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Introduction:

Finance department has responsibilities to govern to create standardized processes, clear roles, and responsibilities related to the management of financial activities within the organization.

This work procedure document is designed and targeted for officers within and outside Finance department (or its equivalent in subsidiary entities) to be guiding procedures for the specified financial and accounting processes in the Objective section.

Adherence to the activities and steps are crucial and mandatory to all targeted stakeholders to ensure consistent and transparent financial practice, clear accountabilities, regulatory compliance, and alignment with the company's financial policies used in conjunction with this work procedure.

Objective:

To establish the guideline procedures for 'Credit Note Recording process', ensuring that credit note transactions are recorded in an accurate and timely manner into the Enterprise Resource Planning (ERP) system.

Scope:

This work procedure shall be adopted by Banpu Public Company Limited and subsidiaries, whose Finance and Accounting operations are handled by Finance department in Thailand, and shall be effective until announced otherwise.

Definitions:

N/A

References:

For credit note approval:

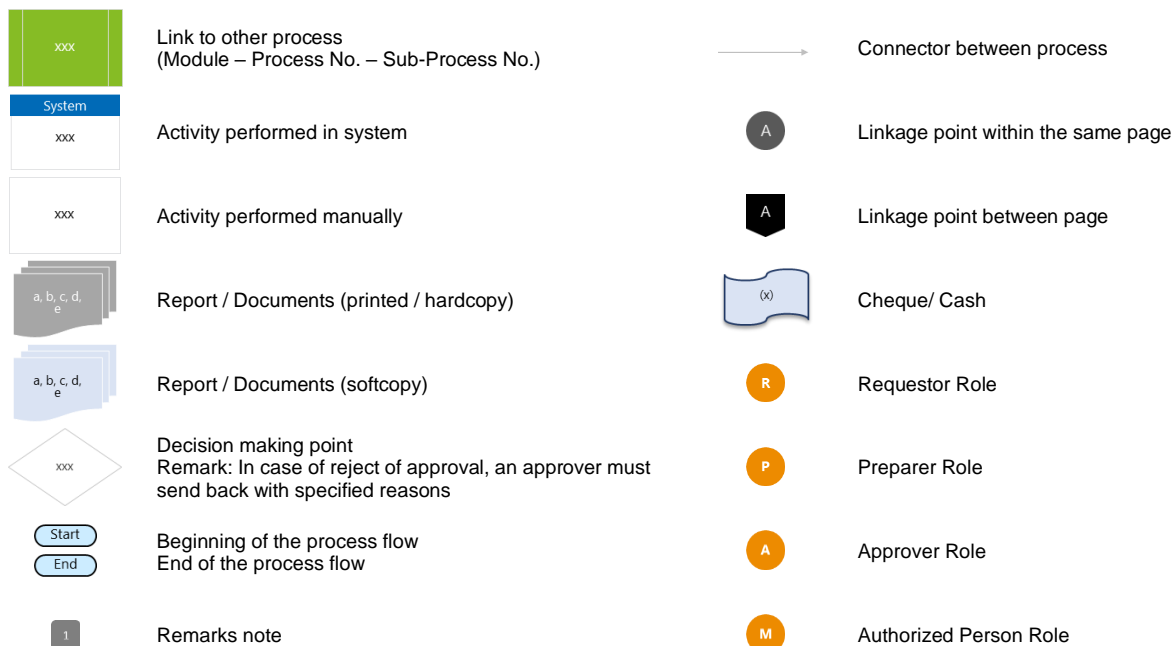
- DOA

For DOA, refer to the Appendix 2 : References [File Name: SOP Appendix 2 References].

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Flowchart:

Process Flowchart Legends



Abbreviations and Definitions

Abbreviation	Definition
AP	Accounts Payable
AR	Accounts Receivable
FA	Fixed Asset Accounting
GL	General Ledger
I&C	Inventory & Costing
TR	Treasury Operations
MA	Managerial Reporting and Budgeting
D&I	Digital and Innovation
MS&L	Marketing, Sales & Logistics

Abbreviation	Definition
ERP	Enterprise Resource Planning system
ECM	Enterprise Content Management system
ACCP	Accounting Portal system
VAT	Value Added Tax
WHT	Withholding Tax
SBT	Specific Business Tax
CIT	Corporate Income Tax
APV	Accounts Payable Voucher

