

PANAMA LOCALIZATION

For Microsoft Dynamics 365 Business Central



Panama Localization

Tax and Operational Challenges in Panama

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

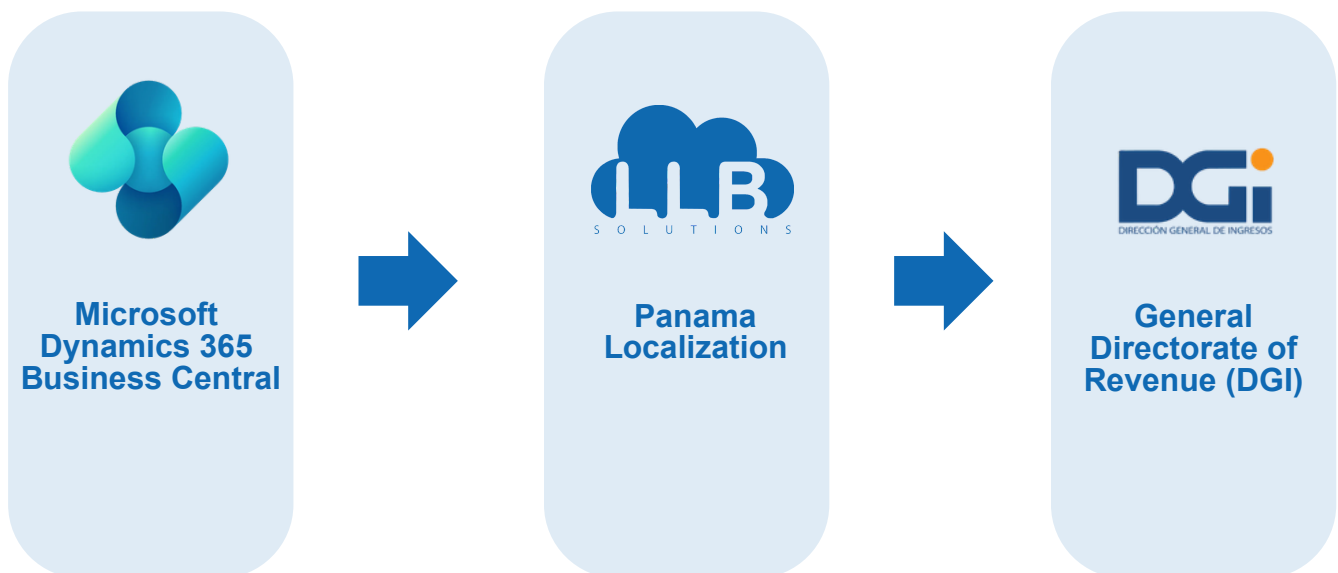


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Constant Changes in Tax Regulations: Frequent updates from the DGI create uncertainty and increase the risk of non-compliance.
- 
Electronic Tax Document (DTE) Rejections: Errors in DTE generation or validation can lead to rejections and operational delays.
- 
Manual Processes and Rework: Manual calculation of ITBMS, ISR, and ISC consumes time and increases operating costs.
- 
Lack of System Integration: Scattered information makes efficient business management and control more difficult.
- 
Risks of Non-Compliance and Penalties: Fines and penalties can have a direct financial impact on the company.

The Solution:

What is the Panama Localization?

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



- ✓ **Extension Built on the Business Central Standard:** Natively integrated without affecting the system's core functionality.
- ✓ **Adapted to Local Tax Regulations:** Complies with current DGI requirements and their ongoing updates.
- ✓ **Electronic Invoicing Integration:** Direct connection with the authorized Electronic Invoicing Provider for the issuance and validation of Electronic Tax Documents.
- ✓ **Guaranteed Tax Compliance:** Designed to reduce tax risks and facilitate compliance with the DGI by minimizing errors, rejections, and penalties through automation and continuous updates.

Designed for Regional Operations

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

- ✓ **Multi-Country**
Manage operations across different Latin American countries from a single platform, supported 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 Panama Localization includes a set of features designed to support key tax and operational processes, fully integrated with Microsoft Dynamics 365 Business Central.



Tax Configuration and Master Data

RUC, check digit, taxpayer type, and establishments aligned with DGI requirements.



Electronic Tax Documents (DTE)

Issuance and management of DTEs for sales, purchases, and purchase settlements.



Taxes and Withholdings

ITBMS, ISR, and ISC with automatic withholdings configurable by customer and vendor.



Tax Numbering Control

Tax series, issuance points, and tax document sequences by establishment and branch.



Tax Automation

Automated tax calculation, withholdings, and tax classification.



DGI Reports and Forms

Forms 43, 72, 94, 95, and 1027-1, accounting books, and exportable tax reports.

