

# Costa Rica Localization



## 1. Purpose of the Document

The purpose of this document is to provide a general overview of the features, functionalities, and considerations of the **COSTA RICA** localization solution for 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 features described may vary depending on the product version, country, applicable regulations, and the specific context of each implementation and each customer, with the latter being responsible for understanding their own business, processes, requirements, and applicable regulations.

Implementation of the solution requires the customer's active participation, including, among other things, the need to understand and map their processes, business needs, and requirements, as well as to evaluate the suitability of the features described here for their operations.

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 Localizations

### 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, with the aim of supporting the management of accounting, tax, and operational processes typically required in the various countries of the region.

These solutions are built on the international (W1) version of Dynamics 365 Business Central and can be implemented independently by country or integrated into a multi-country environment, depending on each organization's

technological and operational strategy and the specific contract signed by the client.

The localizations allow for the standard product functionalities to be supplemented 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 the proper configuration and use of the system, as well as the correct definition of the processes adopted by the customer, compatible with its operations.
- Any functionality, element, or requirement not expressly described within the scope of each localization is not included.
- Validation of regulatory, accounting, legal, and tax compliance is the client's responsibility, as is the verification of any other requirements and functionalities necessary for its operation.

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, whether as a result of changes to the product, applicable regulations, or the solution's strategy.
- We emphasize that, despite the provisions and features described in this document, the customer is and remains solely responsible for the decisions made in their business and for the compliance of their actions.

- Any calculation performed automatically by

## 4. Architecture and Implementation Approach

LATAM localizations are designed to operate on a standardized, flexible, and scalable architecture. Multiple countries can coexist within a single instance of Dynamics 365 Business Central, facilitating centralized management, financial consolidation, and the standardization of regional processes.

The implementation of one or more localizations should be evaluated by considering the operating model, tax complexity, and regulatory requirements of each country and each client.

## 5. Localization Description – COSTA RICA

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

for in this document, such as: the General Directorate of Taxation, the Ministry of Finance, and other local agencies that may be applicable depending on the operational context of each country.

The solution includes processes related to accounting, taxes, invoicing, and report generation, which can be used to support the management of obligations to tax authorities and national or local regulatory bodies, as provided



## 6. Included Features

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

| PROCESS                    | FUNCTIONALITY      | DESCRIPTION  |
|----------------------------|--------------------|--|
| Localization Settings      | Document Types     | Configuration of the various types of electronic receipts required by Costa Rican tax regulations, including sales invoices, credit notes, and debit notes, in accordance with the guidelines established by the General Tax Directorate (DGT).  |
| Localization Configuration | Check Digits       | System configuration for the automatic generation of the tax identification number verification digit, calculated based on the customer's or supplier's registered RUC, in accordance with the rules established by the General Tax Directorate. |
| Localization Settings      | Tax Rate           | Configuration of the tax rate applicable to each sales and purchase document, in accordance with current regulations in Costa Rica and the guidelines established by the General Tax Directorate.<br>This configuration includes:                |
| Localization Settings      | Department         | Configuration of departments in the system in accordance with the official geographic division of Costa Rica, to ensure the correct classification of customers, suppliers, and locations for tax and administrative purposes.                   |
| Localization Configuration | Establishment      | Configuration that allows for the control and segregation of records by business establishment, when the client's operations require it, ensuring proper administrative and tax management by branch or point of operation.                      |
| Localization Configuration | City Code          | Definition and assignment of official city codes, in accordance with local regulations, for their correct use in electronic records and documents within the system.   |
| Localization Configuration | Third-Party Tax ID | Definition and assignment of official city codes, in accordance with local regulations, for their correct use in electronic records and documents within the system.   |
| Localization Configuration | Point of Sale      | Configure point-of-sale localizations within the system, where applicable, to manage business transactions and facilitate the issuance of electronic receipts by location.   |
| Localization Configuration | Document Numbering | Establishment of a document numbering system that complies with current tax regulations, ensuring the correct sequence and validity of electronic receipts within the system.  |
| Localization Configuration | Document Stamping  | Functionality that provides for the mandatory stamping of purchase and sales documents as required by the regulatory authority, applying the corresponding validations to ensure their tax validity.   |

