AlfaPeople

Localization MEXICO

1. Purpose of the document

The purpose of this document is to provide a general description of the features, functionalities, and considerations of the **MEXICO** localization solution for Microsoft Dynamics 365 Business Central.

The information contained herein does not constitute a commercial offer, contractual commitment, guarantee of regulatory, tax, or legal compliance, or maintenance obligation, and is subject to change without prior notice. The functionalities described may vary depending on the product version, country, applicable regulations, and the specific context of each implementation and customer. The customer is responsible for understanding their own business, processes, requirements, and applicable regulations.

Implementation of the solution requires the active participation of the customer, including, among other activities, understanding and mapping their processes, business needs, and requirements, as well as evaluating the suitability of the features described herein for their operation.

This document does not replace the functional, technical, legal, and/or tax analysis that must be performed as part of a formal implementation project.

2. General scope of LATAM for Dynamics 365 BC

Each of the LATAM localizations developed by AlfaPeople for the countries described on the AlfaPeople website is designed to incorporate additional functionality into Microsoft Dynamics 365 Business Central in order to support the management of accounting, tax, and operational processes typically required in the various countries of the region.

These solutions are built on the international version (W1) of Dynamics 365 Business Central and can be implemented independently by country or integrated into a multi-country environment, depending on the technological and operational strategy of each organization and the specific contract signed by the customer.

The localizations complement the standard features of the product without modifying its core functionality, maintaining an architecture aligned with Microsoft best practices.

3. Important considerations

- The features described serve as a general reference and may require additional configuration depending on the applicable scenario.

- The effective use of the localization depends on proper system setup and use, as well as the correct definition of the customer's business processes, compatible with their operation.

- Any functionality, element, or requirement not expressly described within the scope of the localization is not included.

- Validation of regulatory, accounting, legal, and tax compliance is the sole responsibility of the customer, as is the verification of any other requirements and functionalities necessary for their operation.

- Any calculation performed automatically by the Localization is based on the information entered by the customer. Therefore, the customer is responsible for the accuracy and truthfulness of the information, as well as for verifying and validating the results.

- The content of this document may be modified, updated, or replaced at any time without prior notice as a result of changes to the product, applicable regulations, or solution strategy.

- We emphasize that, despite the provisions and functionalities described in this document, the customer is and remains solely responsible for the decisions made in their business and for compliance with their obligations.

4. Architecture and implementation approach

LATAM localizations are designed to operate on a standardized, flexible, and scalable architecture. Multiple countries can coexist within the same instance of Dynamics 365 Business Central, facilitating centralized management, financial consolidation, and regional process standardization. The implementation of one or more localizations must be evaluated considering the operating model, tax complexity, and regulatory requirements of each country and each customer.

5. Location description – MEXICO

The **MEXICO** localization for Microsoft Dynamics 365 Business Central is designed to incorporate functionalities that support the management of tax, accounting, and operational requirements commonly associated with current regulations in the country.

The solution covers processes related to accounting, taxes, electronic invoicing, and report generation, which can be used to support the management of obligations before national or local tax authorities and regulatory bodies, such as the **Tax Administration Service (SAT – Servicio de Administración Tributaria)**, among other applicable agencies depending on the operational context of each organization.

6. Included features

The features available in the current version of MEXICO Localization are listed below:

PROCESS	FUNCTIONALITY	DESCRIPTION
Location configuration	Configuration of different types of billing documents	Document type that allows you to control the nature, module, and serial number.
Location configuration	Tax type	Defines the tax classification for customers and suppliers.
Location configuration	Points of sale	Points of sale for issuing invoices.
Location settings	States	State codes, city codes, and postal codes.
Location settings	SAT account catalog	Assignment of SAT codes to accounting accounts for electronic accounting issuance.
Location settings	Identification number (RFC)	Assignment of identification numbers (RFC) to customers and suppliers.
Location configuration	RFC control	RFC validation based on selection of legal or natural person in taxpayers.
Location configuration	CFDI use validation	Validation of CFDI catalog use by tax regime.
Location configuration	Document numbering	Establishes document numbering settings according to SAT rules.
Location configuration	Standard VAT configuration	Configuration of VAT paid and not paid.
Location configuration	Income tax withholding	Percentage settings and definition of accounting accounts for calculating income tax withholding.
Location configuration	VAT withholding	Configuration of percentages and definition of accounting accounts for calculating VAT withholding.
Location configuration	IEPS	Percentage configuration and definition of accounting accounts for calculating IEPS per item.