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

Panama Localization Scope

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

Tax Configuration and Master Data

Tax Documents and Tax Numbering

- Configuration of tax document types.
- Configuration of Electronic Tax Documents (DTEs).
- Configuration of taxpayer types.
- Configuration of customer and vendor RUCs.
- Configuration of check digits (DV).
- Configuration of establishments.
- Configuration of branches.
- Configuration of issuance points.
- Configuration of tax series and numbering.
- Automatic generation of tax document sequences.
- Configuration of tax rounding precision in accordance with Panamanian regulations.

Taxes and Tax Classification

- ITBMS configuration.
- ITBMS withholding configuration.
- ISR withholding configuration.
- ISC configuration.
- Configuration of goods and services types.
- Configuration of tax locations.
- Automated tax classification of vendors, customers, G/L accounts, VAT groups, and purchase documents.

Operational and Multi-Company Configuration

- Payment method configuration.
- Activation of features by company.
- Multi-company operations.
- Multi-country operations.

Electronic Invoicing

Issuance and Document Types

- Issuance of electronic invoices.
- Issuance of electronic invoices for internal transactions.
- Issuance of electronic purchase invoices.
- Issuance of electronic credit notes.
- Issuance of electronic debit notes.
- Issuance of electronic documents from sales orders.
- Issuance of electronic documents from sales invoices.
- Issuance of internal documents for adjustments and corrections that do not require reporting to the DGI or consume official tax numbering.
- Automatic generation of the electronic XML file.
- Automatic generation of the PDF graphical representation.
- Management of the goods and services catalog.
- Management of locations for electronic invoicing.

Traceability and Lifecycle Management

- Automatic submission of electronic documents.
- Automatic download of stamped XML files.
- Cancellation of electronic documents.
- Resubmission of electronic documents.
- Complete document lifecycle traceability.
- Integration with authorized providers.
- Individual or batch processing of Electronic Tax Documents (DTEs) from posted documents.
- View the historical status of your electronic documents: The localization allows users to consult and view the history and status of electronic documents to determine whether they have been approved, rejected, or are still undergoing validation by the authorized provider and the DGI.

ITBMS, Taxes, and Withholdings

Tax Management and Calculation

- Comprehensive ITBMS management.
- Automatic ITBMS calculation.
- ITBMS on sales.
- ITBMS on purchases.
- ITBMS withholding.
- ISR withholding.

Withholdings and Tax Validations

- Withholdings on customer invoices.
- Withholdings on vendor invoices.
- Withholdings on payments.
- Withholdings on donations and third-party payments.
- Automatic withholding calculation.
- Calculation of ITBMS and ISR withholdings based on the minimum taxable amount established by regulations.
- Customer tax status validation.
- Vendor tax status validation.
- Special tax management.

Tax and Legal Reports

- Form 43.
- Form 72.
- Form 94.
- Form 95.
- Form 1027-1.
- General Journal and General Ledger.
- Third-Party Balance.
- Purchase Book and Sales Book.
- Withholding reports for sales, purchases, third-party payments, and donations.
- Configurable tax reports.
- Tax report export.

Commercial and Tax Operations

Localized Treasury

- Vendor payment management.
- Customer collection management.
- Cash and bank management.
- Withholdings applied through treasury.
- Management of payments subject to ITBMS.
- Management of payments subject to ISR.
- Management of payments subject to ISC.
- History of localized financial transactions.

Documents and Commercial Management

- Customer invoicing.
- Vendor invoicing.
- Project invoicing.
- Management of delivery notes.
- Sales order management.
- Purchase order management.
- Credit note recording.
- Debit note recording.
- Management of related documents.
- Purchase settlements for transactions with non-formal suppliers/individuals.

Tax Validation and Administration

- Tax validations for purchases.
- Tax validations for sales.
- Electronic Tax Document management.

LLB Exclusive Benefits – Key Differentiators

DTE Rejection Prevention

Detects inconsistencies before submission to the electronic invoicing provider, minimizing errors and streamlining operations.

Contingency Management

Automatically retry document submission and processing when the service is unavailable, reducing the need for manual user intervention.

Tax Numbering and Traceability Management

Manage tax document sequences through series and view the history of stamped documents.

Document Scenarios

Support for documents involving foreign currency transactions, discounts, and mixed ITBMS scenarios.

Detailed Purchase Book

Detailed information on payment methods, withholdings, and purchase reimbursements, ready for reconciliation and tax filing.

CRC Identification Algorithms

Automatic validation of the RUC and check digit (DV) in accordance with the requirements of Panama's DGI.

DGI Tax Status within Business Central

The localization allows users to view the history and status of electronic documents to determine whether they have been approved, rejected, or are still undergoing validation by the authorized provider and the DGI.

Benefits for Your Business

LLB's Panama 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 DGI regulations and minimize errors that could result in penalties or rejections.



Elimination of Rework

Automates key tasks and reduces 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.



Full 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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