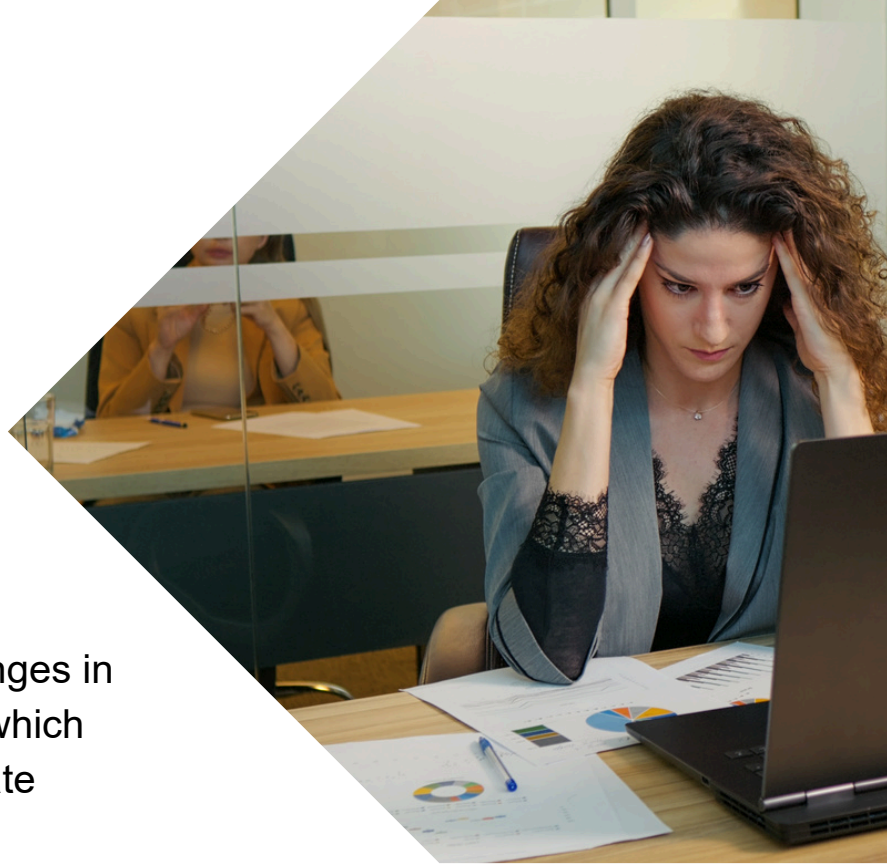
Tax Compliance
+ Integrated Operations



Available on
Microsoft AppSource

Mexico Localization

Tax and Operational Challenges in Mexico



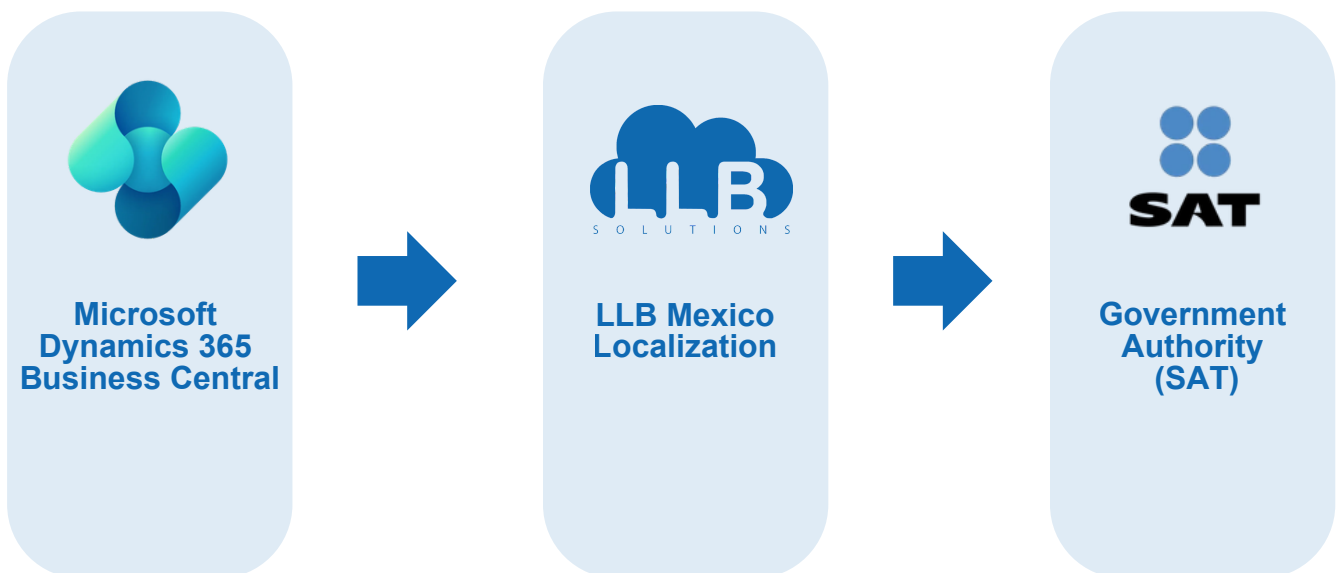
Companies face ongoing challenges in complying with tax regulations, which impact daily operations and create unnecessary risks.

