QAD

QAD Enterprise Applications
Enterprise Edition

User Guide

QAD Internationalization

QAD Inc.
100 Innovation Place
Santa Barbara, California 93108
Phone (805) 566-6000
http://www.qad.com

Contents

QAD Internationalization

QAD Internationalization functions let you configure multiple international environments using one generic set of functions. Other international demands are met using standard QAD application solutions. These types of functions are described in the following sections:

Introduction

Globalization presents challenges to global manufacturing companies. QAD Enterprise Edition helps companies master these challenges by offering a solution that accommodates international variations in language, financial practices, business practices, and regulatory compliance.

Traditionally, ERP systems provided support to international customers using the localization approach, in which specific solutions are developed for individual country requirements. This approach has a number of limitations:

- Localizations are often developed independently of each other, resulting in incompatibility with other localizations.
- Similar enhancements can be developed in different localizations, resulting in duplication and inconsistent customer solutions.
- Localizations are not always available on all product releases.
- Localizations are often developed as a solution for one application in a product suite, making it difficult to release product suites in certain countries.
- Localization changes to source code require rework, recertification, and retesting of customizations for each release.
- Localizations can change methods of operation and accounting processes and therefore require special review in light of requirements such as Sarbanes-Oxley and Medical compliance (Part 11).

The move away from this approach toward internationalization is also driven by legal considerations and by the need for cost reduction:

- Companies now pay more attention to Internal Controls and Corporate Governance compliance, and the Sarbanes-Oxley Act in the US in particular has resulted in greater focus on the risks involved with operating remote business units.
- One core ERP system reduces costs in a number of ways. World-class finance organizations tend to rely on a single chart of accounts, use half the bank accounts of typical companies and do fewer budget iterations. Less effort is required in documenting internal procedures for a single system, and compliance verification and internal auditing are easier when there are fewer and more standardized procedures to check. Many global manufacturing companies are therefore moving to a so-called core-model approach, in which the IT implementation including customizations is standardized across the corporation.

QAD Internationalization addresses these issues, by maintaining a single generic product in which processes and systems are standardized, and functions optimized across the global company:

- Financial data in multiple languages is stored in the database and supports local legal or business requirements.
- Business flows common to multiple countries are implemented in multiple domains and entities. This flexibility reduces the time and cost involved in repeated system configurations.
- Support for specific local legal or business practices is achieved by selecting specific configuration options or settings while still using the same set of functionality.
- The application single code base provides easier development of core model, which not only reduces costs but also makes it easier to implement Shared Services across country boundaries.

Internationalization for Multiple Countries

The following tables describe QAD business solutions common to a range of countries.

Banking

Requirement	QAD Solution	Countries
Bank Drivers Electronic bank payments require bank-specific files or drivers for each financial institution. These files must be customized for individual banks in each country, and must be selectable for individual customer and supplier payments.	Use Bank File Format Import (31.23) to import pre-defined bank format XML files for use with electronic bank payments. Each imported format file is specific to an individual bank and contains the payment information and attributes required for that bank. Once the file is imported, a payment format with the same name is displayed in Payment Format Maintenance. You can then link this format to the bank account you intend to use for electronic payments. To import the bank driver you require for use with your system, contact your local QAD Services team	All

Inventory Movements

Requirement	QAD Solution	Countries
Intrastat European Union (EU) regulations require member nations to submit reports concerning Intra-EU trade. The term Intrastat (for Intra-EU Trade Statistics Reporting) refers to the system used by customs officials to monitor this trade.	Intrastat functionality is fully supported in QAD Applications. You can use the Intrastat functions to: • Generate Intrastat reports that are fully compliant with Intrastat legislation. • Maintain tables with valid values for Intrastat codes such as terms of delivery and country codes. • Assign Intrastat codes to items. • Enter country codes for ship-to customers and suppliers. • Record Intrastat codes for practically all order types. • Create automatic entries for qualifying Intra-EU inventory movement transactions. • Edit Intrastat data manually before final declaration printing. • Print and reprint Intrastat declaration reports. • Create Intrastat inquiries by order, by invoice, or by voucher. See *User Guide: QAD Intrastat* for details on Intrastat setup and maintenance.	All EU Member States. Declarant forms are available for the following countries: Austria Belgium Denmark France Germany Ireland Italy Luxembourg Netherlands Poland Spain United Kingdom

