



SAP® Document and Reporting Compliance

The Comprehensive Guide for Finance and Tax

- › Configure SAP Document and Reporting Compliance with step-by-step instructions
- › Run essential statutory and e-invoicing reports in real time
- › Follow case studies and best practices for a successful implementation

Genevieve Watson
Eliza Alberts-Muller
Iain MacIntosh



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Chapter 5

Configure Periodic Reporting

SAP S/4HANA provides powerful tools for handling periodic reporting, ensuring efficient financial and regulatory compliance. This chapter will outline the main features and functionalities of periodic reporting within SAP S/4HANA. We'll focus on the crucial configuration steps and best practices that help improve reporting accuracy and support well-informed business decisions.

This chapter delves into the details of tax reporting within SAP S/4HANA using SAP Document and Reporting Compliance covering indirect tax. We outline the SAP Document and Reporting Compliance flow and the configuration for statutory reporting, detailing the essential steps and settings required to ensure accurate and compliant reporting.

This comprehensive guide includes configuring periodic reporting using SAP Document and Reporting Compliance, covering crucial aspects such as initial settings, authorization setup, and SAP Business Technology Platform (SAP BTP) configuration for secure electronic submission to tax authorities. You'll gain valuable insights into tax box mapping concepts, ensuring that SAP data aligns seamlessly with various taxonomies and reporting fields.

Furthermore, we provide detailed configuration guidance for SAP S/4HANA's standard solutions for value-added tax (VAT) returns, EC Sales List (ESL), and audit files. This chapter aims to equip you with the knowledge and tools necessary to navigate and implement effective tax reporting processes within SAP S/4HANA. Additionally, we'll explore the configuration of generic reports and report cleaning, ensuring you have a comprehensive understanding of the setup required for robust financial management and reporting.

Note

All the configuration nodes and their relevant screenshots mentioned in this chapter came from an on-premise SAP S/4HANA 2023 FPS 02 system and can be updated per the latest release.

5.1 Initial Setup

While setting up periodic reporting in SAP S/4HANA, you need to follow several mandatory steps to ensure a robust and compliant reporting system. This setup phase lays the foundation for all of your subsequent configurations and operations, ensuring that the system is tailored to meet your specific organizational and regulatory requirements. To make the process easier to follow, this section is divided into two main parts:

- The first part focuses on the overall framework setup.
- The second part explains how to implement relevant SAP packages and SAP Notes that support and enhance the framework.

5.1.1 Framework

The initial setup activities that you need to complete for using the SAP Document and Reporting Compliance service are crucial for ensuring seamless integration and functionality. This section outlines the necessary steps and requirements for setting up the framework for SAP Document and Reporting Compliance effectively.

When you initiate the SAP Document and Reporting Compliance service, SAP manages the initial system setup, including creating the necessary subaccounts and sending an onboarding email with essential information and instructions. To get started, you'll need to complete several configurations on your system, such as finalizing the necessary system configurations to enable the SAP Document and Reporting Compliance service and setting up the environment for generating and submitting compliance reports.

Note

For country-specific details, you can refer to SAP Help at the following link: <http://s-prs.co/v614501>.

The SAP Document and Reporting Compliance end-to-end process flow begins when you create and submit transactions (including eDocuments), such as customer invoices and electronic orders, purchases from vendors, financial postings, and so on, into the system. Then, on a monthly, quarterly, or yearly basis—depending on the specific country's regulations and your business requirements—a compliance report is generated. This report consolidates all sales and purchase transactions made within the selected period, ensuring that all relevant data is captured for tax and regulatory purposes. In some countries, this report must be manually submitted to the tax authority, while in others, SAP Document and Reporting Compliance enables direct electronic submission through middleware solutions such as SAP BTP, streamlining compliance and reducing manual effort. For example, in Spain and Hungary, real-time invoice reporting is supported, and documents can be transmitted directly to the tax

authority from SAP, whereas in other regions, users may need to download the report and upload it manually to the relevant government portal.

SAP BTP is integral to your end-to-end SAP Document and Reporting Compliance flow, providing the necessary infrastructure and tools for seamless statutory reporting. You start by integrating data from various sources within your ERP system, ensuring that all relevant information is collected and consolidated for compliance reporting.

Once you collect the data, SAP BTP transforms it into the required formats for submission to government authorities. Following the transformation, SAP BTP validates the data to ensure its accuracy and completeness. Any errors or inconsistencies are promptly handled, with tools provided for correction and resubmission, maintaining data integrity and compliance.

