



Infor SyteLine Japan Localization User Guide

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Table of Contents

General Setup for the Japan Localization	1
About Order Invoicing and Shipments (Japan)	3
About Order Shipping and Order Shipment Posting (Japan).....	5
Journal Entries Created by Posting the Shipment	5
Reversing an Order Shipment Posting.....	5
Journal Entries Created by Invoicing a Posted Shipment.....	6
About Journal Voucher Numbers	7
Automatically Creating Tax Transactions.....	9
Firm Banking Overview.....	11
AP EFT Posting Example.....	11
Using EFT Bank Fees.....	15
Consumption Tax Reporting.....	17
About Consumption Tax Reporting (Japan).....	17
Using the Consumption Tax Report (Japan).....	20
Invoice Batches.....	21
Invoice Batch Overview	21
Dummy invoices.....	21
Generating an Invoice Batch	22
Adding, Updating, and Deleting Invoice Batches.....	22
Adding an Invoice Batch	22
Updating an Invoice Batch	22
Deleting and Invoice Batch	22
Using Invoice Batch Detail	23
Add a customer to the invoice batch.....	23
Add an invoice for a customer.....	23
Update or delete records.....	23
Index	25

General Setup for the Japan Localization

Perform the following steps to set up Japan Localization:

- 1 In the **Tax Systems** form, set the Tax Mode for Tax System 1 to **Item**.
- 2 In the **Tax Parameters** form, enter a starting tax period date.
- 3 In the **Tax Jurisdiction** form, define tax jurisdictions for each tax system.
- 4 In the **Tax Codes** form, define tax codes for Tax System 1, using tax rates and tax jurisdictions.
 - Define A/R and A/P tax accounts. Use separate accounts that correspond to the Output and Input components for the Consumption Tax.
 - Use the Next Level Tax Code feature to define hierarchical relationships that govern different tax rates that correspond to national and prefecture/local tax jurisdictions.
- 5 In the **Billing Terms** form, define terms. This information includes the cutoff day for generating invoices, the month to forward, the payment day and the holiday offset for defining the due date.
- 6 In the **Customers** form, define customers. Assign a Billing Terms code from step 5. Define the Consumption Tax Round Method and the Consumption Tax Header or Line Method. These rates are defined for the Bill To customer only. Together they define the methods used for calculating Consumption Tax amounts. You can also select the Shipment Approval Required field. This field designates whether order shipments require the procedure for approval and posting before order shipments may be invoiced; yes if selected, no if cleared.
- 7 In the **Holidays** form, define the holidays necessary for the invoicing process. The holidays, together with the billing terms code and the customer information, determine the Invoice Due Date.
- 8 In the **Items** form, define your items. Assign the tax code that you defined in step 4.

When you ship orders to your customers, use the **Order Shipments** form to record customer approval for shipments.

When you invoice the orders, use the **Order Invoicing/Credit Memo** form.

To view your Consumption Tax liabilities and gather information to fill out the Consumption Tax return, run the **Consumption Tax Report**.

About Order Invoicing and Shipments (Japan)

After a company in Japan ships orders to the customer, the company normally does not invoice the order until they receive approval from the customer to confirm that the customer is satisfied with the quality of the delivered goods. The invoicing process has two parts:

- The company immediately recognizes the sales transaction by booking this journal entry to ensure that the sales on the accounting books are current:

Dr	Sales
	Cr
	Unbilled Accounts Receivable

- On the cutoff date, which is the monthly invoicing date as agreed with by the customer, the company issues an invoice with invoicing details to the customer and creates these journal entries:

To reverse the accrual entry from Shipment Post:

Dr	Sales
	Cr
	Unbilled Accounts Receivable

To create the Invoice Journal entry:

Dr	Accounts Receivable
	Cr
	Unbilled Accounts Receivable

All shipments made on or before the cutoff date are included in the invoice for that month. Set the invoice date to match the cutoff date. The invoice due date is calculated from the cutoff date.

There are some restrictions on invoicing in the Country Pack for Japan:

- Invoices cannot be voided.
- Invoice numbers cannot be reset or reused in subsequent fiscal years.
- Progressive invoicing, RMA credit memos, and price adjustment invoicing have not been modified to support the features in this country pack.

