2026

COLOMBIA LOCALIZATION

For Microsoft Dynamics 365 Business Central

Tax Compliance
+ Integrated Operations

Available on Microsoft AppSource

Colombia Localization

Tax and Operational Challenges in Colombia

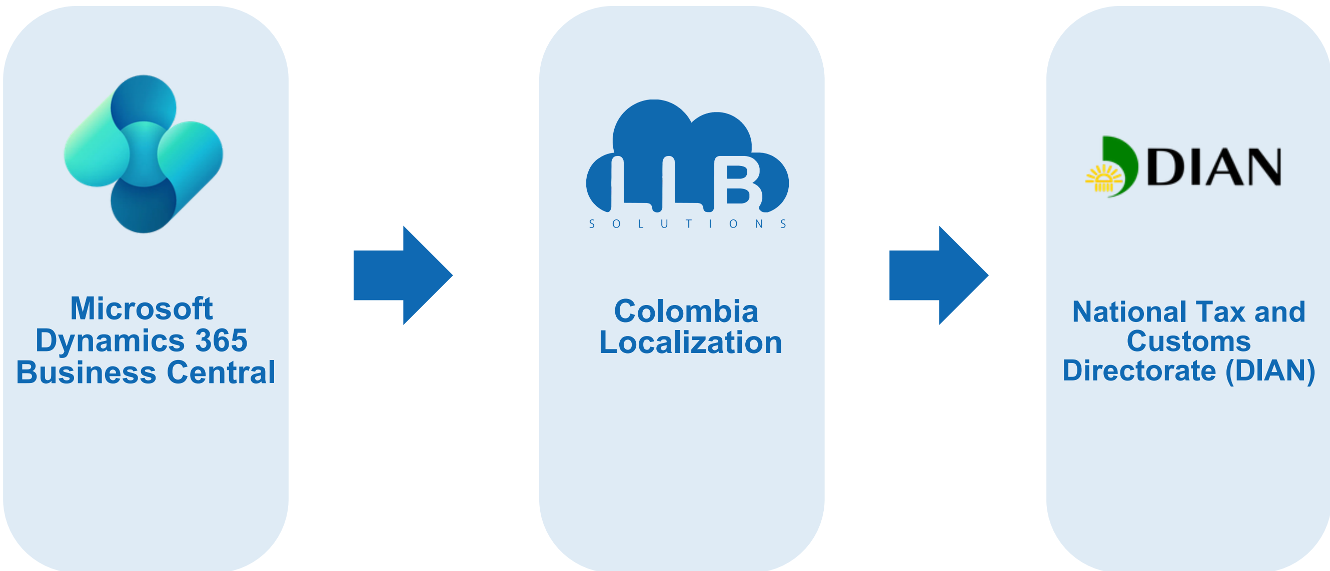
Companies face ongoing challenges in complying with DIAN tax regulations, impacting daily operations and creating unnecessary risks.

- **Constant Changes in Tax Regulations:** Frequent updates from DIAN create uncertainty and increase the risk of non-compliance.
- **Electronic Document Rejections:** Errors in XML generation or validation with DIAN result in rejections and operational delays.
- **Manual Processes for Exogenous Information:** Manual consolidation of Forms 1001 to 1016 is time-consuming and increases the risk of errors.
- **Lack of System Integration:** Dispersed information across invoicing, RADIAN, and accounting makes efficient business management more difficult.
- **Compliance and Penalty Risks:** Fines and penalties that directly impact the company's finances.

The Solution:

What Is the Colombia Localization?

LLB Solutions has developed an extension for Microsoft Dynamics 365 Business Central that adapts the solution to Colombia's tax, accounting, and regulatory requirements, enabling full compliance with DIAN regulations without modifying the system's standard functionality.



- **Extension Built on Business Central Standard:** Integrates natively without affecting the system's core functionality.
- **Adapted to Local Tax Regulations:** Complies with current DIAN requirements and regulatory updates.
- **Integration with Electronic Invoicing:** Direct connection with the authorized Electronic Invoicing system for the issuance, certification, and validation of electronic documents.
- **Facilitates Tax Compliance:** Designed to support compliance with DIAN tax requirements, reducing operational risks and simplifying tax management.

Designed for Regional Operations

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

Multi-Country
Manage operations across different Latin American countries from a single platform, backed by more than 17 proprietary tax localizations for the region.

Multi-Company
Manage multiple legal entities within the same Business Central environment.

Multi-Currency
Operate in different currencies with automatic calculation of exchange rate differences.

Financial Consolidation
Gain a unified view of the business with consolidated regional 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 Colombia Localization includes a set of features designed to cover key tax and operational processes, fully integrated with Dynamics 365 Business Central.