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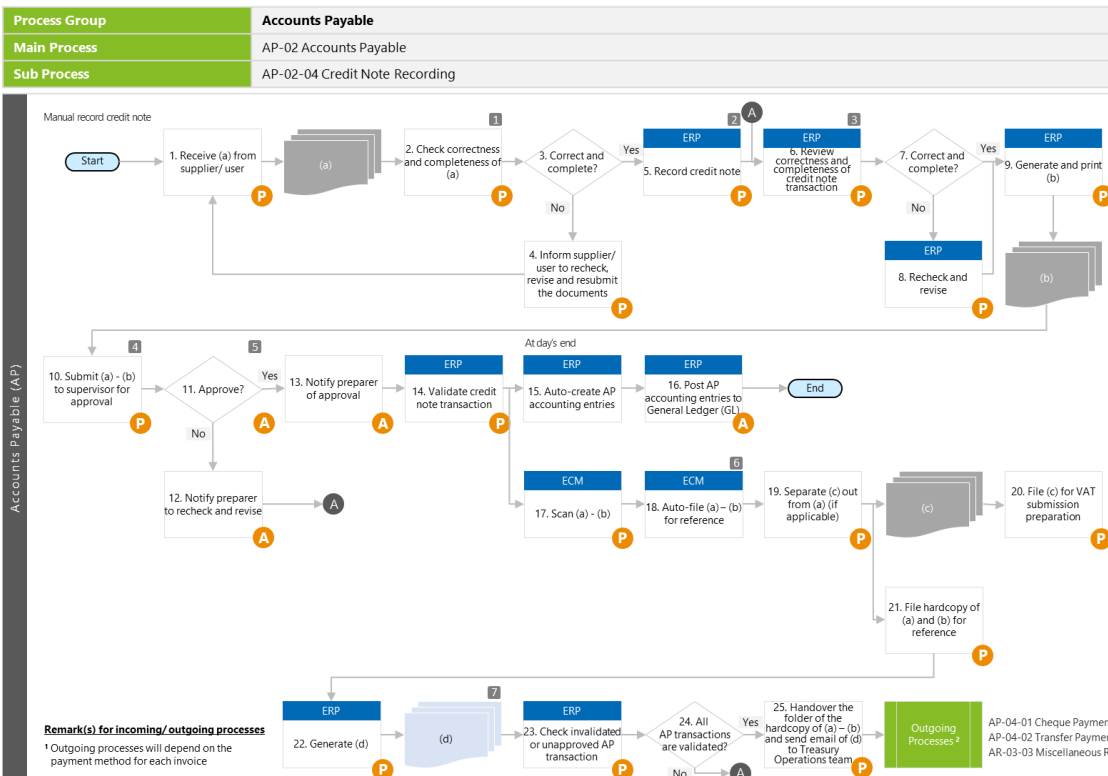
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Relevant Document(s)

- Credit Note supporting documents, for example:
 - Credit Note (including e-Tax Invoice)
 - Receipt or Receipt/Tax Invoice (including e-Receipt)
 - Return Order (if any)
- APV with QR Code (For ECM reference to upload supporting documents)
- Credit Note/ Tax Invoice and Receipt/ Tax Invoice (including e-Tax Invoice)
- APV Listing Report includes information at least:
 - Due Date
 - Pay Group

Remark(s)

- AP reviews credit note supporting documents at least the following:
 - Tax invoice format as specified by the Tax Authority.
 - Tax invoice information e.g. name, address, tax ID, value added tax (VAT) rate and amount, etc.
 - Supplier code and name.
 - Return order information e.g. return amount.
- AP team records credit/ debit note with reference to PO number/ invoice number
- AP team reviews at least the following:
 - Reference PO/ Invoice information
 - Credit Note information e.g. credit note and tax invoice number, credit note date, GL posting date, etc.
 - Payment information e.g. payment method, pay group, etc.
 - Value added tax (VAT) and withholding tax (WHT) information, revise the information if needed e.g. value added tax (VAT) rate and amount, withholding tax (WHT) rate, etc.
- AP preparer can submit APV for review and approval via either hardcopy or email
- Supervisor reviews credit note at least the following:
 - Supplier site
 - Supplier name
 - PO number/ invoice number
 - Credit amount
- ECM will create a folder based on APV and upload the supporting documents in designated folder
- APV listing report shows APV's by pay group and due date.

