

SUPPORT GLOBAL EXPANSION WITH TRADE AND FINANCIAL COMPLIANCE

SAP® BUSINESSOBJECTS™ ELECTRONIC INVOICING FOR BRAZIL

Companies conducting international, intrastate, and interstate 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 new government program is the elimination (or significant reduction) of paper-based legal-reporting activities to reduce expenses related to issuing, sending, receiving, and long-term storing of invoices for auditing. The Brazilian Nota Fiscal Eletronica regulations, a subset of SPED, specifically cover electronic invoicing practices. To comply with the new regulations, companies must file invoice data with the Brazilian state and federal authorities for intrastate, interstate, and international transactions. The regulations are being rolled out in stages by industry.

A lack of a robust response to the challenges posed in adhering to these regulations can have consequences felt throughout the organization – and on the bottom line. Companies like 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. SAP BusinessObjects Electronic Invoicing supports compliance with the

trade regulations, minimizes incorrect transactions, and facilitates communication and collaboration with all of your supply chain partners. In your efforts to ensure compliance, the application enables the following business and operational benefits:

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

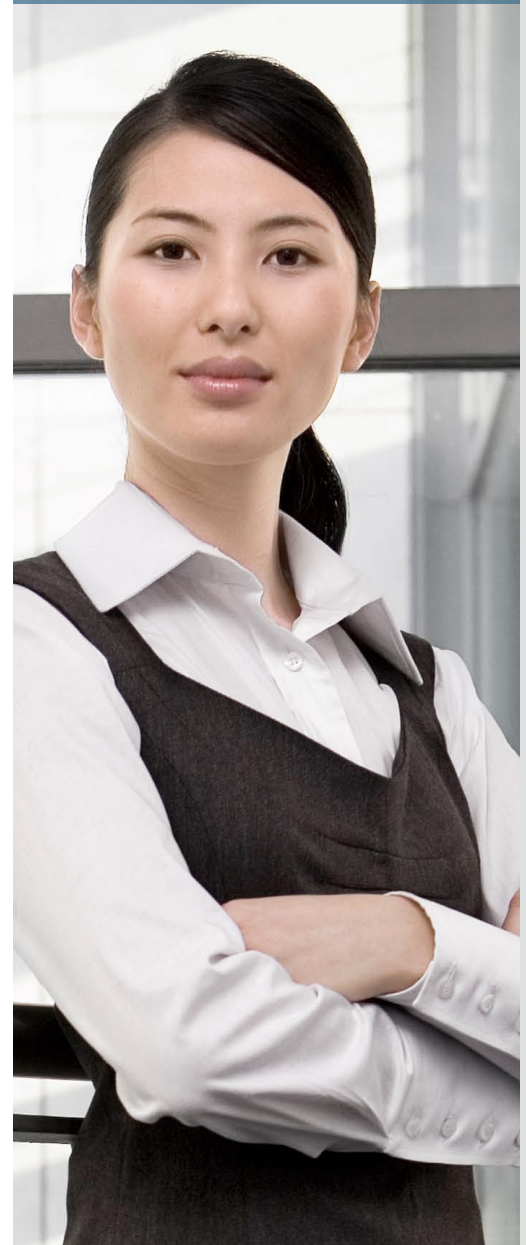
Regulations Mean Challenges for Your Business

Compliance with the regulations is not a simple undertaking but 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 be either approved, rejected, or denied.
- Companies will save files digitally, eliminating the long-term (and costly) paper storage of invoices for auditing purposes.
- Companies will exchange digital invoice files instead of paper invoices.
- Auxiliary paper invoices will accompany shipments; the digital invoice file is the official document for legal, contract, and tax purposes.

There is a wide range of grounds for rejecting or denying an invoice. Invoices can be rejected for technical reasons such as invalid information or missing information in a mandatory data field.

The SAP® BusinessObjects™ Electronic Invoicing for Brazil (SAP BusinessObjects Nota Fiscal Eletronica) application helps companies that do business in Brazil meet digital invoice regulations. The application enables automated, certified, and secure communication with government systems at the state and federal level.



An invoice can be denied due to business issues, for example, if a company on the invoice was involved in a pertinent financial or legal investigation.