Tax Configuration and Master Data

Configuration of NIT, taxpayer types, DIAN resolutions, establishments, points of sale, tax numbering, and tax concepts.

DIAN Electronic Invoicing

Electronic invoices, credit and debit notes, support documents, equivalent documents, integration with a technology provider, and complete traceability of electronic documents.

VAT, Taxes, and Withholdings

VAT, National Consumption Tax, Withholding Tax, ReteIVA, ReteICA, self-withholdings, and automatic tax calculation.

DIAN Exogenous Information

Automatic generation of magnetic media files, official DIAN formats, and annual configuration of exogenous information.

Tax Reports and Statutory Books

Official books, tax certificates, third-party balances, and reports for tax filings.
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Integrated Commercial Operations

Integration with sales, purchases, fixed assets, accounts receivable, accounts payable, and finance while maintaining Colombian tax compliance.

Standard Business Central Functionalities

Native Business Central capabilities that power LLB Solutions' 17 fiscal localizations in Latin America.

Finance and Accounting

- Configurable chart of accounts and account groups
- General Ledger: real-time review of transactions and balances
- Journal: journals and posting templates
- Accounting dimensions: cost centers, departments, and segments
- Account and dimension-level budgets
- Native financial reports: Balance Sheet, Income Statement, Cash Flow

Sales Cycle

- Quotes and sales orders
- Shipments and deliveries
- Sales invoicing
- Sales returns and credit memos

Accounts Receivable

- Customer management and receivables ledger
- Invoices, payments, and sales credit memos
- Customer payment application and reconciliation
- Customer account statements

Inventory

- Item catalog, attributes, categories, and units of measure
- Inventory adjustments and reclassifications
- Inventory costing (FIFO, Average, Standard, LIFO, Specific)
- Physical inventory counts
- Item-specific cost management
- Management of service, inventoriable, and non-inventoriable items

Accounts Payable

- Vendor management and payables ledger
- Purchase invoices, payments, and credit memos
- Payment journal and vendor payment generation
- Additional purchase charges: freight, insurance, customs

Banking and Treasury

- Bank account and checkbook management
- Automatic and manual bank reconciliation
- Transfers between bank accounts

Manufacturing Module

- Manufacturing processes
- Tracking of raw materials and production inputs
- Machine centers, work centers
- Production time and activity tracking

Warehouse Management

- Multiple warehouse management
- Zone and specific location control
- Inventory tracking and control by product serial/lot numbers
- Transfers between warehouses
- Warehouse-specific document-based inventory control
- Warehouse employee management

Fixed Assets

- Fixed asset registration and records
- Automatic periodic depreciation
- Asset revaluation and disposal
- Maintenance tracking

Purchasing Cycle

- Purchase requisitions and orders
- Goods receipt
- Purchase invoicing
- Purchase returns and vendor credit memos

Projects

- Project creation and budgeting
- Resource and hours allocation
- Progress and cost tracking

Cross-Functional Features

- Configurable workflows and approvals
- Document management (OCR / attachments)
- Contacts and CRM
- Employee records

Business Analytics and Intelligence

- Financial reports integrated with Power BI
- Dimension-based analysis views
- Excel export from any module

Colombia Localization Scope

LLB Solutions' Colombia Localization is designed to comply with DIAN requirements, integrating electronic invoicing, tax management, and tax reporting within Dynamics 365 Business Central, covering real-world business operating scenarios.

Tax Configuration and Master Data

General Configuration

- Independent activation of the Colombia Localization.
- Tax configuration by company.
- Establishment configuration.
- Branch configuration.
- Point-of-sale configuration.
- DIAN resolution configuration.
- Configuration of prefixes and authorized ranges.
- Tax numbering configuration.
- Automatic document numbering.
- Resolution validity control.
- Tax document types.
- Reasons for credit and debit notes.

Tax Master Data

- Tax identification types (NIT, national ID, foreigner ID, and others).
- Automatic calculation and validation of the NIT check digit.
- Validation of identification length and duplicates.
- Consolidated management of third parties by NIT.
- NIT and name displayed in accounting and tax transactions.
- Separate first and last names for individuals.
- Person and taxpayer type, and tax responsibilities.
- CIIU codes (economic activity).
- Departments, municipalities, and city codes.

- Standardized addresses in accordance with DIAN requirements.
- DIAN concepts associated with G/L accounts, deductibility, and configuration for exogenous information.
- Payment concepts for magnetic media reporting.
- Configuration of UVT, tax thresholds, exempt income limits, and maximum deductions by tax year.
- Flexible tax configuration by tax year.

Electronic Invoicing

Electronic Issuance

- Electronic sales invoices.
- Electronic credit notes.
- Electronic debit notes.
- Support documents.
- Adjustment notes for support documents.
- Contingency document management.

