SAP BusinessObjects™

SAP Solution Brief
SAP BusinessObjects Governance, Risk, and Compliance Solutions

SAP BusinessObjects Electronic Invoicing for Brazil

SUPPORT GLOBAL EXPANSION WITH TRADE AND FINANCIAL COMPLIANCE

ELECTRONIC INVOICING FOR COMPANIES DOING BUSINESS IN BRAZIL

The SAP® BusinessObjects™ Electronic Invoicing for Brazil (SAP BusinessObjects Nota Fiscal Eletronica) application helps companies doing business in Brazil comply with electronic invoicing regulations. The application allows secure, certified communication with Brazilian state and federal tax authorities.

Companies conducting business in Brazil face regulatory compliance challenges posed by the electronic public bookkeeping system known by its initials in Portuguese as SPED. Among the goals of the government program is the elimination (or significant reduction) of paper-based legal-reporting activities in order to reduce expenses related to issuing, sending, receiving, and storing invoices for auditing. The Brazilian Nota Fiscal Eletronica regulations, a subset of SPED, specifically cover electronic invoicing practices. To comply with the regulations, companies must file an electronic invoice (NF-e) with the Brazilian state and federal authorities prior to moving goods to a customer, and the customer must then verify the invoice before receiving the goods.

The lack of a robust response to the challenges posed in adhering to these regulations can have consequences felt throughout an organization – and on the bottom line. Companies such as yours need a way to comply with requirements without losing the ability to move quickly and surely in a fast-changing business environment.

The SAP® BusinessObjects™ Electronic Invoicing for Brazil (SAP BusinessObjects Nota Fiscal Eletronica) application enables companies doing business in Brazil to meet electronic invoice requirements by providing automated, certified, and secure interfaces to government systems at the state and federal level. The application supports regulation compliance, minimizes incorrect transactions, facilitates communication and collaboration with all of your supply chain partners, and offers the following business and operational benefits:

- Increased supply chain efficiency
- Improved customer service
- Integration with existing enterprise solutions as well as with financial and logistics processes
- Reduced audit costs
- Decreased operating costs

Regulations Mean Challenges for Your Business

Complying with the regulations presents a complex set of challenges that affect core business processes. The regulations include the following key provisions:

- Upon submission to state and federal systems, invoices will either be approved, rejected, or denied.
- Companies will save files electronically, eliminating the long-term (and costly) storage of paper invoices for auditing purposes.
- Companies will exchange electronic invoice files instead of paper invoices.
- Auxiliary paper invoices will accompany shipments, and electronic invoices are the official document for legal, contract, and tax purposes.
- Companies receiving electronic invoices must verify their validity with state and federal systems.
- Receipt of auxiliary, or contingency, paper invoices requires a subsequent check for receipt of the electronic invoice.

At one level, compliance requires companies to introduce and adapt to new procedures and practices. But beyond this, the regulations also involve the risk of interruption to the business. Simply put, insufficient compliance can affect core operations. Rejected or denied invoices can have costly and time-consuming effects that ripple throughout the enterprise. And goods may not be shipped or received, leading to customer dissatisfaction, cost increases, missed schedules, and late deliveries that result in lost profits and opportunity.

With their electronic invoicing requirements, the state and federal governments of Brazil have, in effect, become critical links in the supply chain. Companies need to integrate and automate electronic invoicing processes to meet the regulations – while continuing to meet customer demands efficiently and effectively.

Facilitating Compliance – Electronically

SAP BusinessObjects Electronic Invoicing helps you comply with requirements to file a copy of invoice data electronically for every sale or material movement. The application enables an automated, certified, and secure connection between your enterprise software and the state and federal government systems, with electronic acknowledgement and authorization based on applicable government guidelines.

The application facilitates compliance efforts for any company conducting business in Brazil, whether that company does business only in Brazil or is headquartered in Europe, North America, or Asia and has a division in Brazil. According to Marcos Mazarin, IT manager at Brazil's Merck S.A., part of the Merck Group, "We issue 15,000 to 16,000 invoices per month, reaching a peak of 500 to 1,000 per hour. All of them must be validated by SAP BusinessObjects Electronic Invoicing, which responds perfectly to the demand."

Powerful, Integrated Functionality

Thanks to the delivered integration with the SAP ERP application and the ability to connect to other applications as well, SAP BusinessObjects Electronic Invoicing enables you to leverage enterprise data and processes. By eliminating the need for satellite and homegrown solutions that are typically expensive to maintain, you can decrease total cost of ownership.

Enabled by the invoicing functionality in SAP ERP (localized for Brazil), SAP BusinessObjects Electronic Invoicing offers automated communication with the appropriate authorities and their respective software systems. The application automatically tracks and registers all authorization orders with the Brazilian government – in real time – for every invoice issued, cancelled, or even skipped. Your organization saves time and money by enacting secure and accurate automated processes that are aligned with Brazilian trade regulations and integrated with your own internal financial and logistics processes.

Sophisticated functionality handles the validation of files in XML format, as required by the regulations. The application also features built-in digital signature functionality, eliminating the need for third-party applications that require additional implementation and maintenance. Moreover, the automatic checking of government systems can trigger a shift from the standard processing of an NF-e to a contingency process if the primary government systems aren't available.

