Panama Localization

1. Purpose of the document

The purpose of this document is to provide a general description of the features, functionalities, and considerations of the **PANAMA 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 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 remains 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 LATAM localization developed by AlfaPeople for the countries described on its website is designed to incorporate additional functionality into Microsoft Dynamics 365 Business Central 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 per country or integrated into a multi-country environment, depending on each organization's technological and operational strategy and the

specific contract signed with the customer.

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

3. Important considerations

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

- The effective use of the localization depends on proper system parameterization and correct definition of the processes adopted by the customer, 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 additional requirements or functionalities necessary for operation.

- Any calculation automatically performed by the Localization is based on the information entered by the customer. Therefore, the customer is responsible for the accuracy and reliability of such information, as well as for verification and validation of 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 the solution strategy.

- Despite the provisions and functionalities described in this document, the customer 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 – Panama

The **PANAMA 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, withholdings, 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 **Dirección General de Ingresos (DGI)**, among other applicable authorities depending on the operational context of each organization.

6. Included features

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

PROCESS	FUNCTIONALITY	DESCRIPTION
PA Location Configuration	Withholdings on Documents	Withholdings applied to invoices, credit notes, and debit notes according to the customer's tax situation. ITBMS / ISR / ISC
Sales Documents	Electronic Invoicing	Connection with the Infile Provider(*) for authorization of invoices, credit notes, and debit notes for sales. (*) Functionality available for adaptation to other PACs.
Sales Documents	Free Trade Zone	Documents issued from the Free Trade Zone
PA Location Configuration	Withholdings on documents	Withholdings applied to invoices, credit notes, and debit notes according to the supplier's tax status. ITBMS / ISR / ISC
Payments	Withholdings on payments	ITBMS / ISR withholdings on payments according to the supplier's tax status
Reports to DGI	Form 430	ITBMS
Reports to DGI	Form 03	Income tax withholdings
Reports to DGI	Form 941	Income Tax on Salaries
Reports to DGI	Form 1119	Mandatory monthly return for companies covered by the SEM regime (multinational company headquarters)

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 contracts.

- 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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