DIAN Integration

- Automatic XML generation.
- Digital signature.
- Integration with a technology provider.
- Pre-validation checks.
- Receipt of DIAN responses.
- Document status tracking.
- Graphic representation (PDF).
- Download of PDF and XML files for electronic documents directly from Business Central.

- Submission to the purchaser.
- Document reprocessing.
- Electronic record retention.
- Historical Electronic Document Status: View the status of electronic documents and access validation responses issued by DIAN, facilitating the monitoring, control, and traceability of each document.
- Receipt of documents through the technology provider’s portal.

VAT, Taxes, and Withholdings

VAT

- Purchase VAT.
- Sales VAT.
- VAT capitalized as part of the asset cost.
- National Consumption Tax.

Withholdings

- Withholding Tax.
- ReteIVA (VAT Withholding).
- ReteICA (ICA Withholding).
- Income Tax Self-Withholding.
- ICA Self-Withholding.
- Assumed Taxes.

Tax Management

- Minimum tax bases.
- ICA rates by municipality.
- Taxes on documents.
- Taxes on payments.
- Automatic posting.
- Tax reconciliation.
- Tax closing.
- Tax export.

Exogenous Information, Reports, and Statutory Books

Exogenous Information

- Annual configuration of exogenous information.
- Association of G/L accounts with DIAN concepts.
- Automatic consolidation by third party.
- Management of minimum amounts and accumulation rules.
- Classification of deductible and non-deductible amounts.
- Automatic text normalization to uppercase.
- Generation of CSV files for exogenous information.
- Generation of files for district-level exogenous information.
- Automatic generation of files in the format required by DIAN.

DIAN Formats

- Form 1001 – Payments and withholdings made.
- Form 1003 – Withholdings applied to the company.
- Form 1004 – Tax credits.
- Form 1005 – Recoverable VAT.
- Form 1006 – VAT generated.
- Form 1007 – Income received.
- Form 1008 – Accounts receivable balances.
- Form 1009 – Accounts payable balances.
- Form 1010 – Partners, shareholders, and cooperatives.
- Form 1011 – Tax returns.
- Form 1012 – Shares and bond investments.
- Form 1647 – Income received on behalf of third parties.
- Tax credits claimed.

Tax Returns and Reports

- Tax base for sales and purchase returns.
- Tax base for VAT, withholding tax, and ICA returns.
- Report of income received on behalf of third parties.
- Purchases with debit and credit notes, taxes, and withholdings.
- Articles 1, 2, 3, and 6 reports for supplementary magnetic media information.
- Report of individuals for supplier withholdings.
- Self-withholding report.

Certificates

- Withholding Tax Certificate.
- VAT and ICA Withholding Certificates.
- Bi-monthly and annual certificates.
- Withholdings by supplier.
- Withholdings by customer.
- Consolidated purchase and sales withholdings.

Statutory Books

- Official General Journal and summarized General Journal.
- General Ledger and Trial Balance.
- Inventory and Balance Sheet Book.
- Subsidiary Ledger by account and third party.
- Third-Party Trial Balance.
- Reports by account, NIT, and name.

Commercial and Tax Operations

Sales and Purchases

- Invoices and credit/debit notes for purchases and sales.
- Invoicing for services and projects.

Inventory

- Delivery notes and transfers with local tax support.

Operations

- Individual and mass printing of tax documents.
- Controlled modification of tax information in posted documents without the need to reverse them.
- Integration with sales, purchases, fixed assets, accounts receivable, accounts payable, and accounting.

Accounting

- Accounting entries by third party.
- Exchange rate differences by third party.
- Tax closing by third party.
- Fixed asset amortization with the supplier's NIT.
- G/L account groups by currency.
- Management of alternative third parties for exogenous information and tax reporting.

Localized Treasury

- Automatic application of withholdings at the time of payment.
- Payment vouchers and cash receipts with Colombian tax treatment.
- Management of supplier payments and customer collections.
- Traceability between payments, withholdings, and certificates.

Exclusive LLB Advantages – Key Differentiators

DIAN Resolutions with Validity Control

Manage DIAN resolutions, authorized ranges, and tax numbering directly from Business Central.

Automatic NIT Check Digit Calculation

Automatically validates customer and supplier NITs in accordance with DIAN rules.

Exogenous Information Ready for Filing

Automatically generates DIAN formats, magnetic media files, and tax reports, reducing processing time and errors.

Tax Management by Municipality

Automatically configures ICA and ReteICA rates according to the applicable municipality.

Electronic Supplier Document Reception

Imports and validates electronic invoice XML files, automatically generating purchase documents within Business Central.