- ✔ **Constant changes in tax regulations:** Frequent updates create uncertainty and increase the risk of non-compliance.
- ✔ **Rejections from tax authorities:** Errors in documents or validation processes lead to rejections and operational delays.
- ✔ **Manual processes and rework:** Repetitive tasks consume valuable time and increase operational costs.
- ✔ **Lack of system integration:** Disconnected information makes efficient management and business control more difficult.
- ✔ **Compliance risks and penalties:** Fines and penalties that directly impact the company's financial performance.

The Solution:

What is LLB's Mexico Localization?






It is an extension for Microsoft Dynamics 365 Business Central that adapts the solution to Mexico's tax, accounting, and regulatory requirements, enabling full compliance without modifying the standard system.



- ✓ **Extension built on the standard Business Central platform:** Seamlessly integrates without impacting the core system.
- ✓ **Adapted to local tax regulations:** Complies with current tax requirements and regulatory updates.
- ✓ **Electronic invoicing integration:** Direct connection with authorized providers for document issuance and validation.
- ✓ **Guaranteed tax compliance:** Reduces the risk of errors, rejections, and penalties.

Designed for Regional Operations

LLB's Latin America Localization is designed for companies operating across multiple countries, enabling them to manage their operations within a single environment while ensuring country-specific tax compliance for each jurisdiction.

-  **Multi-country**
Manage operations across multiple Latin American countries from a single platform.
-  **Multi-company**
Manage multiple legal entities within the same Business Central environment.
-  **Financial Consolidation**
Gain a unified view of your business with consolidated regional financial information.
-  **Country-Specific Activation**
Enable only the tax functionalities required for each country.
-  **Single Production Environment**
Centralize operations, reduce costs, and simplify system administration.

Key Features

LLB's Mexico Localization includes a comprehensive set of features designed to support key tax and operational processes, fully integrated with Microsoft Dynamics 365 Business Central.



Electronic Accounting (SAT)

Generation of the chart of accounts, trial balance, journal entries, and supporting ledgers in the format required by the SAT.



Electronic Invoicing (CFDI 4.0)

Issuance, validation, and management of electronic documents in compliance with the country's regulatory requirements.



Tax Management

Automatic calculation of VAT (16% and 8%), IEPS, ISR/VAT withholdings, and management of local taxes.



Banking and Treasury

Management of payments, collections, advances, and electronic payment complements integrated into the financial workflow.



Tax Operations and Integration

Creation of invoices from XML files, management of RFCs, CFDI usage, and administration of SAT catalogs.



Reporting and Compliance

Generate DIOT reports, VAT and withholding tax reports, and download XML/PDF files to ensure tax compliance and support audit requirements.



Mexico Localization Scope

LLB's Mexico Localization is designed to meet SAT requirements by integrating electronic invoicing (CFDI 4.0), tax management, and tax reporting within Microsoft Dynamics 365 Business Central, covering real-world business operational scenarios.

Advanced Electronic Invoicing

- CFDI 4.0 Electronic Invoicing
- Issuance of CFDIs:
 - Income, Expense, and Transfer CFDIs.
 - Income CFDIs with IEPS and VAT.
 - Income CFDIs with tax legends.
 - Income/Transfer CFDIs with Carta Porte.
 - Export invoices.
- Batch CFDI generation and mass issuance from historical transactions.
- Electronic advance payments and cancellation through credit notes.
- Electronic credit notes (Expense CFDIs).
- CFDI cancellation and replacement methods.
- PAC stamping service integration.
- Integration with authorized providers.
- XML and PDF viewing and downloading directly from Business Central.
- UUID control and CFDI status tracking from historical records.
- CFDI validation and usage management.
- SAT catalog management (CFDI usage, relationships, postal codes).
- Custom addendas and tax legends.
- Configuration of document types, series, and numbering.
- Tax status management and electronic document control.