Address Fields

Requirement	QAD Solution	Countries
Company Address Names Company names must not be abbreviated when displayed in Legal Documents. The field length for address names must therefore be sufficient to allow any company name to be displayed in full.	Customer, Supplier, and Company name, address, and contact details are defined using Business Relation Create (36.1.4.3.1). These details are used in financial reports and documents such as sales orders and invoices. The Business Relation function lets you define a code, Name (up to 36 characters), Search name, Second Name (up to 36 characters), and Third Name (up to 60 characters). Define a second or third name if required for your legal documents and reports. See *User Guide: QAD Financials* for a description of Business Relation setup and implementation.	Chile China Japan Mexico Poland Thailand Venezuela

General Ledger

Requirement	QAD Solution	Countries
Mirror Accounting Mirror accounting is used to ensure that inventory transactions are reflected immediately in the income statement, as well as in the balance sheet. It is used to analyze purchases and inventory movement in the GL in financial reports.	Mirror Accounting is fully supported in QAD Enterprise Edition. The function is used only for inventory control transactions, such as PO Receipts, WO receipts, inventory movements, and SO shipments. You use mirror accounting to link a set of source (balance sheet) accounts to a set of mirror (income statement) accounts. When inventory transactions are posted, the source accounts are adjusted, and a simultaneous mirror posting is generated which updates the mirror accounts. See *User Guide: QAD Financials* for a description of mirror accounting setup and implementation.	Belgium France Luxembourg Poland Switzerland Italy
GL Numbering Financial regulations in certain countries dictate that GL transactions must be identified by number in a sequence without gaps. The sequence number of a transaction appears in statutory transaction reports. The sequence numbers can be applied when the transactions are posted, or applied period by period during Year-End Closing. These numbers can be reset on a yearly basis, and two or more business units within a corporation can use the same numbering sequence. The auditor may also require that some transactions from the prior year be represented in one of the current year's reporting periods. It must also be possible to enter an additional description line for GL transactions that are numbered in this way.	The Entity program has an additional GL numbering feature, which ensures that the system generates a sequential number for all statutory GL postings. Use the Additional GL Numbering tab in Entity Create to enforce a secondary numbering sequence for GL transactions. **Note**: Reversal postings do not have this numbering. You can enter a Secondary Description in daybooks for transactions that will be numbered in this way. This ensures that the description is detailed in the GL Numbering report. The GL Numbering report (36.1.99) lists all transactions booked over the specified time frame. The pages in the GL Numbering report are numbered progressively for the whole year. See *User Guide: QAD Financials* for a description of Additional GL Numbering setup and implementation.	China, Italy

Taxes

Requirement	QAD Solution	Countries
Regional Tax Reporting A number of tax reports are required for Intra-Community (IC) transaction reporting.	The system provides the following generic regional tax reports: • Quarterly IC Declaration by Business Relation (29.6.3.3). This report displays quarterly IC declaration data totaled per business relation and country. • Quarterly IC Declaration Transactions (29.6.3.4). This report displays a declaration report organized by transaction type. The report lists details of acquisitions, supplies, and triangular trade between your organization and other EU countries.	Belgium Germany Netherlands Poland Switzerland
EU VAT Changes 2010 When implementing VAT on sales and purchases within the EU, most goods and services provided to business customers are now treated as being supplied in the country where the business customer is established, instead of on that of the supplier. This requires reverse tax charges for customers on supplier invoices, and a zero tax rate for suppliers on customer invoices. These tax amounts must be detailed in Quarterly IC Declaration reports.	You use Tax Rate Maintenance (29.4.1) to set up the customer reverse tax rates and supplier zero tax rates required to implement these changes. The Quarterly IC Declaration by Business Relation (29.6.2.3) and Quarterly IC Declaration Transactions (29.6.2.4) tax reports display IC declaration data totalled per business relation and country, and by transactions respectively. Both reports can be filtered for tax type, tax box, or tax group, which lets you display the VAT tax amounts generated by customer and by tax rate. See *User Guide: QAD Global Tax Management* for more information on tax rate maintenance.	All EU states
AP/AR Tax Register Reports Tax registers, which group together tax-related accounting transactions, are a legal requirement in many European countries. You must be able to print separate tax register reports for Purchasing and Sales (AP and AR) in a prescribed format every month-end and on demand for fiscal authorities.	Tax Register Create (29.1.16) lets you group daybooks for tax register reporting purposes and generates a sequence number that will be used to number pages in final tax register reports. Tax registers contain all relevant information to confirm the tax declaration of the company. You can report on the tax registers using the following regional reports: AP Tax Register Details (29.6.3.11) AR Tax Register Details (29.6.3.16) See *User Guide: QAD Global Tax Management* for information on Tax Registers.	Europe

