

# ECUADOR 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 **ECUADOR** localization solution for Dynamics 365 Finance and Operations.

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 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 FO

Each of the LATAM localizations developed by AlfaPeople for the countries described on the AlfaPeople website is designed to incorporate additional functionalities into Microsoft Dynamics 365 Finance and Operations, 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 standard version of Dynamics 365 Finance and Operations 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 guide 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.
- Any calculation performed automatically by 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.

## 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 Finance and Operations, facilitating centralized management, financial consolidation, and the standardization of regional processes.

The localization is built according to ISV parameters and Solution Certification methodologies found in Microsoft’s LCS (Lifecycle Services). It is implemented through a framework of features activated via configuration and licenses enabled by legal entity. It incorporates a regionalization framework that allows business processes to be implemented according to country-specific definitions. Its integration with additional localizations is developed in accordance with the manufacturer’s standards, best practices, and

recommendations. Its scope includes the definition of cross-cutting issues related to processes, such as security privileges, preconfigured data packages associated with product parameters, and entities for data import and export. It is complemented by the use of other process and methodology tools such as GER, DevOps, BPM, Asset Library, Data Manager, Cloud Hosted Environment, and Azure, among others.

## 5. Description of the Localization

The Ecuador localization for Microsoft Dynamics 365 Finance and Operations is designed to incorporate functionalities that support the management of tax, accounting, and operational requirements commonly associated with current regulations in that 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 for in this document, such as: the Internal Revenue Service (SRI), among other local agencies that may be applicable depending on the operational context of each country.



## 6. Included Features

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

PROCESS	FUNCTIONALITY	DESCRIPTION
Regulatory	Catalog Management	General company information (tax data)
Regulatory	Customer and supplier identification	Type of identification Table 2 SRI
Regulatory	Catalog management	Document Types Table 4 SRI
Regulatory	Catalog Management	Documents by Identification
Regulatory	Catalog Management	Tax Support Codes Table 5 SRI
Regulatory	Catalog Management	Withholding concepts, SRI Table 3
Regulatory	Catalog Management	Customs District Table 6 SRI
Regulatory	Catalog Management	Regime Code Table 7 SRI
Regulatory	Catalog Management	Payment and Collection Methods Table 13 SRI
Regulatory	Catalog Management	Countries Table 16 SRI
Regulatory	Catalog Management	Tax Havens Table 17 SRI
Regulatory	Catalog Management	Types of Foreign Income Table 18 SRI
Regulatory	Catalog Management	Foreign Tax Regime Table 19 SRI
Regulatory	Catalog Management	Establishments and Points of Issue
Regulatory	Catalog Management	Revenue Source, Dinardap
Regulatory	Authorization Management	Authorizations by document type
Regulatory	Catalog Management	Configuration of Sets of Numeric Sequences

PROCESS	FUNCTIONALITY	DESCRIPTION
Regulatory	Catalog Management	Configuration of Users and Documents to Be Issued
Regulatory	Catalog Management	Form codes 103 / 104
Regulatory	Catalog management	Material Subcategory Table 31 SRI
Regulatory	Catalog Management	Carriers (Referral Guide)
Regulatory	Catalog management	Withholdings for Employees
Regulatory	Catalog Management	Tax Authority
Regulatory	Catalog Management	Tax Authority Payment Periods
Regulatory	Catalog Management	Settlement Period and Current Sales Tax Rate
Regulatory	Catalog management	Settings Required by the PSO
Regulatory	Catalog Management	Tax Code Configuration: Field Association and Location
Regulatory	Catalog Management	Tax Group Configuration
Regulatory	Catalog Management	Tax Scenario Configuration
Regulatory	Module Process	Tax reconciliation
Regulatory	ATS File	Generation of XML file for ATS (Simplified Transaction Annex)
Regulatory	PVP File	Generation of XML file for PVP (Retail Price Annex) ICE
Regulatory	ICE File	Generation of XML file for ICE (Annex for sales and import reports with ICE tax) ICE

PROCESS	FUNCTIONALITY	DESCRIPTION
Regulatory	Reports and Legal Forms	Generation of Form 103 Inquiry
Regulatory	Reports and legal forms	Generate Form 104 Inquiry
Regulatory	Legal reports and forms	Generation of Dinardap report
Regulatory	Legal reports and forms	Generation of Dinardap Annex
Regulatory	Legal reports and forms	Standard reports: invoice, NC, ND, remittance slip, withholding receipt, balance sheet settlements
Regulatory	Reconciliation reports	This is not a mandatory report; however, it contains information classified by code, which makes it easier for the user to reconcile the ATS Annex. Additionally, it allows data to be exported to Excel for a more detailed analysis.
Regulatory	Accounts Payable Module Process	Vendor Configuration (Vendor RUC Data, Entry of SRI Vendor Document Data, Entry of Ecuador Location Data)
Regulatory	Catalog Management	Configuration of payment methods with Ecuador location data
Regulatory	Accounts Payable Module Process	Recording of supplier tax documents
Regulatory	Accounts Payable Module Process	Issuance of Invoices for Goods or Services
Regulatory	Accounts Payable Module Process	Recording of reimbursement invoices
Regulatory	Accounts Payable Module Process	Recording of reimbursement-type settlements
Regulatory	Accounts Payable Module Process	Recording of Carrier Invoices
Regulatory	Accounts Payable Module Process	Generation of Manual and Automatic Withholdings
Regulatory	Accounts Payable Module Process	Generation of Withholding Tax

PROCESS	FUNCTIONALITY	DESCRIPTION
Regulatory	Accounts Payable Module Process	Viewing the history of tax documents received from suppliers
Regulatory	Accounts Receivable Module Process	Customer Setup (Customer Tax ID, Entering Location Data for Ecuador)
Regulatory	Accounts Receivable module process	Issuance of sales tax documents (invoices, credit notes, debit notes)
Regulatory	Accounts Receivable Module Process	Invoicing of foreign sales
Regulatory	Accounts Receivable Module Process	POS Billing
Regulatory	Accounts Receivable Module Process	Entry of Customer Withholdings
Regulatory	Accounts Receivable Module Process	Sales Document Inquiry and History
Regulatory	Accounts Receivable Module Process	Issuance of shipping orders for dispatch or movement of goods
Regulatory	Accounts Receivable Module Process	Issuance of shipping documents for a prior shipment
Regulatory	Accounts Receivable Module Process	Issuing remittance slips from the POS
Regulatory	Accounts Receivable Module Process	Viewing the history of remittance slip documents
Regulatory	Electronic invoicing	Electronic Invoicing Configuration
Regulatory	Electronic Invoicing	XML Generation. (Generation of XML for electronic invoicing providers using the electronic invoicing integration module included in the localization).

## 7. Exclusions and Scope Notes

- Requirements not explicitly described in this document are not included in the scope of the localization. covered by the functionalities described herein, which will require additional analysis and adjustments.
- 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

## 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

✉ [info@alfapeople.com](mailto:info@alfapeople.com)

🌐 [www.alfapeople.com](http://www.alfapeople.com)