After validation, you securely transmit the reports to the relevant government authorities via a secure transmission protocol. SAP BTP also provides monitoring tools to track the status of your submitted reports, ensuring they are received and acknowledged by the authorities. Additionally, it generates compliance reports and dashboards for ongoing monitoring and review, helping you stay compliant and informed.

By leveraging SAP BTP, you can streamline your statutory reporting processes, reduce manual intervention, and ensure your reports are accurate, timely, and compliant with regulatory requirements. As a reminder, the details of countries supported by SAP BTP for SAP Document and Reporting Compliance integration can be found on SAP Help at the link previous supplied.

Figure 5.1 provides a detailed visualization of the end-to-end process flow within SAP Document and Reporting Compliance. It also shows the interactions between SAP and external tax authority systems, emphasizing the role of SAP BTP in facilitating secure and efficient data exchange.

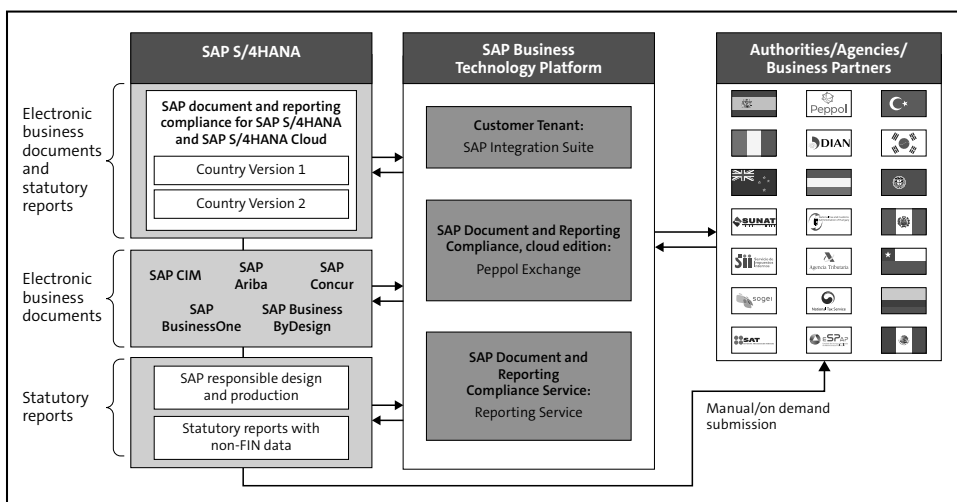


Figure 5.1 SAP Document and Reporting Compliance: End-to-End Flow

5.1.2 Packages and SAP Notes

In this section, we'll delve into the significance of SAP packages and SAP Notes in the context of SAP Document and Reporting Compliance. SAP packages are essentially bundles of updates and enhancements that SAP releases periodically. SAP Notes are detailed documents provided by SAP that contain information about corrections, enhancements, and updates for SAP software. In the following sections, we'll explore the framework of implementing transport-based correction instructions (TCIs) for bundled updates or manually applying individual SAP Notes for targeted corrections in more detail.

Simplified Implementation of Framework Features

To simplify the implementation of new statutory reporting framework features, bug fixes, and improvements, SAP delivers TCIs. TCIs provide a flexible way to deliver ABAP correction instructions, allowing customers to implement a single TCI note instead of multiple individual SAP Notes, thereby streamlining the update process. These TCI notes are specific to each supported SAP S/4HANA release, with dedicated TCIs available for apps such as Run Statutory Reports and Define Statutory Reports. The consolidated list of relevant TCI notes for the statutory reporting framework can be found in SAP Note 3033455. For comprehensive guidance on implementing TCIs, refer to SAP Note 2187425, which outlines the scope of improvements delivered and the specific steps for implementation. Table 5.1 provides the TCI note number based on the release versions of SAP S/4HANA.

SAP S/4HANA Release	TCI Note Number	Support Pack Validity
1709	2904130	SP01–SP07
	3112849	SP01–SP10
1809	2994184	SP00–SP06
	3141935	SP00–SP07
1909	2985699	SP00–SP03
	3100099	SP00–SP05
2020	2993867	SP00–SP00
	3117345	SP00–SP03
2021	3150988	SP00–SP01
	3354120	SP00–SP05
2022	3540260	SP00–SP05
2023	3521388	SP00–SP03

Table 5.1 TCI Note Numbers Based on SAP S/4HANA Release Versions

Identification of Framework SAP Notes for Manual Implementation

As an alternative to implementing TCIs, you can manually implement missing individual SAP Notes. A simplified search mechanism is available to help you identify the complete list of framework notes relevant to SAP Document and Reporting Compliance for your specific SAP S/4HANA release. This mechanism enables you to efficiently locate both user interface (UI) and backend SAP Notes, as well as those specific to runtime and design-time functionalities. SAP provides consolidated notes, such as SAP Note 2620211, which detail how to find all the SAP Notes that must be implemented to ensure proper functioning.