About Order Shipping and Order Shipment Posting (Japan)

After customers receive shipments, they must approve the shipments. When the shipments are approved, you can post a journal entry for the shipment, which then allows the order to be invoiced. However, there may be some time between the date when the shipment is approved and the date when invoicing occurs. During that time, the amount of the order is recorded in your accounting ledgers under "Unbilled Accounts Receivable." After invoicing, the amount is moved into "Sales" and "Consumption Tax Payable."

On the **Order Shipments** form, you can indicate customer approval for individual shipments.

Journal Entries Created by Posting the Shipment

After the customer approves an individual shipment, posting the shipment creates a new "Unbilled Accounts Receivable" journal entry for the AR DIST journal. The journal entry for the posted shipment takes this form:

Dr	Unbilled Accounts Receivable
Dr	Sales Discount (optional)
Cr	Sales
Cr	Consumption Tax Payable

Reversing an Order Shipment Posting

To manually reverse an order shipment that was approved and posted in error, click **Reverse Shipment Post**. This creates an offsetting journal entry from the entry created during the posting process. The approval date and remarks are removed. The journal entry for the reverse posting of the shipment takes this form:

Dr	Sales
Dr	Consumption Tax Payable
Cr	Unbilled Accounts Receivable
Cr	Sales Discount (optional)

Journal Entries Created by Invoicing a Posted Shipment

In the Order Invoicing/Credit Memo (Japan) form, you can select only those order shipments that are approved and posted to the AR DIST journal. The invoicing process can create a journal entry to reverse the shipment posting accrual entry and then create AR invoices and attendant journal entries that take this form:

Dr	Accounts Receivable
Dr	Sales Discount
Cr	Sales
Cr	Consumption Tax Payable

The amounts for the Consumption Tax are determined based on the settings defined in the **Customers** form for the Consumption Tax Round Method and the Consumption Tax Header or Line Method.

About Journal Voucher Numbers

On the **Journal Entries** form, the **Voucher Number** field is displayed in two places with a system-generated voucher number, once in the grid and once on the body of the form. The purpose of the voucher number is so that you can organize transactions into groups.

Automatically Creating Tax Transactions

The system automatically creates tax transactions for you if you have the Japanese Localization module licensed, but you need to do some setup.

- 1 On the **Account Tax Code Defaults** form, assign an account with the proper **Tax Code**, **Exempt Code**, and **Tax Account** set. You can not leave the **Tax Code** field blank. Whether or not tax entries or references are created is detailed in this table:

Taxable	Tax Code	Journal Reference Created	Tax Journal Entry Created
Yes	Rate Code	= Yes	Yes
No	Exempt or 0 Rate Code	= Yes	No
No	Blank	= No	No

- 2 On the **Journal Entries** form, select or clear the **Taxable** check box. If you select this check box, the taxable tax code populates the **Tax Code** field. This is the tax code you set up on the **Account Tax Code Defaults** form. If you clear the **Taxable** check box, the exempt tax code is displayed in the tax Code field. This code also comes from the **Account Tax Code Defaults** form.
- 3 On the **Journal Entries** form, adjust the tax code in the **Tax Code** field if necessary.
- 4 On the **Journal Entries** form, adjust the total amount in the **Total Amount** field if necessary.
- 5 Post the journal transactions. If no journal compression takes places, the records are updated and are eligible to display on the **Consumption Tax Report**. If journals are compressed, the record is deleted.

Firm Banking Overview

In compliance with The Japanese Bankers Association (JBA), the system provides adherence to the Zengin-Tejun protocol which defines additional data content and file format for Electronic Funds Transfer (EFT).

Use these forms for this feature:

- **Accounts Payable Parameters** - On this form, you can choose the Zengin File (JBA) format in the **(EFT) Format** field and define the EFT Bank Fee account.
- **Bank Addresses** - On this form, you can specify the **Account Holder Name, Account Type, Bank Branch Name, Zengin Bank Code, Zengin Branch Code, and Zengin Account Number**.
- **EFT Bank Fees** - On this form, you can define a schedule of bank fees based upon the draft amount for a given **Bank Code, EFT Bank Fee Type, and Effective Date**.
- **Vendors** - On this form, you can define data necessary for the generation of the Zengin format EFT file. Use these fields: **Account Owner Name, Bank Branch Name, EFT Bank Fee Terms, Account Reference 1, Account Reference 2, Zengin Bank Code, Zengin Branch Code, and Zengin Account Number**.
- **Bank Reconciliations** - On this form, view the **Vendor Check Number** in the grid.
- **EFT Files** - On this form, view the transmission status for EFT files.