QAD

Requirement	QAD Solution	Countries
Tax Register Numbering By Site It must be possible to associate tax registers with all sites or a specific site and to share number ranges among tax registers. Each separate tax register can have its own range of transaction numbers. It must be possible for all tax registers to share the same range of invoice numbers.	You can use the Invoice Numbering function to enforce chronological and sequential invoice and credit note numbering. This checking feature is set at domain level and is an option on the Domain master record. Create AP and AR daybook sets to define default daybooks for AR and AP transactions. Use Daybook Set by Site Maintenance (25.8.10) to define site-specific default sets of daybooks that are used for recording invoices, credit notes, intercompany transactions, and, when used, for correction invoices. When configuring daybook sets by site, you can define daybooks for one site or for many. When you then create tax registers, you can include all daybooks or specific daybooks in the register, thereby reporting on individual or multiple sites. Transaction numbering includes the daybook reference, and the number range of transactions in registers derives from the daybooks selected. See *User Guide: QAD Financials* for more information on daybook maintenance, and *User Guide: QAD Global Tax Management* for information on Tax Registers.	Italy Poland
Tax ID Code Validation In some countries it is required that either Tax ID Federal or Tax ID States and sometimes both are validated according to local legal requirements for length, format, and code validation.	QAD application component code is based on a standard code template. Non-intrusive customization is the process of adding customized code before or after the standard code, without intruding on the standard code itself. You use non-intrusive customization techniques on the `BFormatSet` component to validate the following fields: • Federal Tax ID field in the Business Relation record • State Tax ID field in the Business Relation record • Federal Tax ID field in the Supplier record • State Tax ID field in the Supplier record • Federal Tax ID field in the Customer record • State Tax ID field in the Customer record See *User Guide: QAD System Administration* for more information on implementing non-intrusive customization.	Chile Colombia Venezuela

Requirement	QAD Solution	Countries
Withholding Tax In some countries, you are required to withhold a certain percentage of the tax due on payments to various suppliers. These are typically sole traders who supply services rather than goods.	You can use the Global Tax Management withholding tax features to facilitate the collection of withholding tax. Separate GL accounts are used for booking retained withholding tax amounts. The withholding tax liability is not created until an invoice that is subject to withholding tax is paid. At that point, withholding tax is retained from the total invoice amount and is credited to this separate account. If a partial payment is made, the system calculates the withholding tax liability based on the proportion of the invoice that is being paid. The withholding tax account is then debited with the retained amount once the withholding tax is declared to the authorities. This is normally recorded using a manually entered GL transaction. See *User Guide: QAD Global Tax Management* for more information on withholding tax.	Italy Thailand US

Currency

Requirement	QAD Solution	Countries
Statutory Currency Global IFRS and local GAAP requirements in some countries require functional and local currencies for reporting purposes (dual currencies).	The Statutory Currency is the second base currency in the Financials system. The statutory currency is set at domain level, and is inherited by the entities assigned to the domains, and is optional. In some countries, the use of the statutory currency can be limited to a few reports, such as tax and basic GL reports. However, in other countries, companies can be required to submit many reports in the local statutory currency, for example, balance sheet, income statement, daybooks, general ledger, sub-ledgers, and tax declaration reports. To meet these requirements, you can run all GL, AR, AP, and tax reports to display output in statutory currency. However, statutory currency is not available for GL Report Writer reports. The system uses a dedicated statutory exchange rate when converting transaction amounts to and from the statutory currency. However, you can choose to use the normal accounting exchange rate for statutory currency calculation. All GL transactions contain statutory currency amount fields on the same level as the base currency amount fields, including tax transactions. The system also features an inventory exchange rate, which is optionally used for inventory, purchase order, scheduled order receipt, and work order transactions to convert between the statutory currency and base currency. You can revaluate transactions in transaction currency, relative to the statutory currency. The Currency tab of GL Account Create contains account settings for transaction currency revaluation in statutory currency. See *User Guide: QAD Financials* for information on system currencies.	All