Here are some tips on identifying the relevant SAP Notes specific to statutory reporting:

1. Go to the **SAP for Me** portal, and select the **Services & Support** dashboard.
2. Open the **KBAs & Notes** tab, where you'll find the expert search option, as shown in Figure 5.2.
3. In the search bar, there's a **Component** dropdown. This is where you'll enter the specific values to filter the components of SAP Document and Reporting Compliance – Statutory Reporting. By entering the specific component values in the **Component** dropdown, you can filter out the components of SAP Document and Reporting Compliance – Statutory Reporting effectively. Table 5.2 helps you filter and identify the most relevant notes for your specific configuration or reporting need.

Input Value	Details
FI-LOC-SRF	For generic SAP Notes for SAP Document and Reporting Compliance – Statutory Reporting
FI-LOC-SRF-DEF	For SAP Document and Reporting Compliance – Statutory Reporting (Define Compliance Reports) SAP Notes
FI-LOC-SRF-RUN	For SAP Document and Reporting Compliance – Statutory Reporting (Run Compliance Reports) SAP Notes

Table 5.2 Component Values for SAP Note Search

4. To refine your search further, use the filter feature to choose and apply additional relevant attributes such as the following:
 - **Search Term:** Enter any specific keywords or terms related to your search.
 - **Soft.Comp.Version:** Enter the specific software component version to filter SAP S/4HANA releases.
 - **Support Package:** Use this field to filter the Feature Pack Stack (FPS) version of a specific SAP S/4HANA release. You can use **Greater Than** or **Equal To** MBAs specify a range or exact version.
 - **Other filters:** Use additional fields such as **Released On**, **System**, **Product**, **Category**, **Country/Region**, and so on, to further refine your search.

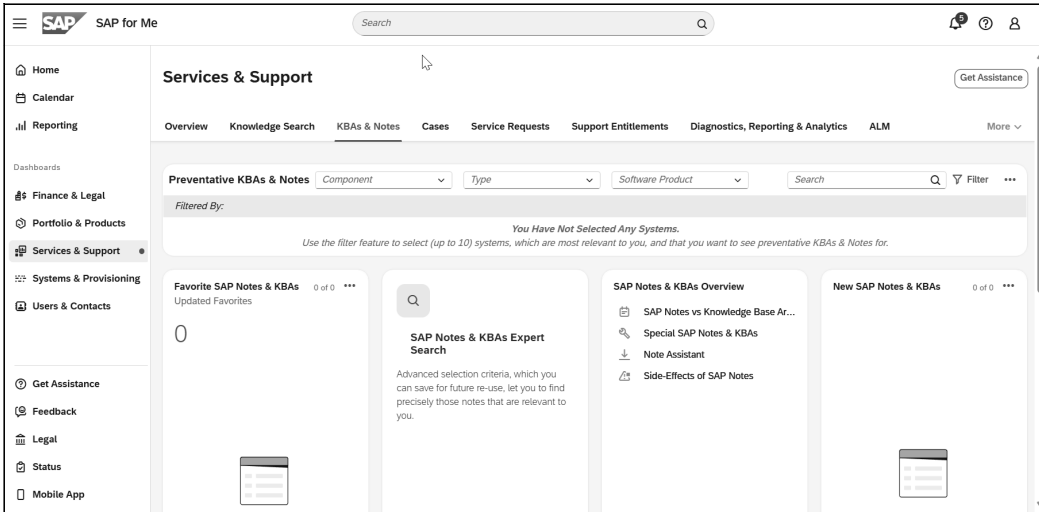


Figure 5.2 Services and Support: Knowledge Base Articles and Notes

5.2 Define Reporting Entities and Periodicity

Setting up statutory reports in SAP S/4HANA is an important process that ensures compliance with legal and regulatory requirements for tax reporting. This step involves configuring the system to accurately capture, process, and report financial and tax data to relevant legal authorities. The proper setup of statutory reports not only helps in meeting regulatory obligations but also enhances the accuracy and efficiency of the reporting process. Figure 5.3 shows the steps to set up the statutory reports using SAP Document and Reporting Compliance, each of which we'll cover in the following sections:

1. Create a new reporting entity.
2. Assign the report category to the reporting entity.
3. Set the periodicity of the report category.
4. Set the properties of the reporting activity.
5. Enter parameters specific to the reporting category and reporting entity.
6. Set validity of the organizational unit.
7. Assign an organizational unit to reporting entity.