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Detail of Procedure: AP-02-04

1. AP preparer receives Credit Note Supporting Documents from supplier or user. Credit Note Supporting Documents include the following:
 - Credit Note (including e-Tax invoice)
 - Receipt or Receipt/ Tax invoice (including e-Receipt)
 - Return Order (if any)
2. AP preparer reviews correctness and completeness of Credit Note Supporting Documents. The review should include at least:
 - Tax invoice format as specified by the Tax Authority.
 - Tax invoice information e.g. name, address, tax ID, VAT rate and amount, etc.
 - Supplier code and name.
 - Return order information e.g. return amount.
3. AP preparer reviews the result from step #2 to determine whether the documents are correct and complete:
 - a. If correct and complete, proceed to step #5.
 - b. If incorrect and/or incomplete, proceed to step #4
4. AP preparer informs supplier or user to recheck, revise and resubmit the documents. Then proceed back to step #1
5. AP preparer records credit note transaction, referring to the Credit Note Supporting Documents with reference to PO number/ invoice number in ERP.
6. AP preparer reviews the correctness and completeness of credit note transactions before submitting to supervisor for approval. The review should include at least:
 - Reference PO/ Invoice information
 - Credit Note information e.g. credit note and tax invoice number, credit note date, GL posting date, etc.
 - Payment information e.g. payment method, pay group, etc.
 - VAT and WHT information, revise the information if needed e.g. VAT rate and amount, WHT rate, etc.
7. AP preparer reviews the result from step #6 to determine whether the credit note transactions are correct and complete:
 - a. If correct and complete, proceed to step #9.
 - b. If incorrect and/or incomplete, proceed to step #8.
8. AP preparer rechecks and revises credit note transactions.
9. AP preparer generates and prints APV.
10. AP preparer submits the documents to supervisor for approval. The submitted documents include:
 - APV.
 - Credit Note Supporting Documents.

Note: AP preparer can submit APV for review and approval via either hardcopy or email
11. AP approver reviews the submitted documents to confirm the validation of credit note transactions. The review should include at least:
 - Supplier site
 - Supplier name
 - Reference PO number/ invoice number
 - Credit amount
 - a. If approved, proceed to step #13.
 - b. If not approved, proceed to step #12.

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12. AP approver notifies the preparer to recheck and revise the credit note transactions. Then proceed back to step #6.
13. AP approver notifies the preparer of approval.
14. AP preparer validates credit note transactions in ERP. Then proceed to step #15 and #17.
15. At day's end, ERP automatically creates accounting entries for AP transactions per schedule.
16. AP supervisor as an approver, manually posts the AP accounting entries to GL. Then end of the credit note recording process.
Note: In case a WHT certificate is required, AP team needs to run the WHT data transfer to Thai Localization.
17. AP preparer scans APV and Credit Note Supporting Documents and via ECM.
18. ECM automatically files the scanned documents from step #17 for reference in designated folder.
19. AP preparer separates hardcopy of Original Credit/ Tax Invoice and Receipt/ Tax Invoice (including e-Tax Invoice) (if applicable) from the Credit Note Supporting Documents. Then proceed to step #20 and #21.
20. AP preparer files the original tax invoice separated in step #19 in the tax invoice folder for VAT submission preparation.
21. AP preparer files hardcopy of Credit Note Supporting Documents and APV in another folder for reference.
22. AP preparer generates APV Listing Report.
Note: APV listing report shows APV by pay group and due date.
23. AP preparer checks whether all AP transactions are validated on the report.
24. AP preparer reviews the result from step #23 to determine whether all AP transactions are validated:
 - a. If all AP transactions are validated, proceed to step #25.
 - b. If some AP transactions are invalidated, proceed back to step #6.
25. AP preparer handovers the folder of hardcopy of the documents list in step #21, and sends email of APV Listing Report to TR team to proceed to the work procedure of AP-04-01 Cheque Payment and AP-04-02 Transfer Payment for payment and proceed to the work procedure of AR-03-03 Miscellaneous Receipts for collection.
Note:
 - In case the invoice amount exceeds the credit note amount, the invoice needs to be offset with the credit note before proceeding to the payment processes.
 - In case the invoice amount equals the credit note amount, the invoice needs to be offset with the credit note to record the accounting, but there is no need to proceed to the payment processes.
 - In case there is no invoice applicable to the credit note and Banpu is to receive the money back from the supplier, then proceed to the AR collection process.