Payments

Requirement	QAD Solution	Countries
Generic Formats for Paper Check Printing The document layout for paper checks can vary from company to company within the same country, and also from country to country. It must be possible to customize check formats according to company or country requirements.	QAD Reporting Framework has a comprehensive toolset for customizing printed output. The default check print reports are Supplier Check Print (28.9.9.3) and Customer Check Print (27.6.8.1). QAD Reporting Framework lets you modify the report layout, add and remove data fields, add calculation logic, or change sort order and grouping. You can also customize system-supplied report templates that contain formatting information such as fonts, logo, and paper orientation and length. The built-in Report Wizard guides you step by step through the design process See *User Guide: QAD Reporting Framework* for more information.	All

Reporting

Requirement	QAD Solution	Countries
Regional Balance Sheet and Income Statement The structure and layout of Balance Sheets and Income Statements can vary between countries. For example, a Balance Sheet for US accounting requirement is usually presented in portrait (vertical) format, with Assets, Liabilities, and Equity sections listed in sequence. However, Chinese accounting practices require the Balance Sheet to be in horizontal format, with separate columns for Assets and Liabilities/Equity. Chinese requirements also require row numbering, report and column titles, and sub-totalling.	Use the Regional Balance Sheet Report (25.15.5.8) and Regional Income Statement (25.15.5.9) to create structured reports in landscape (horizontal) format that can be customized for individual country requirements. You can select a range of COA elements to include in the reports. You can also generate regional reports based on a multi-level alternate COA structure as, for example, with Chinese Balance Sheets. See *User Guide: QAD Financials* for more information on these reports.	All
Alternate Chart of Accounts The electronic data provided by the company as a source of information for tax auditing often relates to the Balance Sheet and Income Statement. In some countries, the legal Chart of Accounts (COA) can be different from the operational COA for business or legal reasons. A company that is part of a larger organization may be required to define an alternate COA according to local GAAP, and then report to their head office using the operational COA. An alternative chart of accounts is a secondary grouping of accounts that is generally used for statutory reporting.	The Alternate COA function provides the ability to generate reports using alternate COAs, in addition to a company's operational COA. Alternate COAs can be used for reporting purposes only—you cannot post transactions to alternate accounts. Chinese accounting regional reports have the option to use an alternate COA. See *User Guide: QAD Financials* for a description of this feature.	All

Costing

Requirement	QAD Solution	Countries
Periodic Costing International companies often require multiple costing methods to calculate inventory costs and generate period reports. Standard costing is legally acceptable in some countries, while in others, the business or legal requirement is for the FIFO (first-in, first-out), weighted average (WAVG), or LIFO (last-in, first-out) costing method. These requirements can also be the subject of IFRS compliance. Companies must also be able to report open WIP balances from period to period.	Periodic Costing (30.5) provides functions that support local requirements and business practices when companies revalue and recalculate inventory, transactions, and cost of goods sold. Periodic costing programs optionally calculate the FIFO, WAVG, or LIFO cost of an item based on recorded data, such as inventory transactions, BOMs, routings, purchase prices, and labor/burden expenses, over a certain user-defined period. The period can be any length, up to an entire GL period. Periodic Costing features a range of period-based WIP reports, including work order WIP history, WIP adjustment valuation, and WIP scrap valuation. Periodic costing is described in detail in *User Guide: QAD Costing*.	Italy Turkey Chile South Africa UK

Country-Specific Solutions

The following sections describe specific country requirements that have been met using QAD business solutions.

