

Sri Lankan Localization for Business Central – User's Guide

FOR

HOW TO WORK WITH VAT & SVAT ON
SALES AND PURCHASE DOCUMENTS

VAT Process

Unit Price and Line Amount Including/Excluding VAT on sales documents

When you enter an item number in the **No.** field of a sales document, Business Central automatically fills in the **Unit Price** field. The unit price is determined by the Item card and the item prices allowed for the item and customer. Business Central calculates the Line Amount when you enter a quantity for the line.

If you sell to retail customers, you may want the prices on your sales documents to include VAT. For this to happen, Select the **Prices Including VAT** check box on the document.

The screenshot displays a Sales Order document for 'D-INV-1005 · 1st Force Services (Pvt) Ltd'. The document is saved and shows a table of lines with the following data:

Type	No.	Description	Location Code	Quantity	Unit of Measure Code	Unit Price Incl. VAT	Line Discount %	Line Amount Incl. VAT
Item	1001	BRACKET/TRAY	STORE	1	PCS	1,080.00		1,080.00

Summary fields at the bottom of the table:

Subtotal Excl. VAT (LKR)	1,000.00	Total Excl. VAT (LKR)	1,000.00
Inv. Discount Amount Incl. VAT (...)	0.00	Total VAT (LKR)	80.00
Invoice Discount %	0	Total Incl. VAT (LKR)	1,080.00

Invoice Details section:

- Currency Code: [Dropdown]
- Payment Service: No payment service is made available.
- Prices Including VAT: (highlighted with a blue box)
- VAT Bus. Posting Group: VAT

If the **Prices Including VAT** check box is marked as **true** on a sales document, the Unit Price and Line Amount fields will include VAT, and the field names will also reflect this. By default, VAT is not included in these fields.

If the **Prices Including VAT** check box is marked as **false**, the system will fill in the Unit Price and Line Amount field excluding VAT and the field names will reflect this.

You can set up the default setting of the **Prices Including VAT** for all sales documents for a customer in the Prices Including VAT field on the **Customer card**.

Customer Card ✓ Saved

000001 · 1st Force Services (Pvt) Ltd

New Document | Approve | Request Approval | Prices & Discounts | Navigate | Customer | More options

Invoicing Show less

Bill-to Customer	<input type="text"/>	Prices and Discounts	
VAT Registration No.	<input type="text"/>	Currency Code	<input type="text"/>
GLN	<input type="text"/>	Customer Price Group	<input type="text"/>
Tax Area Code	SALES TAX	Customer Disc. Group	<input type="text"/>
Tax Liable	<input checked="" type="checkbox"/>	Allow Line Disc.	<input checked="" type="checkbox"/>
Use GLN in Electronic Documents	<input type="checkbox"/>	Invoice Disc. Code	000001
Copy Sell-to Addr. to Qte From	Company	Prices Including VAT	<input checked="" type="checkbox"/>

You can also set up item prices to include or exclude VAT. Normally, item prices contained in the Item card will be the **price excluding VAT**. The program uses the information from the **Price Includes VAT** field on the **Item card** to determine the unit price amount in sales documents.

Item Card ✎ + 🗑

1001 · BRACKET/TRAY

Process | Item | Prices & Discounts | Request Approval | Actions | Related | Fewer options

Purchase Prices & ... Create New...

Prices & Sales Show less

Unit Price	<input type="text" value="1,000.00"/>	Sales Prices & Disc...	Create New...
Unit Price Excl. VAT	<input type="text" value="925.93"/>	Allow Invoice Disc.	<input checked="" type="checkbox"/>
Price Includes VAT	<input checked="" type="checkbox"/>	Item Disc. Group	<input type="text"/>
Price/Profit Calcula...	Profit=Price-Cost	Sales Unit of Meas...	<input type="text"/>
Profit %	<input type="text"/>	Sales Blocked	<input type="checkbox"/>

To create and post the invoice for the import authority vendor

Example:

Document Type	-	Purchase Invoice
Vendor Details	-	10733 – Director General of Customs
Account Type	-	G/L Account
Account No.	-	2340 – VAT Receivables
Qty	-	1
Unit Cost	-	125,000.00

1. Choose the search icon, enter **Purchase Invoices**, and then choose the related link.
2. Create a new purchase invoice.
3. In the **Buy-from Vendor No.** field, choose the import authority vendor (Ex: Director General of Customs)
4. In the purchase line, in the **Type** field, choose **G/L Account**, and in the **No.** field, choose the import VAT general ledger account.
5. In the **Quantity** field, type **1** and in the **Direct Unit Cost Excl. VAT** field, specify the VAT amount.
6. Post the invoice.