Tax Closing by Third Party

Perform tax closings while maintaining traceability by NIT and third party.

Electronic Support Document

Issues Electronic Support Documents and Adjustment Notes for suppliers not required to issue invoices, in accordance with DIAN regulations.

Tax Reports Ready for Audit

Generates official books, certificates, and tax reports aligned with DIAN requirements.

Complete Tax Management

Automatically calculates VAT, Withholding Tax, ReteIVA, ReteICA, Self-Withholdings, and National Consumption Tax from a single platform.

Electronic Document Status within Business Central

View the status and validation of electronic documents submitted to DIAN without leaving Business Central.

Benefits for Your Business

LLB's Colombia Localization not only ensures tax compliance but also optimizes operations and provides complete business visibility within a single environment.

Reduced Tax Risks
Comply with current DIAN regulations and minimize errors that may result in penalties or rejections.

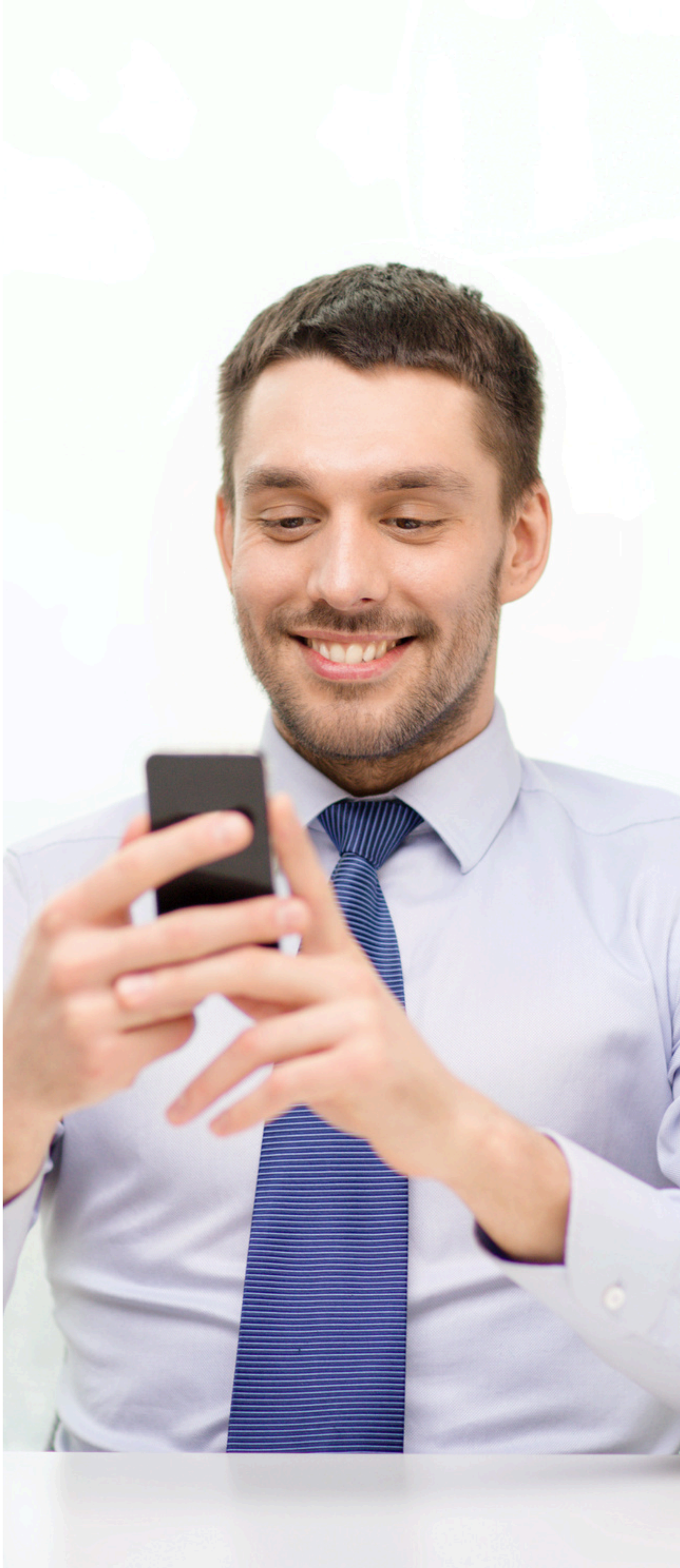
Elimination of Rework
Automate key tasks, including invoicing, exogenous information, and withholdings, while reducing reliance on manual processes.

Real-Time Information
Access up-to-date information for better decision-making.

Regional Scalability
Expand your operations into other countries while maintaining control and standardization.

Total Operational Integration
Connect key business areas within a single platform.

Drive Your Business Forward 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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