BATUZ LOCALIZATION

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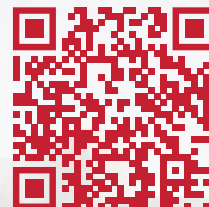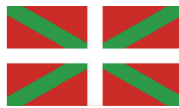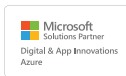
LOCALIZATIONS SOLUTIONS

WHAT IS BATUZ?

BATUZ is a strategy to control the taxation of all companies and self-employed workers subject to the regulations of Bizkaia, regardless of their size.

It consists of three basic elements:

✓ **The Ticket BAI invoicing control system,** the purpose of which is to ensure the declaration of all sales operations carried out;

✓ **The obligation to keep the Books of Records of Economic Operations** (LROE). Form 140 for individuals and Form 240 for legal entities, in which the income, expenses and invoices of persons carrying out economic activities are declared to the Treasury;

✓ **Assistance to taxpayers in complying with their tax obligations.** With the information submitted in forms 140 and 240, the Provincial Treasury of Bizkaia will prepare draft VAT and Corporate or Income Tax returns for legal entities and individuals with economic activity.

BATUZ
Standard Localization

✓ **BATUZ Performance:**
- **BATUZ aims** not only to fight tax fraud but also to **provide better services through new technologies.** In short, the idea is to carry out a digitalized control that avoids errors and detects possible tax evasion.

✓ **BATUZ works as follows:**
- **Generation of the XML file:** a document is created in XML format, which **contains the information related to the registered sales invoices.** Once generated, it is sent to the Tax Agency. Both the generation of the file and the sending are carried out in the same process.

✓ **Response from the Tax:**
- **The Tax Agency's response is automatically integrated, indicating whether the submission was successful or requires corrections.** If it is erroneous or if it has been accepted with errors. In the last two cases, it will specify which information is erroneous and what needs to be corrected and resubmitted.

✓ ## Implementation Timeline and Support Measures
- **BATUZ became mandatory as of January 1, 2024,** so adaptation tasks were carried out between 2020 and 2023. Persons and entities obliged to BATUZ used, from January 1, 2024, **an invoicing system that complied with the Ticket BAI requirements.** In addition, **they submitted the information from the Books of Records of Economic Operations within the deadlines** established in Foral Decree 82/2020, which defined the tax obligations of the BATUZ project;
- The Ticket BAI invoicing system and the completion of the Economic Operations Record Books enabled assistance to taxpayers, materializing the **third component of BATUZ: the preparation of VAT drafts from 2024 onward, as well as Corporate and Income Tax drafts corresponding to 2024 and subsequent fiscal years;**
- For those who took advantage of BATUZ is voluntary incentive period starting January 1, 2022, **references prior to 2024 were understood to refer to the date on which they voluntarily joined BATUZ;**
- **The provincial government established compensations of up to 15% in Personal Income Tax or Corporate Income Tax for self-employed individuals and SMEs** that implemented BATUZ in 2022 and 2023.
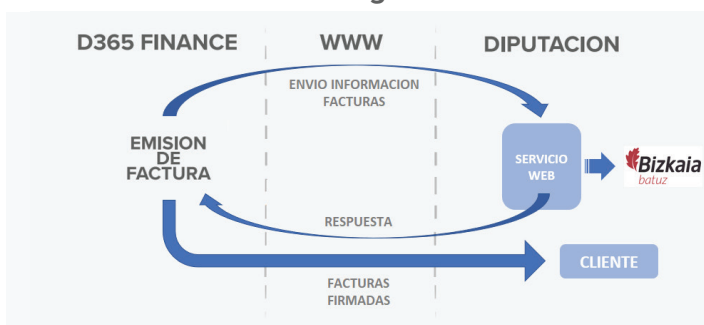
WHO IS OBLIGED TO COMPLY WITH BATUZ?

- **BATUZ will be mandatory for legal entities and for individuals and unincorporated entities that carry out economic activities,** regardless of size or volume of operations, provided that they are subject to Bizkaia is regulations for Personal Income Tax, Corporate Income Tax or Non-Resident Income Tax in the case of permanent establishments;
- **The obligations of BATUZ also include the persons and entities that are obliged to comply with the Immediate Supply of Information for VAT purposes (SII).** However, the Books of Records of Economic Operations will integrate the information and obligations of the SII, and the information must be sent only once.

OUR SOLUTION

- **In Arquiconsult,** developer entity registered in the register of Ticket BAI guarantor companies, **we have a wide experience in the implementation of electronic invoicing, having certified solutions for countries such as Spain, Portugal, Chile, Colombia and Argentina;**
- For all these reasons, **we have designed a functionality that has all the necessary authorizations** to operate with the three local governments;
- **Our solution is compatible with the Microsoft Dynamics 365 Finance and Operations version and has the following features:**
  - **Automatically sends invoices instantly via web services.** The response received will be integrated into the ERP so that it can be easily managed by your staff.
  - **Digital signature creation according to Ticket BAI specifications,** respecting chaining and encryption rules;
  - **User-friendly interface that allows you to view sent information, verify the result** of the shipments, as well as **correct and reprocess the documents** that have presented errors;
  - **Automatic reporting and alerts system that reports the result of automatic processes and sends alerts in case of errors.** We also offer consulting services to integrate this solution into your systems, **help you implement it so that you can send shipments automatically and unattended, and provide training to your staff on its use and management.**

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