Purchase Invoice | Work Date: 5/20/2021

107233 · Director General of Customs

Invoice Posting Request Approval Incoming Document Release Navigate More options

Lines Manage More options

Type	No.	Description/Comment	Locat... Code	Quantity	Unit of Measure Code	Direct Unit Cost Excl. VAT	Line Discount %	Line Amount Excl. VAT
G/L Account	2340	VAT Receivables		1		125,000.00		125,000.00

Subtotal Excl. VAT (LKR) 125,000.00 Total VAT (LKR) 0.00

Inv. Discount Amount (LKR) 0.00 Total Incl. VAT (LKR) 125,000.00

Invoice Discount % 0 SVAT Amount 0.00

Total Excl. VAT (LKR) 125,000.00

VAT Settlement

End of the month or quarter, you must remit the net VAT to The Inland Revenue Dept of Sri Lanka. If you need to settle VAT frequently, you can run the **Calc. and Post VAT Settlement** batch job to close the open VAT entries and transfer purchase and sales VAT amounts to the VAT settlement GL account.

When you transfer VAT amounts to the settlement account, the purchase VAT account is credited, and the sales VAT account is debited with the amounts calculated for the specified period. You can post the settlement immediately or print a test report first.

Choose the search icon, enter **Calculate and Post VAT Settlement**, and then choose the related link.

Calculate and Post VAT Settlement



Printer (Handled by the browser) ▾

Options

Starting Date 4/1/2021

Ending Date 4/30/2021

Posting Date 5/20/2021

Document No. APR-VAT-2021

Settlement Account 2340 ▾

Show VAT Entries

Post

Send to...

Print

Preview

Cancel

SVAT Process

Calculating and displaying SVAT amounts in Sales and Purchase documents

Depending on the type of customer or vendor, you can calculate and display SVAT amounts in sales and purchase documents differently.

7. Choose the **search** icon, enter **Sales Order**, and then choose the related link.
8. When you select the item number in the **No.** field of a sales document, Business Central automatically fills in the **Unit Price** field. The unit price is determined by the Item card, or the item prices allowed for the item and customer. Business Central calculates the Line Amount when you enter a **quantity** for the line.

Type	No.	Description	Location Code	Quantity	Unit of Measure Code	Unit Price Excl. VAT	Line Discount %	Line Amount Excl. VAT
Item	1896-S	ATHENS Desk	WEST	10	PCS	1,200.00		12,000.00

Subtotal Excl. VAT (LKR)	12,000.00	Total VAT (LKR)	0.00
Inv. Discount Amount Excl. VAT (...)	0.00	Total Incl. VAT (LKR)	12,000.00
Invoice Discount %	0	SVAT Amount	960.00
Total Excl. VAT (LKR)	12,000.00		

9. Based on the VAT posting setup combination already defined for Customer and Item, Business Central calculate the **SVAT** amount from the **Line amount** field and display the **SVAT** amount in the footer area.

*Note: Any transaction posted with this combination, system does not post any entry to GL entry with the **SVAT** amount.*

10. After the posting, **SVAT** amount will reflect in a separate column in **Customer Ledger Entry** against the relevant posted document transaction. This field will be required to generate the SVAT Schedules, and Source documents.

