



Brexit Guidance

Infor M3 version 13.x and
CloudSuite editions

Document Control

Document Properties	
Author	Team Infor M3
Creation Date	09/12/2020
Last updated	14/12/2020
Document reference	Brexit Guidance Infor M3 v13.x and CE
Version	1.1

Change log		
Version	Date	Change
1.0	11/12/2020	Initial published version
1.1	14/12/2020	Header amended to add "Confidential"

This document is intended to serve as guidance for Infor customers configuring their Infor system(s) in preparation for the end of the Brexit transition period. This document is based on our current understanding of the impact of Brexit on business in general and Infor makes no representations that the guidance is suitable for your particular business. This guidance has not been drafted as a legal document and will not give rise to any legally binding obligation.

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1 Introduction

The United Kingdom (UK) exited the European Union (EU) on 1st January 2020 with a transition period up to 31st December 2020.

This document aims to assist Infor M3 customers in determining the areas of M3 that may need to be changed / configured in order to cope with the requirements of Brexit. This is aimed at our customers in GB, Northern Ireland and in the EU, as each may be affected in a slightly different way.

If you need advice and guidance on Infor M3 configuration for Brexit please see the FAQ section at the end of this document.

2 General Configuration Guidance for Infor M3

2.1 General

As general advice, the following points should be considered:

- Where you have current transactions in the system that may be affected by Brexit, consider cleansing/closing/completing all logistic processes: This may include Purchase orders, Customer Orders, Intercompany distribution orders, etc.
- Ensure access to a backup with a snapshot of the old configuration.
- Review all interfaces containing or importing tax codes, country codes (for GB/NI). BODs (Business Object Documents) should be reviewed as well.
- Review any external facing documents and check for any hard-coded elements.
- Consider the impact of requiring a VAT registration for your own country and an additional VAT registration if based in UK/Northern Ireland. See Fiscal representation in TXS030 and Divisional VAT registration number in MNS100

2.1.1 The ERP functions and Business Processes impacted by Brexit will depend upon:

- Where a company and its sites are located
- Where the company's vendors and customers are located
- What goods and/or services they trade in
- The software (and version) that they are using to meet those challenges
- The cut-off between existing rules & new rules, e.g., 31/12/2020 and 01/01/2021

2.2 Impact

2.2.1 Companies based in Great Britain¹

Our current understanding is that, specifically for GB the requirement is that at least for one year, Intrastat is still to be reported for import of goods to GB from EU member states. As a result, country GB in your system should remain marked as an EU member. However, EU acquisition VAT accounting is to be replaced by postponed VAT accounting. (Traders must have prior approval from HMRC to avail of Postponed VAT accounting)

It is also assumed that, where a GB business transacts with a Northern Ireland (NI) business, domestic tax applies, and no Intrastat and purchase / sales listing is applicable.

Before considering the section below, we recommend that you check the terms of the final Brexit agreement.

Configuration settings to be reviewed

- In CRS045 - Country. Open, the "Intr/Extra stat" field needs to remain at 1-Int for your country code - normally GB.
- Accounting rules for VAT on EU purchase invoices: as GB is flagged as being in the EU, in order to generate import transactions for Intrastat reporting, M3 will continue to create acquisition VAT postings. New versions of the VAT payable rules that will offset the posting in the VAT receivable rules are advisable so that these two entries have no effect in the general ledger. These rules are modified in CRS395 – Accounting Rule. Set.
- VAT configuration in CRS030 – VAT Code. Open, TXS020 – VAT Exception. Open, plus TXS005 – VAT Report Template. Open and related options.

¹ Great Britain comprises England, Scotland and Wales

2.2.2 Companies based in Northern Ireland

Our current understanding is that, for companies in Northern Ireland, Intrastat is still to be reported (for the duration of the Northern Ireland protocol) to cover movement of goods between NI and EU member states. A new country should be defined for NI in your system and this should be marked as an EU member. Country GB should not be marked as EU member anymore.