AP EFT Posting Example

The system provides for the generation of EFT files according to the Zengin (JBA) EFT file format. The process to generate EFT files also records EFT File entries and attaches the EFT file using SyteLine **Documents**. A/P EFT Posting determines necessary bank fees, records them as Bank Reconciliation detail items, and uses the General Journal to record the journal entry.

Consider this example using a vendor where the agreement for EFT Bank Fee Terms uses *Telegraphic transfer, fee borne by Payer*. The Zengin Bank Code and Zengin Branch Code values are the same for the vendor bank and the Bank Code on the **Accounts Payable Parameters** form.

EFT Bank Fees have been defined for the same Bank Code assigned on the **Accounts Payable Parameters** form according to the data in this table:

Tier Amount	Charge 1	Charge 2
1.00	10.00	2.00
50,001.00	6.00	1.00

The EFT payment is recorded to the vendor in the amount of 2,400.0000. Posting creates journal entries for the AP DIST journal using the same methodology found in base Syteline and are not reproduced here. Given that the EFT Bank Fee Terms has been defined where fees are paid by the payer, the appropriate fee is determined using EFT Bank Fees data where the Tier Amount is less than the draft amount and then adding values from Charge 1 and Charge 2. In the example, the EFT payment amount of 2,400.00 corresponds with Tier Amount 1.00 for the result of 12.00. The Transaction Date matches the Transaction Date from the EFT Payment record.

The Bank Code on the **Accounts Payable Parameters** form defines the currency code and cash account.

This journal entry is recorded in the General Journal:

Account	Debit	Credit
EFT Bank Fees (1)	12.00	
Cash (2)		12.00
Reference (3) BBB FEE APP VVVVVVV		

(1) Defined on the **Accounts Payable Parameters** form.

(2) Defined for the Bank Code on the **Accounts Payable Parameters** form.

(3) BBB = BankCode, FEE = Literal for FEE type, APP = Literal for AP Payment, VVVVVVV = VendNum

Here are the values from the Bank Reconciliation entry:

Property	Value
Type	Other
Trans Date	Use Trans Date from associated EFT payment
Ref Type	FEE (literal value)
Ref Num	Use Vend Num from associated EFT payment
Vend Check Num	Use Transaction from associated EFT payment
Amount	Use Fee amount from EFT Bank Fees data

Bank Recon?

Unchecked

Using EFT Bank Fees

Use the **EFT Bank Fees** form to define a schedule of bank fees based upon the draft amount for a given Bank Code, EFT Bank Fee Type, and Effective Date.

- 1 On the **EFT Bank Fees** form, create a new record.
- 2 Select a bank code in the Bank Code field.
- 3 Select the EFT Bank Fee Type.
- 4 Specify an Effective Date.
- 5 Specify a Tier Amount.
- 6 Specify a Charge 1 and a Charge 2 amount.
- 7 Save the record.

Consumption Tax Reporting

About Consumption Tax Reporting (Japan)

Use the **Consumption Tax Report** to report consumption tax data according to posted activity during a specified fiscal period. You can then use information from the report to fill out your Consumption Tax (CT) returns.

With the Consumption Tax, Japanese companies are taxed on the supplies they purchase, and taxes are withheld on goods the companies sell. Companies must periodically pay the difference between the CT paid on supplies and the CT charged on goods or services.

The frequency of filing Consumption Tax returns depends on your turnover. The tax return lists all of your company's transactions related to the supply of relevant goods or services. Any tax due must be paid simultaneously with the filing of the tax return. In the case of a tax credit, where the CT incurred by the company exceeds the CT charged on its sales and services in the reporting period, documentary proof related to the transactions is often requested.

Consumption Tax is recognized upon invoicing for both goods and services. The amount can be computed on either the invoice header or on the invoice lines. In large companies, where the unit prices tend to be large, they may prefer line-level tax calculations. In smaller companies, where the unit prices tend to be smaller, they may prefer header-level tax calculations. You set this preference on the **Customers** form.