DIOT and Electronic Accounting

- DIOT generation (TXT, Excel, and updated SAT-compliant version).
- DIOT configuration (catalogs, third parties, VAT, ISR, and products).
- SAT Electronic Accounting:
 - Chart of Accounts.
 - Trial Balance (including adjusted/complementary balances).
 - Transactions.
 - Account, subaccount, and folio supporting ledgers.
 - Auxiliary transaction records.
- Official SAT reports in XML format.
- Full Annex 24 compliance.
- SAT-aligned Chart of Accounts.
- Electronic Trial Balance.
- Tax and transaction supporting ledgers.
- Issued invoicing reports.
- SAT Chart of Accounts integration.
- Initial electronic accounting setup.
- Income Statement (supported through standard Business Central functionality).
- Statement of Financial Position (supported through standard Business Central functionality).
- Purchase Ledger (supported through standard Business Central functionality).
- Inventory Ledger (supported through standard Business Central functionality).
- Sales Ledger (supported through standard Business Central functionality).
- General Journal (supported through standard Business Central functionality).
- General Ledger (supported through standard Business Central functionality).

Payment Complement

- Payment Complement (Versions 1.0 / 2.0).
- Full, partial, and outstanding balance payments.
- Multi-payment and cross-payment management.
- Foreign currency payments (USD/MXN).
- Automatic exchange rate difference calculations.
- Automatic application of payments to invoices.
- Payment complement cancellation.
- Advance payment management and application to documents.
- Payment tracking and visibility from historical records.
- Issuance from open documents or historical transactions.

Taxes and Withholdings

- Automatic VAT calculation (16%, 8%, recoverable, and withheld VAT).
- IEPS and additional taxes.
- ISR and VAT withholdings (freight, professional services, and suppliers).
- Local tax withholdings.
- Realized vs. Unrealized VAT (cash flow basis).
- Virtual VAT / Reverse Charge VAT.
- VAT and withholding transaction analysis.
- Tax Reports: Realized and Unrealized VAT.
- ISR by supplier and consolidated ISR reports.
- Purchase vs. sales withholding reports.
- Tax accounting reclassification.
- Standard tax setup (VAT, ISR, and IEPS).
- Deferred and recoverable taxes.
- Tax-related foreign currency adjustments.
- Cash flow configuration for tax management.

Carta Porte and Foreign Trade

- Carta Porte CFDI (Transfer and Income types).
- Foreign Trade Complement.
- Import customs declarations (pedimentos) within CFDIs.
- Registration of customs declaration numbers and dates.
- Integration with warehouse transfer processes.
- Warehouse management for transportation operations.
- Fixed asset management for transportation activities.
- Configuration of SAT units of measure and tariff codes.
- SAT-compliant packaging and goods classification.
- Support for hazardous materials.
- Management of trailers, insurance policies, and transportation permits.
- Internal transit between warehouses using Carta Porte.

Operations and Integration

Configuration, automation, integration, and system architecture.

- Integration with standard Business Central (without modifying the core application).
- Integration with PACs and tax compliance platforms.
- Multi-environment support (Sandbox / Production).
- Multi-country Latin America architecture within a single environment.
- Country-specific tax activation.
- Regional financial consolidation.
- SAT catalog configuration via RapidStart / Excel.
- Mass import of tax-related data.
- Point-of-sale configuration.
- Management of RFCs, postal codes, and municipalities.
- Configuration of warehouses, products, and SAT units of measure.
- Exchange rate and currency configuration.
- Management of tax-classified customers and vendors.
- XML upload and download for tax validation.
- Automatic SAT catalog integration.
- Flexible tax parameterization by company and country.

Extensions and Advanced Capabilities (Complete SAT Coverage and Special Scenarios)

This section includes specialized functionalities, advanced use cases, and additional configurations that complement the core solution.

DIOT and Advanced Reporting

- DIOT: Generation of the .txt file.
- DIOT: Detailed report printing and export to Excel.
- DIOT: Advanced configuration (VAT, ISR, third parties, and products).
- DIOT: Tax type catalog (VAT / ISR / Withholding Tax).
- DIOT: Third-party type catalog (04 Domestic / 05 Foreign / 15 Global).
- DIOT: Assignment of country of residence codes.
- DIOT: Supplier RFC / CURP configuration.
- DIOT: Foreign supplier configuration.
- DIOT: Generation process and transaction filtering.
- DIOT Report.
- ISR Report.

Advanced Tax and Fiscal Scenarios

- Unrealized VAT withholdings.
- Recoverable VAT for customers and vendors.
- VAT withholdings on freight and professional services.
- Virtual VAT / Reverse Charge VAT.
- Additional taxes (realized and unrealized).
- Local tax withholdings (realized and unrealized).
- Realized vs. Unrealized VAT reports.
- Realized vs. Unrealized withholding tax reports.
- Supplier-specific withholding tax reports.
- Separate reporting for purchases and sales.
- Foreign currency adjustments for taxes.
- Hotel Tax.

