

Microsoft Dynamics 365
Business Central

Colombia Localization



The Colombia Localization for Microsoft Dynamics 365 Business Central, developed by AlfaPeople, offers a comprehensive solution to adapt the system to Colombian tax and legal regulations.

This localization covers key processes in accounting, invoicing, taxation, and reporting, providing companies with the tools they need to comply with the requirements of the DIAN (National Directorate of Taxes and Customs) and other Colombian tax authorities.

This document outlines the features included in the Colombia Localization for Business Central (BC). Any requirements not specified in this document are considered outside the current scope of this localization.

Simplify accounting and tax management in Colombia with our localization for Business Central. Easy to implement, always updated according to the latest regulations, and ready to integrate with other AlfaPeople solutions — it's the ideal tool to meet your tax obligations with confidence.



Architecture

The Colombia Localization for Microsoft Dynamics 365 Business Central, developed by AlfaPeople, is part of a comprehensive solution designed to meet the tax and operational needs of businesses across Latin America.

This localization can be implemented independently in a dedicated tenant for Colombia or integrated with other regional localizations within the same tenant, enabling centralized and efficient management of multi-country operations in a single Business Central instance.

Built on the international (W1) version of Business Central, the solution ensures a standardized and flexible architecture aligned with Microsoft's global best practices.

Unlike other localizations, this approach supports modular deployment—either individually or integrated—enhancing scalability according to each organization's specific needs.

The ability to run operations across multiple countries in a single environment not only reduces operational costs but also simplifies platform administration and accelerates financial consolidation processes. This represents a key competitive advantage for regional companies seeking centralized control without compromising local regulatory compliance.

Key benefits:

- Regulatory compliance ensured: always aligned with the latest tax and accounting laws in Colombia, meeting DIAN and other authority requirements.
- Easy implementation: designed for fast, hassle-free setup, reducing deployment time and supporting quick adoption by accounting and finance teams.
- Integration with AlfaPeople solutions: compatible with other AlfaPeople products and extensions, enabling unified operations and extended functionality.
- Continuous updates: constantly evolving to incorporate regulatory changes, reducing risk, and ensuring business continuity.

Colombia Localization

Localization Management

- DIAN Document Types
- Check Digit
- CIU Codes
- Third-Party Administration
- Document Renumbering

Taxes

- Standard VAT Configuration
- Taxes on Documents and Payments
- ICA Auto Withholding
- CREE Auto Withholding
- Withholding Tax
- Withholding Tax (Law 1607, Article 383)
- ICA Withholding
- VAT Withholding

Tax Analysis

- Tax Movement Analysis
- VAT Movement Analysis
- Tax Movements – Purchase Transactions to Excel

Billing

- Point of Sale
- Document Numbering
- Selection of Localization Reports
- Electronic Invoicing and Support Document, with NOOVA Supplier

Colombia Reports

- Inventory and Balance Sheet
- Journal
- General Ledger
- Withholding Tax Certificate
- National Magnetic Media

Other Features

- Third-Party Administration by NIT (Tax ID Number)
- Fixed Asset Depreciation with Supplier NIT
- NIT Check Digit
- Purchase Reports, Debit and Credit Notes
- VAT Added Value for Fixed Assets

| PROCESS | FUNCTIONALITY | DESCRIPT |
|------------------------|--|---|
| Location settings | Document types | Configuration of different types of billing documents (sales invoices, credit notes, debit notes, etc.). |
| Location settings | Tax type | Defines the tax type for each document according to Colombian regulations. |
| Location settings | Department | Configuration of departments according to the country's geographic divisions. |
| Location Settings | City Code | Configuration of city codes. |
| Location configuration | Third-party NIT | Configuration of the NIT for third parties (suppliers, customers, etc.). |
| Location Configuration | Point of Sale | Point of sale configuration (if applicable). |
| Location Configuration | CIU codes | Definition of CIU codes for economic activities. |
| Location Configuration | Document Numbering | Establish a document numbering system in accordance with current tax regulations. |
| Configuration Location | Selecting location reports | Configuration of reports based on the geographic location of operations. |
| Location settings | Standard VAT configuration | VAT configuration according to the parameters established for Colombia. |
| Location settings | Auto ICA Withholding | Settings for withholding Industry and Commerce Tax (ICA). |
| Location settings | Auto CREE Withholding | Settings for auto-withholding of CREE (Income Tax for Equity). |
| Location Settings | Source Withholding | Configuration of withholding taxes in accordance with Colombian law. |
| Configuration Location | Source Withholding (Law 1607, Article 383) | Configuration of source withholding under Law 1607 of 2012, considering the Tax Value Unit (UVT) and discount type. |
| Configuration Location | ICA Withholding | Configuration for withholding Industry and Commerce Tax (ICA). |
| Configuration Location | VAT withholding | Configuration of VAT withholding in accordance with Colombian tax parameters. |

| PROCESS | FUNCTIONALITY | DESCRIPTION |
|----------------------|---|---|
| Accounting / Taxes | Tax Movement Analysis | Generation of detailed reports on tax movements. |
| Accounting / Taxes | VAT Movement Analysis | Specific reports on VAT-related movements. |
| Accounting / Taxes | Tax Movements Purchases to Excel | Export of data on taxes related to purchases. |
| Accounting / Taxes | Tax movements Sales to Excel | Export sales tax data. |
| Electronic invoicing | Issuing invoices with multiple electronic advance payments | Issuing electronic invoices linking multiple advance payments. |
| Electronic invoicing | Electronic credit note for electronic advance payments | Issuance of credit notes applicable to invoices with multiple advance payments. |
| Electronic payment | Electronic payment supplement | Issuance of electronic payment supplement from customer transactions. |
| Electronic Payment | Payment supplement - Asynchronous XML cancellation with the SAT | XML cancellation of payment supplements based on the asynchronous process defined by the SAT. |
| Electronic Payment | Cancellation status query | XML cancellation status query from BC. |
| Electronic Payment | Control for electronic payment issuance | If the invoice was paid using PUE, the generation of payment supplements is blocked. |
| Electronic invoicing | CFDI configuration Waybill | The document type information is integrated into the Waybill module. |
| Electronic invoicing | CFDI transfer issuance Waybill for shipments to customers | Issuance of CFDI transfer for shipments to customers. |

More information

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