PROCESS	FUNCTIONALITY	DESCRIPTION
Accounting / Taxes	Accounting reclassification of VAT	Automatic accounting reclassification for non-transferred and transferred VAT.
Accounting / Taxes	VAT movement analysis	Additional reports that allow you to analyze VAT movements.
Accounting / Taxes	Analysis of withholding movements	Additional reports that allow you to analyze withholding movements.
Accounting / Taxes	Re-numbering of documents	Modification of the numbering of registered documents.
Accounting / Taxes	Electronic accounting	Account catalog.
Accounting / Taxes	Electronic accounting	Accounting policy.
Accounting / Taxes	Electronic accounting	Trial balance.
Accounting / Taxes	Electronic accounting	Tax receipt assistant.
Accounting / Taxes	Electronic accounting	Account and subaccount assistant.
Accounting / Taxes	DIOT v2025 report configuration	Configuration in supplier file and columns for generating the DIOT version 2025 report.
Accounting / Taxes	DIOT Report v2025	Issuance of DIOT report version 2025.
Electronic invoicing	Electronic invoicing	Integration of electronic invoicing 4.0 with Gosocket.
Electronic invoicing	Electronic invoicing integration	Integration of CEPDI electronic PAC.
Electronic invoicing	SAT relationship types	Configuration of relationship types between CFDI.
Electronic invoicing	Download XML file Electronic invoice	Download XML file Issued electronic invoice. CEPDI electronic invoicing system.
Electronic invoicing	Download XML file Electronic credit note	Download XML file Electronic credit note issued. CEPDI electronic invoicing system.
Electronic invoicing	CFDI issuance with extended descriptions	Sending detailed descriptions in CFDI invoices and electronic credit notes. CEPDI electronic billing system.

PROCESS	FUNCTIONALITY	DESCRIPTION
Electronic invoicing	Issuance of CFDI income type	CFDI income type with 16% and 8% VAT. Issuance from sales orders and sales invoices. CEPDI electronic invoicing system.
Electronic invoicing	CFDI income type issuance	CFDI income IEPS with VAT. Issuance from Sales Orders and Sales Invoices. CEPDI electronic invoicing system.
Electronic invoicing	CFDI expense type issuance	CFDI type egress with VAT 16% and 8%. Issuance from registered sales credit notes. CEPDI electronic invoicing system.
Electronic invoicing	CFDI replacement method	Allows errors in original sales invoices to be corrected 're-invoicing' of previously declared periods. CEPDI electronic invoicing system.
Electronic invoicing	CFDI cancellation method	Allows you to request cancellation from the SAT: invoices, credit notes, and payment supplements. CEPDI electronic invoicing system.
Electronic invoicing	Import declaration	Issuance of CFDI with customs declaration number node information. CEPDI electronic invoicing system.
Electronic invoicing	Issuance of electronic advance payments	Issuance of CFDI electronic advance payment receipt. CEPDI electronic invoicing system.
Electronic invoicing	Automatic listing of multiple advance payments	Automatic linking of multiple advance payments to the sales invoice. CEPDI electronic invoicing system.
Electronic invoicing	Issuing invoices with multiple advance payments	Issuing electronic invoices listing multiple advance payments. CEPDI electronic invoicing system.
Electronic invoicing	Electronic credit note for electronic advance payments	Issuance of credit notes applicable to invoices with multiple advance payments. CEPDI electronic invoicing system.
Electronic payment	Issuance of total electronic payment supplement	Issuance of CFDI total electronic payment supplement from customer transactions. CEPDI electronic invoicing system.

PROCESS	FUNCTIONALITY	DESCRIPTION
Electronic Payment	Issuance of partial electronic payment supplement	Issuance of CFDI partial electronic payment supplement from customer transactions. CEPDI electronic billing system.
Electronic Payment	Cancellation of electronic payment supplements	Cancellation of the issued payment supplement. CEPDI electronic invoicing system.
Electronic payment	Control for issuing electronic payments	PUE payment method validation, blocks payment supplement generation. CEPDI electronic billing system.
Electronic invoicing	CFDI income issuance Waybill for shipments to customers	Issuance of CFDI income Carta Porte for shipments to customers (referrals). CEPDI electronic invoicing system.
Electronic invoicing	Issuance of CFDI transfer Carta Porte for transfers	Issuance of CFDI transfer Carta Porte for internal transfers (transfer shipments). CEPDI electronic invoicing system.

7. Exclusions and scope notes

- Requirements not explicitly described in this document are not part of the localization scope.

- Integrations with third parties, electronic invoicing providers, or other external systems may require additional components and separate agreements.

- Regulatory changes occurring after the preparation of this document may not be covered by the functionalities described herein and may require additional analysis and adjustments.

8. Additional information

For more information about AlfaPeople's LATAM localization solutions, we recommend contacting your sales representative or our team through the channels available on our website. We are here to help!

AlfaPeople

More information

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