Americas

Canada

The following table describes QAD Enterprise Edition features that resolve specific Canadian requirements.

Payments

Requirement	QAD Solution
Supplier Payments The Canadian Payment Association Format Standard 006 specifies: • A numeric date field in one of two specified formats (MMDDYYYY or DDMMYYYY). This accommodates both English- and French-speaking accounting practices • A specific minimum length for checks. • Standardized positions for key fields on the check, including the date field and the amount in figures.	QAD EE Financials Reports are fully customizable to optimally support your company processes and best practices. The Reports Designer tool lets you modify the report layout, add and remove data fields, add calculation logic, or change sort order and grouping. You can also customize system-supplied report templates that contain formatting information such as fonts, logo, and paper orientation and length. The default AP check print report is Supplier Check Print (28.9.9.3). Use Report Options to select the dedicated Canadian check print report. See *User Guide: QAD Financials* for more information on these reports.

Chile

The following table describes QAD Enterprise Edition features that resolve specific Chilean requirements.

Legal Documents

Requirement	QAD Solution
Guia de Despacho The transportation of merchandise requires a document called the Guia de Despacho to prove legality and possession of the inventory being moved. Typically, the content of this legal document includes details such as document number, ship-from address, ship-to address, item number and description, and quantity. In general terms the legal requirement impacts any kind of transaction where the goods are moved out from a company or received into a company. The Guia de Despacho should be printed with a specific numbering sequence and this document must legally support the goods and taxes involved in that issuing shipment process.	The Legal Document option within Shipping Group lets you specify the document format required for each country. It is possible to create a Document Format for this new document. Its generation is optional and can occur for all inventory Issuing Transactions. The Shipper generation is expanded to other transactions. See *User Guide: QAD Sales* for more information.
Legal Document Format Template The layout and format of the Guia de Despacho varies per company. This means that each company must be able to create its own design. Therefore a legal document template is required for each country, which can then be used to generate new documents.	The Legal Document Form Code field in Document Format Maintenance (2.18.13) is a two-digit numeric form code that uniquely identifies a country-specific legal document type. The form code identifies the appropriate printing procedure. The current form code for Chile is 21. See *User Guide: QAD Sales* for more information.
Postponing Sales Order Deletion If a Legal Document is cancelled, you must reverse inventory transactions and return the original sales orders to their previous status. For this reason, you must be able to postpone the deletion of a fully invoiced sales order, and unconfirm the shipper.	The Days to Retain SO After Invoicing field in Legal Document Control is used to specify the number of days after Invoice Post a fully-shipped sales order can be deleted in Completed Sales Order Delete. Completed sales order within this time frame cannot be deleted. The Legal Document Cancel Time Fence field in Legal Document Control is used to specify the number of days after the creation date within which a legal document can be cancelled during shipper unconfirm. Legal documents cannot be cancelled outside this time frame. See *User Guide: QAD Sales* for more information.

Mexico

Taxes

Requirement	QAD Solution
Tax Re-Classification In Mexico, companies must report taxes (IVA) at the moment that the money is debited (customer payments) or credited (payments to suppliers) on the bank account. If using QAD Financials payment instruments, taxes must accrue at the point when the payment has a status of Paid.	The Suspended and Delayed Tax options let you defer the payment of taxes on AR and AP payments. Suspended and delayed taxes are booked initially to dedicated suspended or delayed accounts, and are then booked to normal sales tax accounts when the payment is completed. You define Suspended or Delayed Tax capability for an entity using the fields in the Entity master table. You can also use the Suspend Until Paid Status field to suspend the payment of taxes until the payment status is set to Paid, or the Delay Until Paid Status field to delay the payment of taxes until the payment status is set to Paid. See *User Guide: QAD Financials* for a description of suspended and delayed tax setup and implementation.

USA

The following tables describe QAD Enterprise Edition features that resolve specific US requirements.