| PROCESS                    | FUNCTIONALITY                                | DESCRIPTION  |
|----------------------------|--|--|
| Configuration Localization | Payment Terms                                | Enables the identification and management of the various payment methods commonly used in transactions, facilitating their recording and control within the system.  |
| Configuration Localization | Due Date Control                             | Generation of automatic alerts related to deadlines established by the regulatory body, to ensure timely compliance with the document stamping process.  |
| Configuration Localization | Localization Report Selection                | Configuration to generate reports based on the geographic location of operations.  |
| Localization Settings      | Standard VAT Configuration                   | VAT configuration in accordance with current parameters and regulations in Costa Rica, applying the standard configuration to ensure correct tax calculation for all transactions.   |
| Accounting / Taxes         | Tax Codes                                    | Tax code configuration that allows for independent control of each type of tax required by the company, ensuring their correct application in transactions.  |
| Accounting / Taxes         | Configurable Withholdings                    | Allows for the configuration of withholdings based on the required calculation type, whether on payments or collections, ensuring their correct application in accordance with current regulations.  |
| Accounting / Taxes         | Tax Transaction Analysis                     | Generation of detailed reports that allow for the analysis of tax transactions, facilitating tax compliance and accounting decision-making within the system.  |
| Accounting / Taxes         | VAT Transaction Analysis                     | Generation of specific reports that allow for the analysis of VAT-related transactions, facilitating tax control and reconciliation within the system.   |
| Accounting / Taxes         | Exporting Purchase Tax Transactions to Excel | Export tax transactions associated with purchases to Excel, facilitating practical and detailed tax analysis and control, and allowing the company to easily identify trends, discrepancies, or necessary adjustments in its accounting records. |
| Accounting / Taxes         | Sales Tax Transactions to Excel              | Export sales-related tax transactions to Excel, facilitating tax analysis and control, as well as the identification of trends and potential adjustments in the company's accounting.  |
| Accounting / Taxes         | Withholding Calculation Bases                | Allows for the configuration of default bases according to the applicable withholding tax, ensuring accurate and consistent calculations in payment and collection processes.  |

| PROCESS                     | FUNCTIONALITY   | DESCRIPTION  |
|-----------------------------|---|--|
| <b>Electronic Invoicing</b> | <b>Electronic Invoicing Parameters</b>                          | <b>Configuration of issuer tax data (legal/physical ID, branch, terminal), environment (sandbox/production), and integration credentials with GTI or Gosocket.</b>                   |
| <b>Electronic invoicing</b> | Types of documents  | Definition and configuration of electronic document types: invoice, credit memo, and debit memo, in accordance with Ministry of Finance guidelines.                                  |
| <b>Electronic invoicing</b> | Series and sequential numbers                                   | Configuration of sequential numbers and generation of numerical codes for electronic documents in accordance with local regulations  |
| <b>Electronic invoicing</b> | Generation of electronic receipts                               | Issuance of invoices, credit and debit notes, electronic tickets, and payment receipts from Business Central with automatic generation of the required XML.                          |
| <b>Electronic invoicing</b> | Sending to supplier (GTI / Gosocket)                            | Automatic sending of the generated XML to the selected technology provider via web services (API).   |
| <b>Electronic invoicing</b> | Receipt of response   | Receipt and processing of document statuses: Approved, Rejected, or Pending.   |
| <b>Electronic invoicing</b> | Generation of a graphical representation                        | Generation of the electronic receipt PDF, including the receipt number, QR code, and required tax information.   |
| <b>Electronic invoicing</b> | Status inquiry  | Viewing the status of electronic documents within Business Central.  |
| <b>Electronic invoicing</b> | <b>Issue invoices with multiple electronic advance payments</b> | <b>Issuance of electronic invoices that allow for the linking of multiple advance payments, ensuring the correct allocation of payments and accurate accounting of transactions.</b> |
| <b>Electronic invoicing</b> | <b>Version 4.4 Compliance</b>                                   | <b>Issuance of electronic invoices under version 4.4, complying with the new requirements and adjustments established by current tax regulations for this update.</b>                |
| <b>Electronic invoicing</b> | Event logging   | Storage of integration events and traceability of sent documents.  |

| PROCESS | FUNCTIONALITY               | DESCRIPTION  |
|---------|-----------------------------|--|
| Report  | General Journal             | Generation of the general ledger, which chronologically records all accounting transactions for the period, facilitating control, auditing, and compliance with accounting and tax regulations.  |
| Report  | General Ledger              | Generation of the general ledger, which consolidates and organizes all accounting accounts, facilitating detailed tracking of balances and transactions and the preparation of accurate financial reports.   |
| Report  | Inventory and Balance Sheet | Generation of the inventory and balance sheet ledger, which allows for the recording and control of the company's assets, liabilities, and equity, facilitating the preparation of reliable financial statements and compliance with accounting regulations.   |
| Report  | D-151                       | Report to the Tax Authority on transactions with third parties that exceed the amounts established by current regulations. This includes payments, purchases, sales, or other types of transactions carried out during the tax period, in order to facilitate the control and verification of tax information among taxpayers. |
| Report  | VAT Purchase Ledger         | Detailed record of all VAT-taxable purchases made by the company, allowing for the calculation of tax credits and compliance with obligations to the Ministry of Finance.  |
| Report  | VAT Sales Ledger            | Record of all VAT-taxable sales, facilitating the determination of the tax to be collected and compliance with tax filing requirements with the Tax Administration.  |

## 7. Exclusions and Scope Notes

- Requirements not explicitly described in this document are not included in the scope of the localization.
- Integrations with third parties, electronic billing 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, which will require additional analysis and adjustments.

## 8. Additional Information

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



### More information

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🌐 <http://www.alfapeople.com>