Advanced SAT Electronic Accounting

- Transaction Ledger.
- Account Ledger.
- SAT Electronic Supplementary Trial Balance.
- Electronic Chart of Accounts Report (XML).
- Electronic Trial Balance Report (XML).
- Electronic Accounting Entries Report (XML).
- Tax Invoice Reference Ledger (CFDI Folios Auxiliary Report).

CFDI and Special Transactions

- Electronic Invoicing CFDI 4.0 (legacy).
- Payment Receipt Supplement (1.0 / 2.0).
- Transport Supplement (Carta Porte).
- Export Supplement.
- Invoice / Credit Note / Payment Supplement Document.
- Foreign Trade Supplement Document.
- UUID validation against RFC + supplier invoice.
- Post XML upload to complete fiscal UUID.
- Issuance from historical and open documents.
- Cancellation of electronic payment supplements.

Carta Porte and Advanced Logistics

- SAT packaging configuration.
- Relationship between tariff codes and SAT units.
- Warehouse configuration for electronic documents.
- Fixed asset configuration for transportation.
- Trailer management and transport permits.
- Insurance and transport policy management.
- Hazardous materials support in Carta Porte.
- Mapping of inherited SAT units to products.
- Carta Porte from internal transfers.

Platform, Configuration, and Architecture

- SAT catalogs loadable via RapidStart.
- Mass upload of SAT catalogs via Excel.
- SAT tables (Voxa).
- Multi-environment setup (sandbox + production).
- Configuration via configuration packages.
- Document numbering and series setup.
- Fiscal type configuration.
- SAT relationship types configuration.
- Extended point-of-sale configuration.
- Adaptation of functionalities to fiscal requirements.
- Multi-country LATAM architecture in a single environment.
- Country-based fiscal activation.
- Regional financial consolidation.
- Single productive multi-country environment.
- Extensions without modifying standard Business Central.

Exclusive LLB Advantages – Key Differentiators

UUID validation vs RFC + invoice number

Ensures that the stamped UUID exactly matches the supplier's RFC and invoice folio - enhanced fiscal security.

Withholding report by supplier

Detailed breakdown of withheld ISR and VAT grouped by supplier - ready to be copied into the informative tax return.

Virtual VAT / Reverse Charge VAT

Management of VAT in transactions where the recipient is responsible - essential for regulated industries.

Carta Porte from transfers

Automatically issues a Transfer CFDI (Carta Porte) when creating an internal transfer between owned warehouses in Business Central.

Automatic exchange rate difference handling

Automatic generation of exchange rate difference entries when posting foreign currency payments (USD/MXN).

Mass SAT catalogs via Excel

Mass update of catalogs (ZIP codes, products, units) via RapidStart - without configuring them one by one.

SAT electronic supplementary trial balance

Additional report required by the SAT for certain taxpayers, generated in official XML format - ready for submission.

Stamping from historical records

Issues or re-issues CFDI from any historical document in Business Central with a single click.

Post XML upload (UUID)

Records the purchase before receiving the XML and updates the fiscal folio afterward without blocking the operational workflow.

XML preview before posting (stamping)

Reviews and audits the XML before stamping with the PAC - reducing rejections and speeding up corrections without reprocessing.

VAT pending to be credited

Granular control of paid VAT pending credit, with full visibility of the recoverable balance.

Latin America multi-country architecture

A single Business Central instance manages multiple Latin American countries with country-specific fiscal localization enabled.

Cross-currency payments + supplement

Issuance of payment supplements with automatic currency conversion and official exchange rate calculation.

Multi-environment configuration

Independent sandbox environment for testing CFDI stamping without affecting the production environment.

Separate reports for purchases vs. sales

Withholding of ISR and VAT shown in separate views for purchase and sales flows, without mixing information.

Benefits for your business

LLB's Mexico Localization not only ensures tax compliance but also optimizes operations and provides full business visibility in a single environment.



Reduced tax risks

Complies with current regulations and minimizes errors that could lead to penalties or rejections.



Elimination of rework

Automates key tasks and reduces reliance on manual processes.



Real-time information

Access up-to-date data for better decision-making.



Regional scalability

Expand your operations to other countries while maintaining control and standardization.



End-to-end operational integration

Connects key business areas in a single platform.



Boost your business with local compliance from day one

Schedule a personalized session

Discover how to adapt Business Central to your company's tax requirements. Scan the code:



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