To access the settings for statutory reporting, open Transaction SPRO, click on **SAP Reference IMG**, and then follow menu path **Cross-Application Component • General Application Functions • Document and Reporting Compliance • Country/Region-Specific Settings • Setting Up Your Statutory Reporting**.

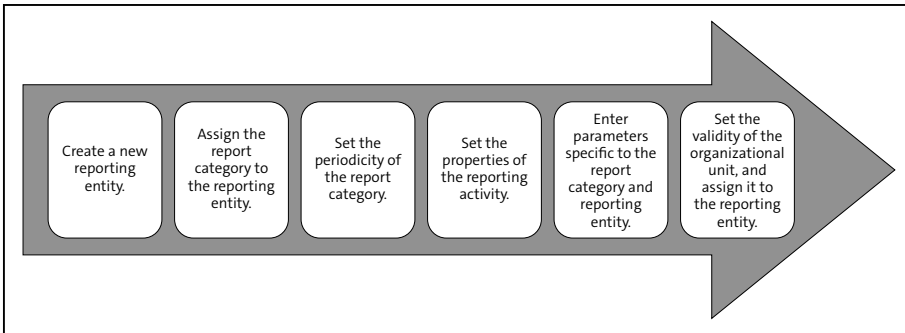


Figure 5.3 Flow of SAP Document and Reporting Compliance Reporting

5.2.1 Create Statutory Reporting Entities

The first step in this process is creating the statutory reporting entities. A *reporting entity* is the legal entity obligated to submit the report. It serves as the link between defining compliance reports and running compliance reports. The reporting entity enables the linkage of all reports defined in the compliance reports to be displayed in the Run Compliance reports. It also defines the periodicity at which the reports will be executed. Once you've followed the menu path, you'll click on **Define Compliance Reporting Entities** in the left side **Dialog Structure**; this is the place where we do the reporting entity configuration. These are the standard reporting entities that come as default values based on SAP best practices. These can be taken as reference for building the reporting entity for the business by copying, or you can also create a new entity (or entities) per your business requirements.

To create a new statutory reporting entity, select **New Entries** (see Figure 5.4), and enter the reporting entity code and name in the **Rep Entity** and the **Reporting Entity Name** fields. Providing a clear and descriptive name will make it easier for business users, as this name will be displayed on the UI when running the reports.

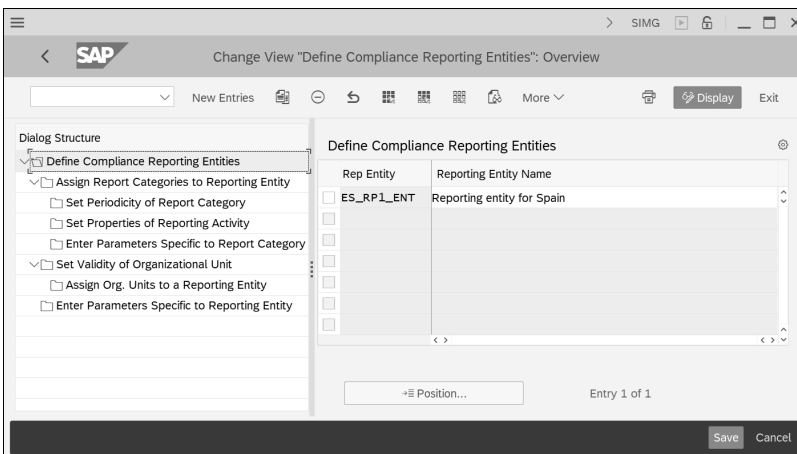


Figure 5.4 Define Compliance Reporting Entities

5.2.2 Assign Report Categories to a Reporting Entity

The second step in setting up your statutory reports in SAP S/4HANA involves assigning report categories to a reporting entity. This defines the specific types of statutory reports that the entity will generate, such as tax returns or financial disclosures.

A report category essentially includes all the reports that can be used in running compliance reports to generate and submit legal reports. The significance of the report category lies in its ability to organize and streamline the reporting process, ensuring that all necessary reports are grouped and managed efficiently. Examples include the GB VAT Return report, the ESL, and so on

Click on **Assign Report Categories to Reporting Entity** in the left side **Dialog Structure**. All predelivered report categories can be seen by pressing **[F4]** or by clicking on the selection button. Custom reports are also displayed here.