Posting Date	Document Type	Document No.	Customer No.	Customer Name	Description	Original Amount	Amount (LCY)	SVAT Amount
5/21/2021	Invoice	PS -58- M	C00150	De Soysa	Order 101077	12,000.00	12,000.00	960.00

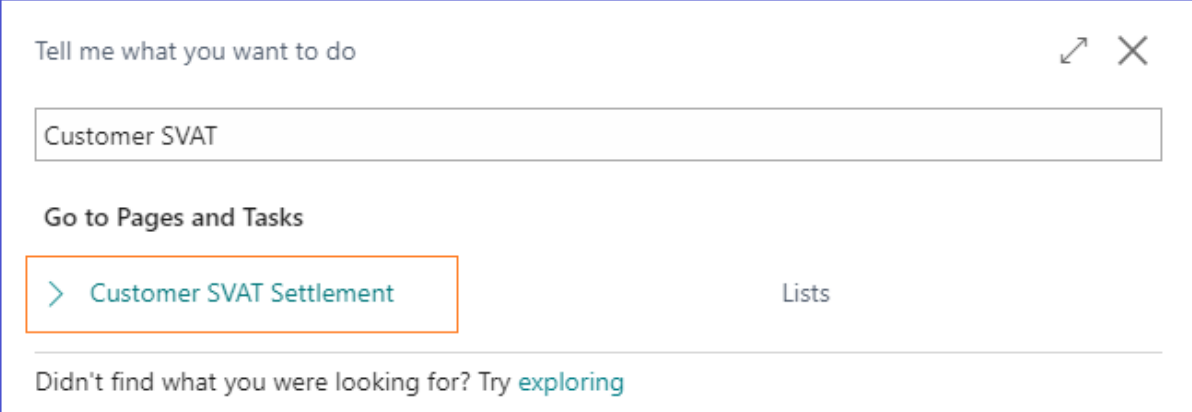
SVAT Credit Voucher (SVCV) Settlement

SVCV is provided by the Department to RIPs for them to issue it to their Suppliers (RISs) with value equivalent to suspended VAT on suspended purchase.

End of the settlement period, Enter the credit vouchers into system using following steps.