The calculated tax amount can be rounded off (for example, 4.4 becomes 4.0 and 4.5 becomes 5.0) or it can be rounded up (for example, 4.4 becomes 5.0). The rounding rule must be agreed upon by the customers and vendors and is also set on the **Customers** form.

The Consumption Tax has three components:

- Input tax on vendor vouchered amounts
- Output tax on customer invoiced amounts
- Automatic tax entries

You must set up separate A/R and A/P tax accounts to record the amounts for these components.

Example ledger transactions created for sales, purchasing, and the manual journal entries could look as follows:

		Account	Amount
Ledger	Manual Entry	30000	1000
		15000	50

	30000	500
	40000	2000
Invoice	20200	100
	40000	350
	50000	500
Voucher	50100	50
	50000	2500

The tax records in the various tables that correspond to these ledger records would be:

	Tax Account	Tax	Tax Basis	Tax Code	Tax Rate
Japan Journal Tax Table	15000	50	1000	OH	5
	15000	0	500	NT	0
Invoice Sales Tax Table	20200	100	2000	OH	5
	20200	0	350	NT	0
Voucher Sales Tax Table	50100	50	500	US	10
	50100	0	2500	NT	0

For the Consumption Tax Report, you create records in the **Consumption Tax Report Account Setup** form for accounts 30000, 40000, and 50000, and give them a description to describe what kind of transactions they represent. The report generated would show:

Account	Description	Total Amount	Non-Taxable Amount	Taxable Amount	Tax Amount
30000	Travel	1550	500	1000	50

40000	Sales	2450	350	2000	100
50000	Purchases	3050	2500	500	50

For these same transactions, the **Tax Control Report** would show:

Tax Code: OH	Description: Ohio		Type: Rate	Rate: 5
Account	Description	Date	Tax Basis	Tax Amount
15000	Travel Tax	11/12/13	1000	50
20200	Sales Tax Payable	11/5/13	2000	100

Tax Code: US	Description: United States		Type: Rate	Rate: 10
Account	Description	Date	Tax Basis	Tax Amount
50100	Sales Tax Expense	11/13/13	2000	100

Tax Code: NT	Description: Non-Taxable		Type: Exempt	Rate: 0
Account	Description	Date	Tax Basis	Tax Amount
15000	Travel Tax	11/12/13	500	0
20200	Sales Tax Payable	11/1/13	350	0
50100	Sales Tax Expense	11/4/13	2500	0

Using the Consumption Tax Report (Japan)

Use the Consumption Tax Report (Japan) form to report consumption tax data according to posted activity during a specified fiscal period. You can then use information from the report to fill out your Consumption Tax (CT) returns. All fields are described here.

Translate to Domestic Currency

Select this check box to translate amounts in the report to the domestic currency. Clear this check box to leave amounts in the transaction currency.

Display Report Header

Select this check box to display report headers in the report. Report headers display on the first page of the report and list the parameters by which you generated the report.

Fiscal Year

Specify the fiscal year for which tax information is to be included on the report.

Period

Specify the accounting period, within the specified Fiscal Year, for which tax information is to be included on the report.

Display

Specify the level of data to include in the report: Summary, or Detail.

Preview and Print Report

- Click **Preview** to preview the report, or
- Click **Print** to print the report.

Invoice Batches

Invoice Batch Overview

You must have the SyteLineJP license to use the invoice batch functionality.

These forms are used with the invoice batch functionality:

- Customers
- A/R Posted Transaction Detail
- Generate Invoice Batch
- Invoice Batches
- Invoice Batch Detail
- Invoice Batch Report

The invoice batch displays all invoices, credit memos, and debit memos that have not been printed on any other invoice batch. You have the ability to verify all invoices, credit memos, and debit memos and delete individual records from the invoice batch if desired. You can then print the invoice batch. Each invoice batch is assigned a unique number. Invoice batches are generated based on a close date entered on the **Generate Invoice Batch** form. The day of the close date is used to determine which customers are included in the invoice batch by matching the day with the customer invoice batch cutoff day assigned on the **Customers** form.

The Invoice Date and the Due/Paid Date fields on the **A/R Posted Transaction Detail** form are used during the generation and print processing. For example, if the invoice date is set to 10/10/13 and for some reason it is changed it to 11/10/13, the invoice does not get picked up in the 10/20/13 generation run unless the **Override Invoice Batch Creation Rules** field is checked on the **Generate Invoice Batch** form.