Configuration settings to be reviewed

- In CRS045 - Country. Open, the "Intr/Extra stat" field needs to be changed to 0-No for your country code for Great Britain - normally GB.
- In CRS045 – Country. Open, create a new country code XI for Northern Ireland. The "Intr/Extra stat" field should be set to 1-Int.
- The new XI country code should be applied to all relevant areas, including, but not limited to, Division, Place, Warehouse, Internal address, Customer, Customer address, Supplier, Supplier address, Bank etc.
- Review VAT configuration using CRS030 – VAT Code. Open, TXS020 – VAT Exception. Open, plus TXS005 – VAT Report Template. Open and related options.
 - In order to charge domestic VAT between the XI and GB, country codes additional VAT codes with the override flag checked will be necessary. These new codes should be used to replace existing VAT codes on transactions with GB customers and suppliers.

2.2.3 Companies based in the European Union (EU)

It is our current understanding, that for companies in the EU, Intrastat is still to be reported (for the duration of the Northern Ireland protocol) to cover movement of goods between NI and EU member states. If transactions between the EU and NI must be distinguished from transactions between the EU and GB, then a new country should be defined for NI in M3 and this should be marked as an EU member. Should Intrastat between EU and GB no longer be required, Country GB should not be marked as EU member anymore. Not all details of the final agreement with respect to the requirements for EU member states are available yet.

- If you have trading partners in Northern Ireland set up XI as a country code in CRS045 – Country. Open with the Intr/Extra stat flag set to 1-Int. Update the master data for those partners to use the new country code.
- Should it no longer be required to report movements between your country and GB, in CRS045 – Country. Open the current country code for the UK (normally GB) and change the Intr Extra stat flag to 0-No.
- Should it be required to report movements between your country and GB but not calculate EU acquisition VAT on invoices received from GB suppliers, new versions of the AP accounting rules can be created to net off VAT payable and VAT receivable postings for GB suppliers in CRS395 – Accounting Rule. Set.
- Consider GB VAT numbers in TXS070 – VAT Registration number. Open, they will no longer be validated.

2.2.4 Companies operating in more than one jurisdiction

The above information covers settings in each geographical area. Where a business operates in two or more areas, advice should be sought from your financial/taxation advisers and you should contact Infor through the Infor Services Marketplace using the link below where Infor support is required.

2.3 Generic impact

While we have listed below some of the common areas that may be affected, there are other areas that may also be affected, such as service orders and MUC invoicing. This depends on each customers' configuration and use of the software. It is not possible in this document to provide an exhaustive list.

2.3.1 M3 Common

- In the event of a new EORI number being required and customs documents are created from M3 using an extension or customisation, then you may consider updating that customisation to include your applicable EORI reference. Custom fields created in CMS080 are an option to store the EORI reference.
- In the light of changes to import/export tariffs as well as potential delays on transportation, consider the need for changes to purchase costing models, Reorder Points, Economic Order Quantities, sales prices, delivery terms and so on.
- Review translation tables in CRS881 – Business Message Data Translation. Displ, and CRS882 – Business Message Data. Translate.

2.3.2 M3 Logistics

Consideration should be given to the following business objects:

Open Customer Orders:

Review open quotations, customer orders and/or maintenance customer orders and delivery schedules to determine if any changes in trading/taxation/customs rules on 1st January affect them.

Sales Statistics

Review data set configuration and determine if there is a need to rebuild historical sales statistics in light of the new XI country code for Northern Ireland.

Open Purchase Orders:

Review open purchase orders to determine if any changes in trading/taxation/customs rules on 1st January affect them.

2.3.3 M3 Financials

You may wish to review Accounting Rules in general for those containing country code or VAT code as exception control objects.

Tax Reporting

Review TXS035 – Tax Reporting. Open Report Fields for any required changes.