Assign all the country-specific reports that the country is obliged to have in this node, as shown in Figure 5.5:

■ Report Category ID

The **Report Category ID** is a unique identifier assigned to each report category within the SAP system. It's used to differentiate between various types of reports that an entity must submit. This ID is usually a brief, alphanumeric code that encapsulates essential information about the report.

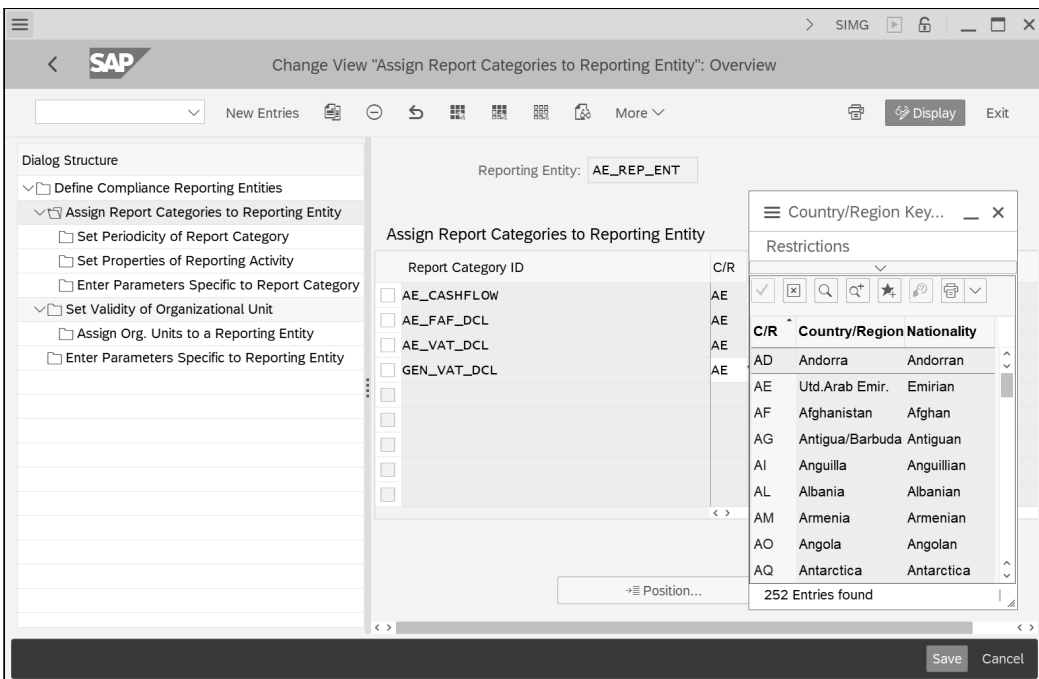


Figure 5.5 Assign Report Categories to Reporting Entity

- **Report Category Name**

This complements the **Report Category ID** by providing additional context and clarity, making it easier for users to understand the nature of the report briefly.

- **Country/Region**

This field identifies the geographical area for which the reporting entity is responsible.

- **Classification**

The **Classification** field is used to categorize the type of report or the nature of the reporting activity

5.2.3 Set the Periodicity of the Report Category

Setting the periodicity of a report category involves defining the frequency at which the reports need to be generated and submitted, such as monthly, quarterly, or annually. Establishing the correct periodicity ensures that your organization remains compliant with statutory requirements and avoids any potential penalties for late submissions.

To define the periodicity of the report category, a number of fields will be updated by aligning the report generation schedule with regulatory deadlines. This can streamline the reporting processes, improving accuracy. This proactive approach not only enhances operational efficiency but also supports better financial planning and regulatory adherence.

Click on **Set Periodicity of Report Category** in the left side **Dialog Structure**, and then fill out the following fields:

- **From**

Specifies the starting date of the report generation. Accurate setting ensures all relevant data is captured from the correct starting point.

- **To**

Defines the end date or period until which the report is to be generated.

- **Offset**

Helps in deriving the submission due date to the legal authority. This setting will have an interdependency with the time unit and the **FY Variant**.

- **Time Unit**

Defines the unit at which the due date is to be derived. Based on the regulation, this can be **Day**, **Weeks**, **Months**, and **Years**. So, as shown in Figure 5.6, the due date for executing the Austria (AT) Annual VAT report will be the end of June.