Improved Supply Chain Efficiency, Communication, and Visibility

Electronic acknowledgement and authorization functionality speeds and enables processes – improving your responsiveness to customer demands and supply chain signals. With SAP BusinessObjects Electronic Invoicing, you can manage complex supply chain processes, including:

- Receiving electronic invoices for the standard procurement of goods
- Issuing electronic invoices for the sale of goods
- Transferring inventory between company plants
- Receiving and validating inbound electronic freight invoices
- Issuing an NF-e via a contingency process
- Notifying vendors of invoice rejection

The application helps increase supply chain efficiency by including functionality to authorize and approve goods before shipment takes place. It facilitates collaboration and communication with partners in the extended supply chain, from your most dependable suppliers to your most important customers. You can improve

service performance with real-time customer notification of product and tax information. Status monitoring functionality increases process visibility and enables you to manage outbound and inbound transactions.

Notification to a vendor when you reject an NF-e enables faster resolution of issues regarding inbound goods. With receipt and validation of inbound freight invoices, invoices for both goods and freight can be managed quickly and automatically. Simulation functionalities leveraging information from your back-end SAP ERP application help ensure the accuracy of tax information on incoming electronic invoices. Visibility into inbound shipments and automatic triggering of transactions in SAP ERP results in greater speed and efficiency in goods receipt processes.

A Flexible, Scalable Application

SAP BusinessObjects Electronic Invoicing is scalable, so it can address the requirements of your organization now and in the future. And it has the flexibility to suit the needs of different business models and industries. The application offers ongoing support for changes to electronic invoicing regulations to help you keep up with new developments.

If your company works with high volumes of transactions, the application enables you to batch invoices for delivery to government systems, improving efficiency. The application also provides a history of all transactions by storing XML messages for invoice authorization, canceling, and skipping.

More Than Compliance

The benefits of SAP BusinessObjects Electronic Invoicing go beyond facilitating compliance. By automating invoicing, the application enables your organization to increase supply chain efficiency significantly – saving time, increasing productivity, and reducing operating costs. With faster supply chain processes, you can provide your customers with higher-quality service.

Automating invoicing procedures and removing paper from the equation cuts costs related to the issuing, receiving, and tracking of invoices. You can also reduce the costs of storing invoices for government auditing in secure off-site locations for years.

Close integration between SAP BusinessObjects Electronic Invoicing and your finance and logistics processes provides a link between your financial and physical supply chains, increasing visibility into business data and activities and enabling further gains in efficiency and effectiveness. Creating inbound deliveries and simulating purchase orders and invoices based on the inbound XMLs and back-end SAP ERP data helps ensure greater accuracy and speed in processing shipments once they are received. Flexibility in determining how inbound XMLs are handled based on the vendors involved gives you options. You can fully automate the management of inbound electronic invoices, or you can determine which steps require manual review to ensure accuracy before the process continues. Proactive review of data in the electronic invoices, especially data related to taxes, ensure that subsequent receipts and invoices created in the SAP ERP application are correct.

SAP BusinessObjects Electronic Invoicing helps you meet Brazilian electronic invoice requirements by providing automated, certified, and secure interfaces to government applications at the state and federal level.

Find Out More

To learn more about how SAP BusinessObjects Electronic Invoicing can help you comply with Brazilian invoicing regulations, please call your SAP representative or visit www.sap.com/sapbusinessobjects/electronic_invoicing_for_brazil.

QUICK FACTS

www.sap.com/contactsap

Summary

The SAP® BusinessObjects™ Electronic Invoicing for Brazil (SAP BusinessObjects Nota Fiscal Eletronica) application enables companies doing business in Brazil to meet electronic invoice requirements. The application supports compliance with trade regulations, minimizes incorrect transactions, and facilitates communication and collaboration with supply chain partners.

Business Challenges

- Comply with Brazilian electronic invoicing regulations
- Integrate and automate electronic invoicing processes while continuing to operate efficiently and effectively
- Avoid disruptions to core business activities

Key Features

- **Electronic invoice filing** – File invoices with an automated, certified, and secure connection between company software and the state and federal government systems
- **Connectivity with SAP and non-SAP enterprise solutions** – Leverage enterprise data and processes and eliminate satellite and homegrown solutions
- **Conformance with validation standards** – Handle the validation of files in XML format
- **Digital signature functionality** – Validate signatures with built-in functionality
- **Processing of inbound invoices** – Receive, validate, and automate the processing of invoices from vendors
- **Data comparison and visibility** – Compare data received from vendors with data in the back-end SAP ERP application, and gain visibility into inbound shipments
- **Automation of processes** – Automate back-end processes such as the creation of goods receipts and invoices

Business Benefits

- **Meet electronic invoice requirements** with automated and secure interfaces to government systems at the state and federal level
- **Increase supply chain efficiency and improve customer service** with streamlined processes
- **Integrate with existing enterprise solutions** as well as with financial and logistics processes to leverage enterprise data
- **Reduce audit and operating costs** for electronic issuing, sending, receiving, and storing of invoices

For More Information

Call your SAP representative, or visit us online at www.sap.com/sapbusinessobjects/electronic_invoicing_for_brazil.

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