

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. Localization 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 the PANAMA Localization are listed below:

PROCESS	FUNCTIONALITY	DESCRIPTION
Localization setup	Identification type	Definition of identification types to be used for customers and vendors.
Localization setup	Identification no.	Assignment of identification numbers to customers and vendors.
Localization setup	Taxpayer type	Defines the tax classification for customers and vendors.
Localization setup	Departments	Codes for states, cities, and postal codes.
Localization setup	Chart of accounts	General ledger accounts with the option to map codes.
Localization setup	Legal document types	Document type that allows control of the nature, module, and serial number.
Localization setup	Establishment	Points of sale for invoice issuance.
Localization setup	ITBMS	Setup of ITBMS rates, including ITBMS-exempt.
Localization setup	Goods and services catalog	Mapping of electronic invoice Goods and services codes for products.
Localization setup	Withholdings on documents	Setup of ITBMS / ISR / ISC withholdings.
Localization setup	Withholdings on payments	Setup of ITBMS / ISR withholdings on payments.
Electronic Invoicing	INCOTERM	Setup of INCOTERM codes.
Electronic Invoicing	Locations	Mapping of coordinate and location codes required in Panama for electronic invoicing.

PROCESS	FUNCTIONALITY	DESCRIPTION
Electronic Invoicing	Technology provider connection integration — Infile and Gosocket	Integration with PAC (Qualified Authorized Provider) Infile and Gosocket.
Electronic Invoicing	Issuance of Internal Operation Invoice	Issuance of electronic document Internal Operation Invoice. Issued from Sales Orders and Sales Invoice.
Electronic Invoicing	Issuance of Credit Note	Issuance of electronic document Sales Credit Note with and without reference to an invoice. Issued from posted Sales Credit Notes.
Electronic Invoicing	Issuance of Debit Note	Issuance of electronic document Debit Note. Issued from Sales Invoice.
Electronic Invoicing	Issuance of Free Trade Zone Invoice	Issuance of electronic document Free Trade Zone Invoice. Issued from Sales Orders and Sales Invoice.
Electronic Invoicing	Issuance of Export Invoice	Issuance of electronic document Export Invoice. Issued from Sales Orders and Sales Invoice.
Electronic invoicing	Extended descriptions	Sending of extended descriptions per line in electronic invoicing of sales documents. (Length is set to cover both BC and the invoicing provider).
Electronic invoicing	XML download	Download of the XML stamping response for documents issued electronically.
Electronic invoicing	Cancellation of electronic documents	Cancellation of electronic documents issued from BC.
Electronic invoicing	Bulk invoicing	Bulk stamping submission of electronic documents.
Query / Report	Journal	Standard book.
Electronic invoicing	General ledger	Standard book.
Electronic invoicing	Inventory and balance sheet book	Standard general balance sheet book.
Query / Report	Sales book	VAT (ITBMS) sales book.

PROCESS	FUNCTIONALITY	DESCRIPTION
Query / Report	Purchase book	VAT (ITBMS) purchase book.
Query / Report	Form 43	F43 Report - Monthly purchases.
Query / Report	Form 90	F90 Report - Breakdown of sales methods.
Query / Report	Form 94	F90 Report - Breakdown of other costs and other expenses.

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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