- **FY Variant**

Specifies the start and end dates of the fiscal year and how the fiscal year is divided into accounting periods. It's used to align financial reporting with the organization's financial calendar, which may differ from the standard calendar year. SAP has provided a list of standard variants you can use per your requirements, as shown in

Figure 5.7. The standard variant can be **C1** for annual reports, **K4** for calendar year, and **Q4** for quarterly. In addition, custom fiscal year variants can be defined per business requirements.

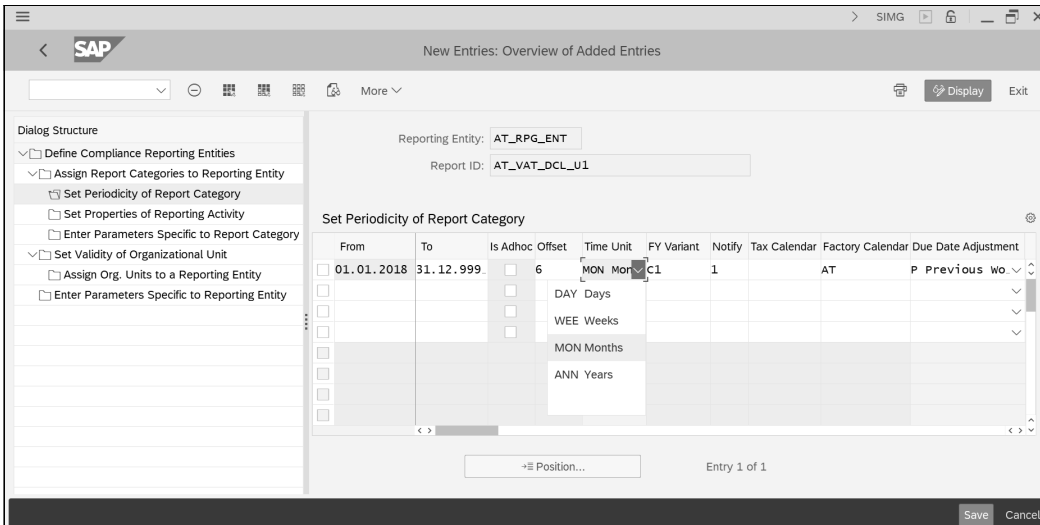


Figure 5.6 Set Periodicity of Report Category: Time Unit

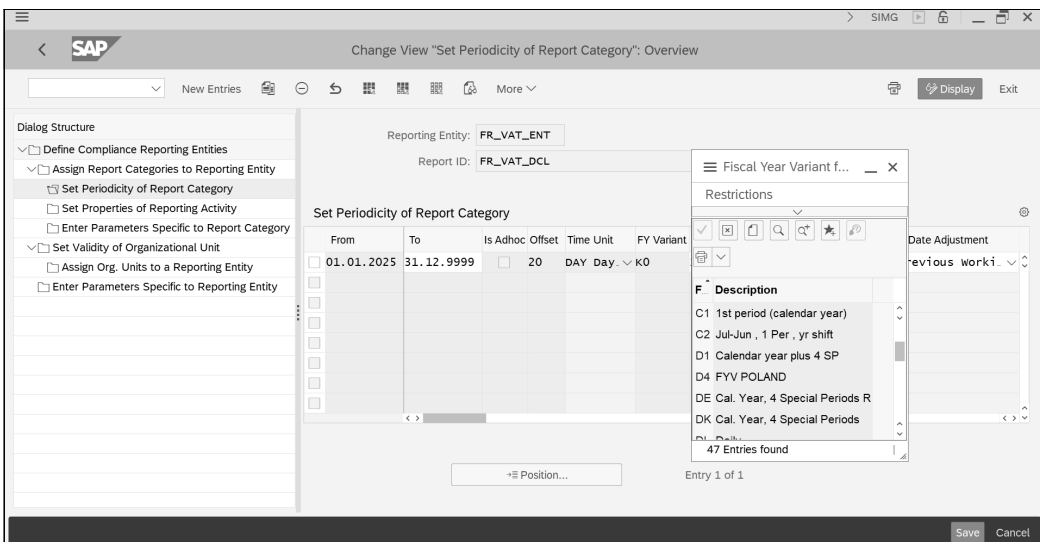


Figure 5.7 Set Periodicity of Report Category: Fiscal Year Variant

■ Notify

Defines the number of days before the submission due date from which the notification of due date reminder will be shown in the Run Compliance reports and the compliance dashboards (see Figure 5.8).