Taxes

Requirement	QAD Solution
1099 Report and File In the United States, the Internal Revenue Service (IRS) requires organizations to submit an annual 1099 form on certain kinds of payments to suppliers. The IRS uses the 1099 form declarations to track payments between businesses, or between an organization and independent contractors. The declaration must differentiate several categories of payments, such as rent, royalties, medical, and health care.	The system supplies functions for generating both printed 1099 reports and electronic files: • Use 1099-Misc Report (US) (29.6.3.13.6) to generate a report for printing. • Use 1099 Electronic Declaration (29.6.3.13.7) to generate an electronic file. • Use 1099-MISC Paper Declaration (29.6.3.13.8) to print the 1099-MISC data on preprinted paper forms. You select the Tax Report option in the Supplier master record to include the supplier in 1099 reports. See *User Guide: QAD Global Tax Management* for a description of 1099 Reporting setup and implementation.
Withholding Tax on Accounts Payable If suppliers do not provide a tax ID number (TIN) to their customers, the customer is required to withhold 28% of the payment from the supplier as tax.	The Global Tax Management withholding tax features can be used to collect withholding tax for non-compliant US suppliers.

EMEA

Belgium

The following table describes QAD Enterprise Edition features that resolve specific Belgian requirements.

Taxes

Requirement	QAD Solution
Yearly Tax Listing Report Belgian companies must generate a report to the Belgium government that lists all trade with other Belgian organizations above a minimum amount.	The Yearly Tax Listing Belgium report (29.6.3.5) lists all trade above a minimum amount that one Belgian organization has made with other Belgian organizations. See *User Guide: QAD Global Tax Management* for details on Global Tax Management and Tax Reports.

France

The following table describes QAD Enterprise Edition features that resolve specific French requirements.

Taxes

Requirement	QAD Solution
TVA à l'Encaissement/à Décaissement VAT can be declared on AR and AP transactions at either of two stages: • When the corresponding invoice is first booked. • When the corresponding payment flow is occurring. In AR, VAT can be declared at the moment of issuing the invoice to the customer or can be suspended to the moment of receiving the payment from the customer. In AP, VAT can be declared at the moment of registering the invoice received from the supplier or can be delayed to the moment of issuing the payment to the supplier. These options apply to all payment types.	The Suspended and Delayed Tax options let you defer the payment of taxes on AR and AP payments. Suspended and delayed taxes are booked initially to dedicated suspended or delayed accounts, and are then booked to normal sales tax accounts when the payment is completed. Suspended or delayed tax is defined as an option for specific customers or suppliers, and can be applied to all types of payment, including partial payments. See *User Guide: QAD Financials* for a description of suspended and delayed tax setup and implementation.

Transactional Data

Requirement	QAD Solution
GL, AP, and AR Archiving French accounting standards require that GL, AP, and AR transaction data be archived once a year at fiscal year closing. The archive format must be independent of the accounting system in a flat format, such as in .TXT or .CSV. The data must be archived at a detailed level (vouchers). As a result, several .TXT or .CSV files may be required.	The following reports and log track detailed account activity. **GL Transactions by Account (25.15.1.2)** Lists all activity for the selected GL accounts during the selected time frame, grouped by account. **GL Transactions Audit Log (25.1.15.9)** Prints a detailed list of each transaction for a particular GL period. For each daybook in the report criteria, all detail lines are printed for the specified GL period. Each detail line is followed by the analysis linked to that line. **Customer Account Activity (27.13.3)** Lists transactions (in detail or as a summary amount) for a given customer during the selected time period. **Supplier Account Activity (28.17.6)** Lists transactions (in detail or as a summary amount) for a given supplier during the selected time period.

Netherlands

The following table describes QAD Enterprise Edition features that resolve specific Netherlands requirements.

Taxes

Requirement	QAD Solution
Extrastat Extrastat is the collection of trade statistics for movements of goods between EU and non-EU countries, and Extrastat reporting is mandatory in the Netherlands.	The Extrastat programs and reports are designed to meet this requirement. Extrastat data collection uses the same data as Intrastat for storing information, and you use Extrastat Control (29.22.21.24) to specify additional controls. Some additional data elements specific to Extrastat are also collected: • For imports and exports, you indicate whether the goods were transported in a container. • For imports, a code is required indicating the customs rate used when importing from developing countries. See *User Guide: QAD Intrastat* for a description of Extrastat setup and implementation.

Poland

The following tables describe QAD Enterprise Edition features that resolve specific Polish requirements.