Steps to update SVCV in Business Central

1. Choose the Search for Page and enter “**Customer SVAT Settlement**” and choose the related link.



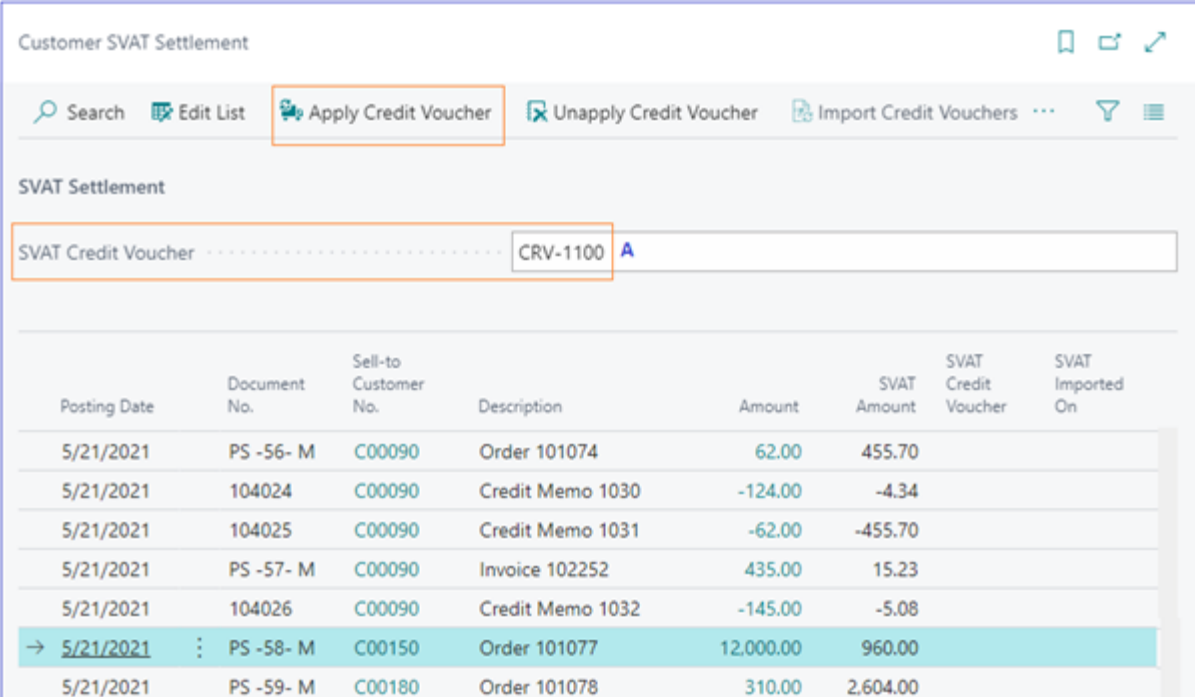
Tell me what you want to do

Go to Pages and Tasks

> **Customer SVAT Settlement** Lists

Didn't find what you were looking for? Try [exploring](#)

2. Select the appropriate invoice to apply for the credit voucher number with the prefix (if available) and click **Apply Credit Voucher**.
Example: A. SVAT Credit Voucher No. CRV-1100



Customer SVAT Settlement

Search Edit List **Apply Credit Voucher** Unapply Credit Voucher Import Credit Vouchers ...

SVAT Settlement

SVAT Credit Voucher CRV-1100 A

Posting Date	Document No.	Sell-to Customer No.	Description	Amount	SVAT Amount	SVAT Credit Voucher	SVAT Imported On
5/21/2021	PS -56- M	C00090	Order 101074	62.00	455.70		
5/21/2021	104024	C00090	Credit Memo 1030	-124.00	-4.34		
5/21/2021	104025	C00090	Credit Memo 1031	-62.00	-455.70		
5/21/2021	PS -57- M	C00090	Invoice 102252	435.00	15.23		
5/21/2021	104026	C00090	Credit Memo 1032	-145.00	-5.08		
→ 5/21/2021	PS -58- M	C00150	Order 101077	12,000.00	960.00		
5/21/2021	PS -59- M	C00180	Order 101078	310.00	2,604.00		

3. System will apply the assigned credit voucher number to selected invoice with applied date

Customer SVAT Settlement | Work Date: 5/21/2021

Search Edit List Apply Credit Voucher Unapply Credit Voucher Import Credit Vouchers ...

SVAT Settlement

SVAT Credit Voucher

Updated Successfully.

OK

Posting Date	Doc No	SVAT Credit Voucher	SVAT Imported On
5/21/2021	PS		
5/21/2021	10		
5/21/2021	104025	C00090	Credit Memo 1031
5/21/2021	PS -57- M	C00090	Invoice 102252
5/21/2021	104026	C00090	Credit Memo 1032
→ 5/21/2021	: PS -58- M	C00150	Order 101077

Note: The updated credit voucher number will record in the customer ledger entry as a reference.

4. Click on “Unapply Credit Voucher” option to un-apply the assign credit voucher number.

Customer SVAT Settlement

Search Edit List Apply Credit Voucher Unapply Credit Voucher Import Credit Vouchers ...

SVAT Settlement

SVAT Credit Voucher

Posting Date	Document No.	Sell-to Customer No.	Description	Amount	SVAT Amount	SVAT Credit Voucher	SVAT Imported On
5/17/2021	PS -31- M	C00060	Invoice 102232	95.62	3.35	MVJ2029	5/17/2021
5/17/2021	PS -32- M	C00060	Order 101066	420.00	14.70	ASDC111	5/31/2021
5/17/2021	104016	C00060	Credit Memo 1022	-420.00	-14.70		
→ 5/17/2021	: PS -33- M	C00060	Order 101067	466.88	16.34	MN200	5/19/2021
5/17/2021	104017	C00060	Credit Memo 1023	-466.88	-16.34		
5/19/2021	PS -47- M	C00060	Invoice 102246	375.00	13.13		
5/20/2021	104021	C00060	Credit Memo 1027	-375.00	-13.13		
5/20/2021	PS -48- M	C00090	Invoice 102247	68.00	2.38		
5/20/2021	PS -49- M	C00090	Order 101069	62.59	2.19		