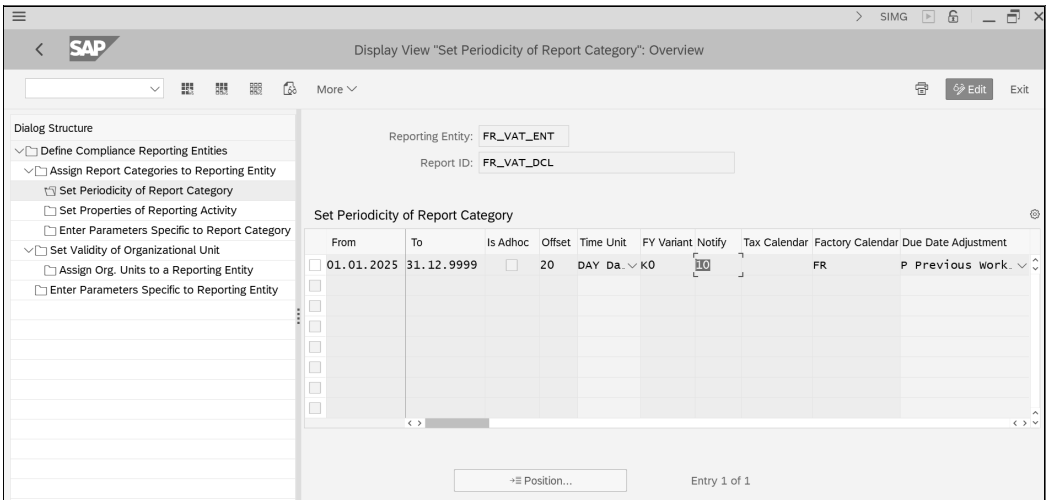


Figure 5.8 Set Periodicity of Report Category: Notify

■ Tax Calendar

Specifies the tax calendar that the report will adhere to. It includes important tax-related dates and deadlines, ensuring reports comply with tax regulations. This can be done by implementing business add-in (BAI) ES_SRF_TAX_CALENDAR, and you can get the submission due dates separately from the normal due days.

■ Factory Calendar

Defines the working days and holidays for the organization. The working days and nonworking days are identified with the help of the factory calendar for a particular country. Based on the country regulation, the due date can be shifted with the help of this calendar. This aligns the report generation with working days, avoiding delays due to holidays.

■ Due Date Adjustment

Adjusts the due date if it falls on the public holidays or weekends, which is determined based on the factory calendar. SAP standard gives us four options (as shown in Figure 5.9):

- **Next working day:** If the due date falls on a holiday, it will be moved to the next working day as the submission due date.
- **Previous working day:** If the due date falls on a holiday, it will be moved to the previous working day as the submission due date.
- **Nearest Working Day Prepone: (Prepone – Only If Equidistant):** It will take the nearest working day, and if the working day before the due date and after the due date are equidistant, then it will take the prepone date (before date).
- **Nearest Working Day (Postpone – Only If Equidistant):** It will take the nearest working day, and if the working day before the due date and after the due date are equidistant, then it will take the postpone date (after date).

Change View "Set Periodicity of Report Category": Overview

Reporting Entity: FR_VAT_ENT
Report ID: FR_VAT_DCL

Set Periodicity of Report Category

From	To	Is Adhoc	Offset	Time Unit	FY Variant	Notify	Tax Calendar	Factory Calendar	Due Date Adjustment
01.01.2025	31.12.9999	☐	20	DAY	Day	K0	10	FR	Previous Working Day

Options for Due Date Adjustment:

- N Next Working Day
- P Previous Working Day
- NW Nearest Working Day (Prepone – Only If Equidistant)
- PW Nearest Working Day (Postpone – Only If Equidistant)

Entry 1 of 1

Save Cancel

Figure 5.9 Set Periodicity of Report Category: Due Date Adjustment

■ Is Adhoc

Manages reports as ad hoc reports. The previously mentioned fields are specific for the periodical reports. For those reports that are to be executed on demand from the legal authorities, such reports are managed as ad hoc via **Is Adhoc** (see Figure 5.10). For those reports that are ad hoc, the previously mentioned settings of different fields in the periodicity category aren't applicable except the from and to date.

Such reports can be directly added in the Run Compliance report based on the valid from and valid to date. They can then be executed directly by adding the report on any specific date.

Change View "Set Periodicity of Report Category": Overview

Reporting Entity: FR_RPG_ENT
Report ID: FR_AUDIT_FEC

Set Periodicity of Report Category

From	To	Is Adhoc	Offset	Time Unit	FY Variant	Notify	Tax Calendar	Factory Calendar	Due Date Adjustment
01.01.2020	31.12.2999	☒	0			0			

Entry 1 of 1

Save Cancel

Figure 5.10 Set Periodicity of Report Category: Is Adhoc

5.2.4 Set Properties of Reporting Activity

Setting the reporting activity properties is a process that involves defining key attributes and parameters that govern how the reporting activity is executed. Properties may include the type of report submission and other report-specific requirements (see Figure 5.11).