For payments, the **Due/Paid Date** is used to determine when a payment was made. If this date is changed, it affects the **Former Invoice** and **Payment** calculations on the **Invoice Batch Detail** form and the **Invoice Batch Report**. If a payment **Due/Paid Date** is set to 05/12/13 and it is changed it to 11/12/13, the payment shows in the November payments and not the May payments. If you do a reprint of May, its values would be different because the payment would not show as being paid in May.

Dummy invoices

If you have upgraded from a prior version, you must create a dummy invoice batch so that old invoices, credit memos, and debit memos do not show up on the first invoice batch sent out to your customers. A dummy invoice batch should be created for each of the cutoff days that would be run during a normal month. You should use the prior period close date, so that invoices, credit memos,

and debit memos for the current period are not included in the generation of the invoice batches. If an existing customer has been in the system but was not part of the invoice batch process and is added to the invoice batch process, you should generate a dummy invoice for that customer. This prevents older invoices, credit memos, and debit memos from showing on the current period invoice batch.

Generating an Invoice Batch

- 1 On the **Generate Invoice Batch** form, select the close date from the Close Date field.
- 2 Provide a description for the invoice batch.
- 3 Either select or clear the Exclude Invoices on Closing Date check box.
- 4 Either select or clear the Override Invoice Batch Creation Rules check box.
- 5 Select a range of customers for which to create the invoice batch.
- 6 Click the **Process** button.

Adding, Updating, and Deleting Invoice Batches

Adding an Invoice Batch

- 1 On the **Invoice Batches** form, create a new record. The system automatically generates the invoice batch number.
- 2 Provide a description.
- 3 Specify a close date in the **Close Date** field.
- 4 Save the record.

Updating an Invoice Batch

On the **Invoice Batches** form, update the description if you wish. This is the only field that can be updated. The other fields can either only be edited when creating a new record, or they are fields that are read-only.

Deleting and Invoice Batch

On the **Invoice Batches** form, select a record and delete it. You can only delete an invoice batch if it has not yet been printed. When you delete an invoice batch, all A/R posted records assigned to the invoice batch are released.

Using Invoice Batch Detail

Use the **Invoice Batch Detail** form to add, update, and delete Customer and A/R posted records from an invoice batch. You can either open this form directly, or you can click the Invoice Batch Detail button on the **Invoice Batches** form. Before using this form you must already have created an invoice batch on the **Invoice Batches** form, and you must have assigned an **Invoice Batch Cutoff Day** to a customer on the **Customers** form.

Add a customer to the invoice batch

- 1 On the **Invoice Batch Detail** form, select the invoice batch in the Invoice Batch field for which you wish to add a customer. The choices here are all invoices that have not been placed on another invoice batch.
- 2 Select a customer in the **Customer** field. If no customers are displayed in the **Customer** field, that means either that no customers have the same close date that is assigned to the invoice batch or all of the customers that do have that close date are already assigned to another batch.
- 3 Save the record. Among the fields on this form are: Former Amount, Payments, Carry Over, Invoiced This Period, Charges, Taxes, and Invoice Amount.

Add an invoice for a customer

- 1 After you add a customer, in the grid area of the **Invoice Batch Detail** form, click the **Invoice** field to specify an invoice. Add as many as you like, each one in a different row.
- 2 Save the record. This connection between the invoice batch and the customer's transaction is seen in the **Invoice Batch** field on the **A/R Posted Transactions Detail** form.

Update or delete records

On the **Invoice Batch Detail** form, only those records where the invoice batch has not been printed can be updated or deleted. You can select and delete individual invoice records in the grid or delete the invoice batch record from this form.

Index

C

Consumption Tax Report form	
about consumption tax reporting.....	17
using the consumption tax report.....	20

E

EFT Bank Fees form	
using eft bank fees	15

F

Firm Banking Overview.....	11
----------------------------	----

I

Invoice Batches	
adding, updating, and deleting invoice	
batches	22
generating an invoice batch.....	22
invoice batches overview	21
using invoice batch detail.....	23

J

Japan Localization, general setup.....	1
--	---

T

tax transactions, automatically creating	9
--	---