Legal Documents

Requirement	QAD Solution
Dokumenty Magazynowe Legal documents are required not only for shipping and receiving transactions, but also for all inventory movements within the company.	The Legal Document option within Shipping Group lets you specify the document format required for each country. It is possible to create a Document Format for this new document. Its generation is optional and can occur for all inventory Issuing and Receiving Transactions. The Shipper generation is expanded to other transactions See *User Guide: QAD Sales* for details on these programs.
Legal Document Format Template The layout and format of legal documents vary per company. This means that each company must be able to create its own design. Therefore a legal document template is required for each country, which can then be used to generate new documents.	The Legal Document Form Code field in Document Format Maintenance (2.18.13) is a two-digit numeric form code that uniquely identifies a country-specific legal document type. The form code identifies the appropriate printing procedure. The current form code for Poland is 11. See *User Guide: QAD Sales* for more information.
Postponing Sales Order Deletion If a Legal Document is cancelled, you must reverse inventory transactions and return the original sales orders to their previous status. For this reason, you must be able to postpone the deletion of a fully invoiced sales order, and unconfirm the shipper.	The Days to Retain SO After Invoicing field in Legal Document Control is used to specify the number of days after invoice post a fully shipped sales order can be deleted in Completed Sales Order Delete. Completed sales orders within this time frame cannot be deleted. The Legal Document Cancel Time Fence field in Legal Document Control is used to specify the number of days after the creation date within which a legal document can be cancelled during shipper unconfirm. Legal documents cannot be cancelled outside this time frame. See *User Guide: QAD Sales* for more information.

General Ledger

Requirement	QAD Solution
Correction Transactions for All Modules It is a requirement that you must be able to generate correction transactions for all financial modules (for example, in AP, AR, and WO as well as in GL).	Use the GL Correction Control (25.13.24) function to select the modules and transaction types for which correction invoices can be created. When you select AR and AP in this program, you enable the customer and supplier correction invoice function, and can create these invoice types as standard.

Reporting

Requirement	QAD Solution
Customer Activity Statement It is a legal requirement in Poland to periodically send Activity Statements to customers, and to reconcile customer activities at least at the fiscal year end.	The Customer Account Activity report (27.17.3) lists all activity on a customer account during the selected period. The report lists transactions as they happened. The original full invoice amount is displayed, and the report can be displayed with or without an opening balance.

Switzerland

The following table describes QAD Enterprise Edition features that resolve specific Swiss requirements.

Currency

Requirement	QAD Solution
Rounding of Currency at Invoice Post It is a Swiss accounting requirement that the total amount of an invoice is rounded to a multiple of 5 Rappen (comparable with 5 cent), where 5 Rappen equals 0,05 CHF or Swiss Francs.	Use the Enable Invoice Rounding Function in Sales Order Accounting Control to define a specific rounding method during invoice post. When this field is set to Yes, the system displays additional frames that let you specify the rounding methods used between combinations of currency and ship-from and ship-to address. You can also specify the appropriate GL account and sub-account used to track rounding differences. During invoice post, the system then attempts to match the sales order ship-from country, ship-to country, and currency with records defined here. If it finds a match, the invoice amount is rounded up or down based on the associated method (defined in Rounding Method Create). Positive or negative amounts that result from rounding are posted to the specified account and sub-account. See *User Guide: QAD Sales* for details on Sales Order Accounting Control.

United Kingdom

The following table describes QAD Enterprise Edition features that resolve specific UK requirements.

Accounts Receivable

Requirement	QAD Solution
Reverse Charge Sales List UK Reverse Charge VAT accounting rules apply to the sale and purchase of a specific range of goods and apply to sales invoices. A Reverse Charge Sales List must be available in electronic format (of specific government format), and it must be possible to send this information to HMRC electronically, including for test purposes. The information must be available in paper report form to support the entry of this information via a web-based form.	The Domestic Reverse Charge field in Tax Rate Maintenance lets you define a zero tax rate for reverse charged items. Tax records generated for rates with this field selected are then included in the Reverse Charge Sales List Report (UK) (29.6.3.9) Refer to Tax Rates and to Domestic Reverse-Charge Taxes in *User Guide: QAD Global Tax Management* for more details.