At one level, compliance poses certain challenges for companies in accommodating new procedures and practices. But beyond altering processes, the regulations also involve the risk of interruptions 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. Shipments will not be approved to move from suppliers to distribution centers or received on loading docks, leading to customer dissatisfaction, cost increases, missed schedules, and deliveries that result in lost profits and opportunity.

With the electronic invoicing requirements, the state and federal governments of Brazil have in effect become a critical link in the financial supply chain. Companies need to integrate and automate electronic invoicing processes to meet the regulations – while continuing to operate with efficiency and effectiveness in meeting customer demands.

Facilitating Compliance – Electronically

SAP BusinessObjects Electronic Invoicing helps you comply with the requirements to file a copy of invoice data electronically for every domestic sale or material movement made. The application establishes and 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.

SAP BusinessObjects Electronic Invoicing facilitates compliance efforts for international companies doing business in Brazil, as well as domestic Brazilian firms conducting business within and across state lines. For example, the application can help manage the movement of steel shipments to and from Brazilian ports or enable the distribution of pharmaceutical products across the country.

Cosipa Steel is an SAP customer that has adopted the application to its benefit. According to Alex Sandro Tavares Barbosa, SAP project manager at Cosipa Steel, “We have our own customs port that houses 12 million tons of steel annually. This port is critical to the success of our business, and SAP BusinessObjects Electronic Invoicing keeps our company on track by helping us manage the movement of our product through our port and across Brazilian state lines. Perhaps most important, though, [the SAP software] helps ensure that we adhere to the latest Brazilian trade laws when moving goods within the country and frees up a lot of resources that would normally be spent tracking and accounting for every sale we make.”

Powerful, Integrated Functionality

Thanks to the delivered integration with the SAP ERP application and the ability to connect to other systems as well, you can leverage enterprise data and



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

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 invoicing functionality in other SAP solutions, SAP BusinessObjects Electronic Invoicing provides for automated communication with the appropriate authorities and their respective software solutions. The application automatically tracks and registers all authorization orders with the Brazilian

government – in real time – for every invoice issued, cancelled, and even skipped. Your organization saves time and money by enacting secure and accurate automated processes that are aligned with Brazilian standards for domestic and international trade 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.

Improve Supply Chain Efficiency, Communication, and Visibility

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

- Returns
- Interplant transfers
- Multiple transactions status
- Restarting of stalled processes

The application helps increase supply chain efficiency with 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.

A Flexible, Scalable Application

SAP BusinessObjects Electronic Invoicing is scalable to address the specific requirements of your organization – now and in the future – and is flexible to suit the needs of different business models and industries. The application offers ongoing support for changes and enhancements to electronic invoicing regulations to help you keep up to speed 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 compliance. By facilitating and automating invoicing activities, 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 pass improvements along to your customers in the form of higher-quality service.

Automating invoicing procedures and removing paper from the equation cuts costs related to the issuing, receiving,

Leverage enterprise data and processes and decrease total cost of ownership by eliminating the need for satellite and home-grown solutions that are typically expensive to maintain.

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.

Find Out More

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

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. SAP BusinessObjects Electronic Invoicing supports compliance with trade regulations, minimizes incorrect transactions, and facilitates communication and collaboration with all of your supply chain partners.

Business Challenges

- Facilitate compliance with Brazilian Nota Fiscal Eletronica bookkeeping regulations to file a copy of invoice data for all commercial transactions including material and finished goods movements
- Integrate and automate electronic invoicing processes to meet regulations while continuing to operate with efficiency and effectiveness
- Avoid disruptions to core business activities

Key Features

- **Electronic invoice filing** – File invoices with an automated, certified, and secure connection between your enterprise software and the state and federal government systems
- **Electronic acknowledgement and authorization** – Receive confirmation based on applicable government guidelines
- **Ability to connect with SAP and non-SAP enterprise solutions** – Leverage enterprise data and processes and decrease total cost of ownership by eliminating satellite and homegrown solutions
- **Conformance with validation standards** – Handle the validation of files in XML format as required by the regulations
- **Digital signature functionality** – Validate signatures with built-in functionality

Business Benefits

- **Meet electronic invoice requirements** with automated, certified, 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 financial and logistics processes to leverage enterprise data and reduce total cost of ownership
- **Reduce audit and operating costs** with electronic issuing, sending, receiving, and long-term 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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