

Paraguay 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 **PARAGUAY** localization solution for Microsoft Dynamics 365 Business Central.

The information contained herein does not constitute a commercial offer, contractual commitment, guarantee of regulatory, fiscal, or legal compliance, nor a 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 each 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 functionalities 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 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 the technological and

operational strategy of each organization and the specific contract signed with the customer.

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

3. Important considerations

- The functionalities 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 use, as well as on the 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 well as the verification of any additional requirements and functionalities necessary for its 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 veracity of such information, as well as for the verification and validation of results.
- The content of this document may be modified, updated, or replaced at any time without prior notice due to changes in the product, applicable regulations, or solution strategy.
- Despite the provisions and functionalities described in this document, the customer remains solely responsible for 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 Dynamics 365 Business Central instance, 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 applicable to each country and each customer.

5. Location description – Paraguay

The **PARAGUAY** 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, taxation, withholdings, invoicing, and reporting, which can be used to support the management of obligations before national or local tax authorities and regulatory bodies, such

as:

- Undersecretariat of State for Taxation (SET)
- National Directorate of Tax Revenues (DNIT)

Among other applicable local entities depending on the operational context of each organization.



6. Included features

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

| PROCESS | FUNCTIONALITY | DESCRIPTION |
|-------------------------------|---------------------------|---|
| Location configuration | Document types | Configuration of different types of billing documents (sales invoices, credit notes, debit notes, etc.). |
| Location settings | Verification digits | Consider the automatic creation of the verification digit according to the associated RUC. |
| Location configuration | Tax Type | Define the tax type for each document in accordance with Paraguayan regulations. |
| Location Settings | Department | Configure the department according to the country's geography. |
| Location Settings | Establishment | Facilitates the control of records by commercial establishment, if necessary within the operation. |
| Location configuration | City Code | Definition of city codes. |
| Location Configuration | Third Party TIN | Configuration of the NIT for third parties (suppliers, customers, etc.). |
| Location Configuration | Point of Sale | Point of sale configuration (if applicable). |
| Location Configuration | Document Numbering | Establish a document numbering system in accordance with current tax regulations. |
| Configuration Location | Document Stamping | This feature takes into account the stamping required by the regulatory body, based on purchase and sale documents, validating them as appropriate. |
| Configuration Location | Expiration control | Generates alerts associated with the expiration date determined by the regulatory body for the stamping process. |
| Location configuration | Location report selection | Configuration to obtain reports based on the geographic location of operations. |
| Location Configuration | Payment terms | Allows you to identify the different payment methods that are commonly used for transactions. |

| PROCESS | FUNCTIONALITY | DESCRIPTION |
|-------------------------------|-----------------------------------|---|
| Configuration Location | Standard VAT configuration | VAT configuration according to the parameters established for Paraguay. |
| Accounting / Taxes | Tax Codes | Facilitates control of the taxes required by the company by creating separate codes for each type of tax. |
| Accounting / Taxes | Configurable Withholdings | Facilitates the configuration of withholdings considering the type of calculation required (based on payments, collections). |
| Accounting / Taxes | Tax Movement Analysis | Generation of detailed reports on tax movements. |
| Accounting / Taxes | VAT Movement Analysis | Specific reports on movements related to VAT. |
| Accounting / Taxes | Tax Movements Purchases to Excel | Export of data on taxes related to purchases. |
| Accounting / Taxes | Sales tax transactions to Excel | Export of data on taxes related to sales |
| Accounting / Taxes | Bases for calculating withholding | Facilitates the configuration of predetermined bases according to the corresponding withholding. |
| Reports | Tesaka Archive | Facilitates the generation of Tesaka reports with the details required by the regulatory body. |
| Reports | VAT book for purchases and sales | Informative report that facilitates the validation of transactions with amounts associated with VAT originating from purchases and sales. |
| Reports | Journal | Facilitates the validation of daily accounting information. |
| Reports | Detailed journal by third parties | Allows third parties to review the daily log. |
| Reports | General ledger and summary | Facilitates the visualization of transactions from accounts, considering the entries for each transaction. |
| Reports | Electronic receipt register | Generates a bulk text file to register a sworn statement of Value Added Tax (VAT) on Sales on the SET portal. |

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.



More information

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