Asia/Pacific

China

The following tables describe QAD Enterprise Edition features that resolve specific Chinese requirements.

General Ledger

Requirement	QAD Solution
GL Transaction Reports Chinese financials statements have specific formatting requirements. For example, reports at the transactional level are categorized by cash and bank transactions, foreign currency transactions, and account transfer transactions. Reports must also be printed on blank standard forms that are issued under the governance of Chinese financial authorities; while in some areas of the country it is also possible to format and print the reports on blank paper.	Use Chinese GL Transaction Reports (25.15.7.1) to print financial reports that meet these requirements. You must perform the following functions before printing: • Enable the Additional GL Numbering option for the entities following Chinese accounting practices. This has the effect of assigning a consecutive transaction ID to any statutory GL posting of an entity, so that the ID appears in Chinese regional reports as a transaction voucher number. • Run Journal Entry Verify (25.13.1.7) and Journal Entry Approve (25.13.1.8). These functions assign a verifier and approver to each transaction so that their names appear in Chinese regional reports. The following reports are available for use with this program: • Cash and Bank Receipt Journal • Cash and Bank Payment Journal • Account Transaction Journal • Foreign Currency Journal • General GL Journal • Cash and Bank GL Report • Subledger Report • Account Balance of Totals • Columnar Ledger Report • General Ledger Report • Value-Added Tax Payable Ledger These reporting functions are described in *User Guide: QAD Financials*.

Requirement	QAD Solution
Electronic Accounting Data It is a requirement by tax Authorities that electronic data to be provided by the company as a source of information for tax auditing. The main source of this data are ERP systems. The scope of data that are subject to this electronic auditing is: • Accounting • Invoicing (Sales and Purchase) • Manufacturing • Financials (Accounts Payable and Accounts Receivable) • Taxation	Use Accounting Data Export (25.13.23.1) to export files of accounting data in standard format and file types that are required by Chinese financial authorities. Each export file corresponds to one type of accounting data, and the data elements and file formats are strictly defined. The export files can be in plain text, and include the following: • Electronic Accounting Book • Chart of Accounts • Subsidiary Accounting – Department • Subsidiary Accounting – Supplier/Customer • Subsidiary Accounting – Project • Account Balance and Movement • GL Voucher • Balance Sheet • Income Statement • Format File Accounting Data Export is described in *User Guide: QAD Financials*.
GL Transaction Verification In China, GL transactions are verified and approved in order to prevent fraud. This bookkeeping practice ensures that every transaction of a business is recorded, checked, and approved by authorized signatories. Accordingly, a transaction has its creator, verifier, and approver; these each must be different individuals in the business to ensure that the transactions information is accurate.	The functions on Status Transition Menu (25.3.12) are used in combination with the Verify and Approve activities in the Journal Entry function to define and implement the process to verify and approve transactions. A status transition defines how the status of a transaction can be changed from one status to the other. You can select from the following verification and approval statuses to customize the flow of status transitions to fit your business requirements. Verification Statuses: • Initial • Verified and Not Passed • Verified and Corrected • Verified and Passed Approval Statuses • Initial • Approved and Not Passed • Approved and Corrected • Approved and Passed The Journal Entry Verify (25.13.1.7) and Journal Entry Approve (25.13.1.8) functions assign a verifier and approver to each transaction so that their names appear in Chinese regional reports. These options are described in *User Guide: QAD Financials*.

Taxes

Requirement	QAD Solution
Golden Tax The Golden Tax system (called "Jingshui") is a legal information system in China for processing value added tax (VAT) invoices. The system was established by the Chinese government to prevent tax fraud. When a company doing business in China needs to send VAT invoices to domestic customers, they must first obtain pre-printed blank invoices from Chinese tax bureaus. A unique VAT invoice number appears on each blank invoice to identify its legality.	To support these requirements, the Golden Tax Invoice Process menu (7.13.20.1) provides functions that let you export invoice information from your QAD database into a file. This file is then imported into the Golden Tax system for invoice print. After invoices are printed, printed data is loaded back into your QAD database. This option is described in *User Guide: QAD Financials*.