

SII LOCALIZATION

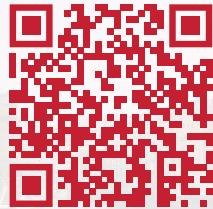


THE PRODUCT

The SII or Immediate Supply of VAT Information is a system through which to keep the Value Added Tax (VAT) record books instantly through the Tax Agency website. This refers to data relating to the record books of invoices issued, the record book of invoices received, the record book of intra-community operations and the record book of investment goods.

 The purpose of this system is to fight tax fraud and create a taxpayer assistance tool. For the user it implies the following advantages:

- **Reduction of formal obligations, with the sending of the SII**, the obligation to present forms 347, 340 and 390 are eliminated, as well as the preparation of the VAT Registration Books;
- **Groups verified data to assist with declarations, reducing errors and increasing legal certainty;**
- **10-day extension of the period for submitting periodic self-assessments;**
- **Reduction of verification periods by the Tax Agency** because it has the data instantly;
- **Decrease in information requirements related to billing.**



LOCALIZATIONS
SOLUTIONS

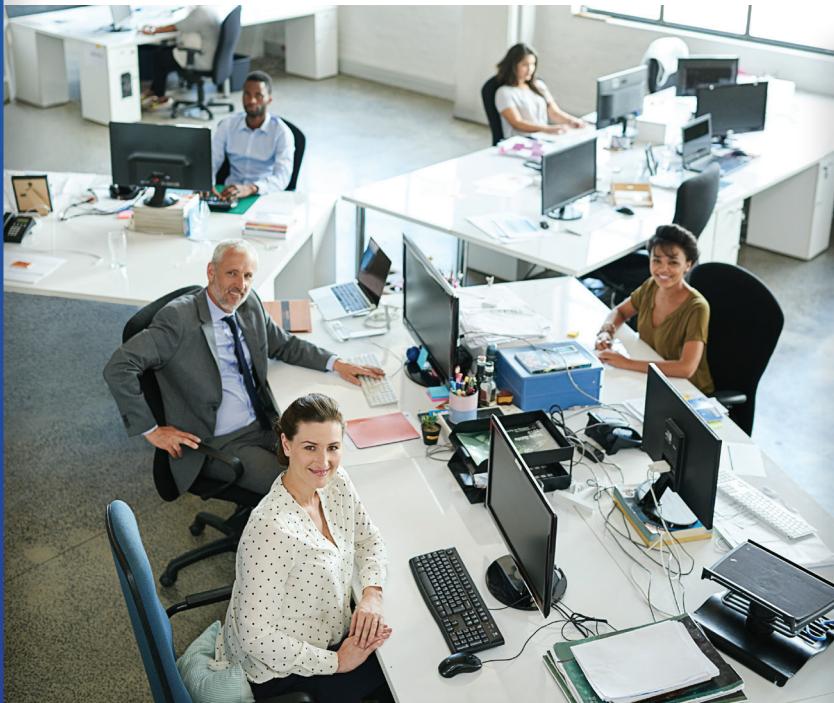
SII Standard Localization

SII OPERATION

- According to current regulations, companies must send the information to the Tax Agency in a period that varies depending on the type of registration book;
- For issued invoices, the data must be sent within a maximum period of 4 calendar days. The Tax Agency must have the information before the 16th of the month following the one in which the VAT was deducted from that operation;
- In the case of invoices received, the term is the same as for those issued from the posting of the invoice and in no case will it be possible to provide information after the 16th day of the month following the settlement period.;
- Intra-community operations, the information must be sent within a maximum period of 4 calendar days from the moment the shipment or transport begins, from the moment of receipt of the goods to which they refer;
- Finally, the information on investment goods will be provided when the liquidation corresponding to the last liquidation period of each calendar year is presented;
- After specifying the deadlines, the SII process works as follows:
 - **Generate the XML file:** a document is created in XML format with the information related to the invoices (whether generated or received). Once generated, they are sent to the Tax Agency;
 - **Response by the Treasury:** when the information is sent, the response to that shipment automatically arrives from the Treasury. This will indicate if it has been sent correctly, is wrong or is accepted with errors. The last two cases will specify what information is wrong and what needs to be corrected and resubmitted.

✓ What sets us apart from the standard?

- In the first place, **this solution not only contemplates sending VAT to the Spanish Tax Agency but also the IGIC (Canary Indirect General Tax) and the Basque Provincial Councils, while the standard does not take it into account.** In addition, it can be sent jointly, that is, **the invoices of a Madrid customer can be sent to the Spanish Tax Agency together with an invoice from a Canarias supplier.**
- On the other hand, **unlike the standard solution, this considers the type of exemption when generating the XML file that is going to be sent later.** In this way, **the Treasury has more detailed information** on the invoices that have exempt taxes.
- Until now, with the standard solution, **if an invoice is generated, a service invoice** (through the customer module), **regardless of the type of tax that has been used** (it could be the delivery of goods or the provision of services), **it always takes as a goods delivery tax.** However, this solution does differentiate based on the type of tax used regardless of where that invoice was created from.
- If a submission is incorrect and needs resending, the standard process requires updating the status through multiple steps. This solution simplifies it with a 'Re-export Invoice' button that automatically performs all the steps of updating the status and sends it to the council.



A photograph of a smiling man in a suit shaking hands with another person. In the foreground, there is a logo for Microsoft Dynamics 365 Business Central, featuring a stylized blue and green graphic. The background is a blurred image of the same office environment as the previous photograph, suggesting a professional and successful business setting.

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