XML Payments / Direct Debits

Our current understanding is that once the Brexit transition period ends, the UK is set to maintain its participation in the SEPA payment schemes as “non-EEA SEPA country” and the provisions applicable to SEPA transactions to/from non-EEA (European Economic Area) jurisdictions will apply to transactions to/from the UK as well. In that case, it may be necessary to adjust your XML payment / direct debit layout setup. The below needs to be included in XML files for such transactions:

For SCT and SEPA Instant Credit Transfer (SCT Inst) instructions from the Originator:

- The full address details of the Originator.
- The BIC code of the Beneficiary Bank when the Originator Bank explicitly requests this data element from the Originator.

For SDD Core and SDD Business-to-Business (B2B) collection files from the Creditor:

- The full address details of the Debtor.
- The BIC code of the Debtor Bank when the Creditor Bank explicitly requests this data element from the Creditor.

Chart of Accounts

Review the Chart of Accounts for any required changes in VAT code validation where field "ACR VAT codes" in CRS630/G = 4.

3 Glossary of related M3 Function Codes

Listed below are the key functions that need to be reviewed.

Materials data	Function
Customs statistical codes and related information	CRS128
Item customs statistical code, country of origin etc.	MMS003
Re-order points, lead times, order multiples, ROQ, etc.	MMS002
Purchase order cost & purchase agreements	PPS100/101
Delivery lead times, order multiples	PPS040
Cost elements	Function
Cost model and cost elements	PCS280/285
Item additional costs	PCS025
Sales prices	Function
Sales prices and additional charges	CRS395
Accounting rules	Function
Accounting rules	CRS395
VAT/ESL/VIES/Intrastat	Function
Intrastat trigger	MNS100
Intrastat invoice settings	CRS722
Intrastat setting – Trade statistics	CRS726
Country settings	CRS045
VAT codes/rates	CRS030/031
VAT Exceptions TXS020	
VAT report template	TXS005
Customer VAT settings	CRS624
Customer VAT local Exceptions	MFS620
Supplier VAT settings	CRS610
Supplier VAT local Exceptions	MFS610
VAT – Reporting of import VAT	Function
Supplier invoice	APS100
Also, VAT code configuration in CRS030 above.	

4 Frequently asked questions

Q: How do I get Infor Services Support

A: Contact your Infor Client Partner or submit a request via Infor Services Marketplace, click [here](#).

Please have the following information ready to make the engagement more efficient:

List ERP functions and Business Processes impacted by Brexit, including:

- Where the company is located
- Where the company's vendors and customers are located
- What goods and/or services you trade in
- The software and versions in use
- Trading scenarios
- Advice/recommendations from your Finance/Tax Advisor.

Q: Where can I find UK government guidance?

A: The position in relation to supplies between Great Britain and Northern Ireland remains uncertain. HMRC has issued guidance, click on the links below.

- [Tell HMRC if you sell goods in Northern Ireland or move goods between Northern Ireland and the EU from 1 January 2021](#)
- [Moving goods under the Northern Ireland Protocol](#)
- [Changes to accounting for VAT for Northern Ireland and Great Britain from 1 January 2021](#)
- [Accounting for VAT on goods moving between Great Britain and Northern Ireland from 1 January 2021](#)
- [Check if you're trading under the Northern Ireland protocol and what to do](#)
- [How VAT will apply for goods imported into Northern Ireland from outside the UK or EU](#)

Q: Where can I validate VAT Registration numbers?

A: The EU VAT Registration Number Validation service allows businesses to check if a customer or supplier's VAT number is valid.

UK businesses will be able to continue to use the EU VAT number validation service to check the validity of EU businesses, but UK VAT registrations will cease to be included. HMRC has developed a service to ensure that UK VAT numbers can continue to be validated.

Q: Where will further Questions & Answers be published?

A: Infor Support are maintaining a Questions & Answers attached to this KB article.