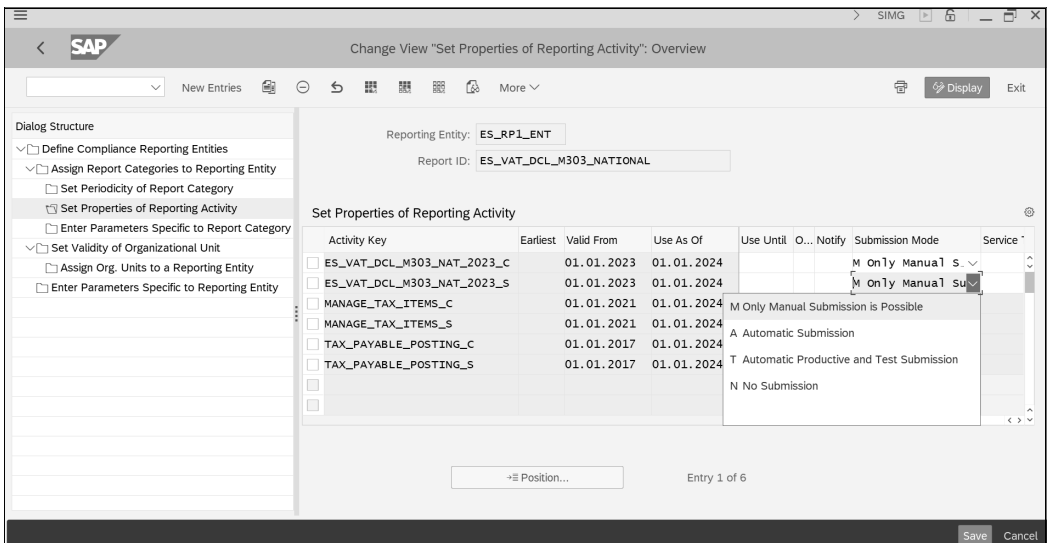


Figure 5.11 Set Properties of Reporting Activity: Submission Mode

Maintaining properties for reporting activities isn't mandatory. If not specified, the validity dates, offset, and notify values maintained under report category become applicable to the reporting activity as well. Maintaining properties for reporting activities is typically required under conditions such as the following:

- The offset date of the reporting activity isn't the same as the offset date set in the reporting category.
- You want to deactivate a particular reporting activity.

A reporting activity encompasses all the activities performed for processing a report. This process includes managing tax items, running statutory reports, and posting tax payables. The significance of reporting activities is that they define the specific tasks and processes involved in generating and submitting reports, ensuring that each step is completed accurately and efficiently.

Click on **Set Properties of Reporting Activity** in the left side **Dialog Structure**, and then fill in the following fields:

- **Activity Key**

The **Activity Key** is a unique identifier for each reporting activity. It's used to distinguish between different types of reporting tasks that need to be performed by the reporting entity.

■ Earliest

The **Earliest** column indicates the earliest date from which the reporting activity is valid.

■ Valid From

The **Valid From** field specifies the starting date from which the reporting activity becomes applicable and must be carried out. This date is crucial to ensure that the reporting activity begins at the appropriate time and complies with regulatory requirements and organizational timelines.

■ Use as Of

This is the date from which this activity must be executed for the business. This can be equal or greater than the validity date of the task.

■ Use Until

This gives the date until when the activity is allowed to run in the Run Compliance report.

■ Offset

In this field, you fill in the number of days before the actual due date of the report for which this task is supposed to be completed. If we don't give any date, then it will take the due date of the actual report.

■ Submission Mode

Manual or automatic submission can be selected (see Figure 5.11). For line items where it's not applicable, the field will be grayed out. The options are as follows:

- **Only Manual Submission Is Possible:** This functionality will be used if the submission of the legal report isn't online or electronic submission.
- **Automatic Submission:** This is used for those countries where the statutory report is to be automatically reported, such as UK Making Tax Digital (MTD).
- **Automatic Productive and Test Submission:** In certain countries, this is used for statutory reports that can be sent for verification before actual submission of the report.
- **No Submission:** This can be selected for those reports where the submission isn't relevant.

■ Service Type

For those countries where the reports are to be submitted online, the service should be selected as Remote Function Call (RFC) for setting up the communication.

■ Service ID

Provide the RFC ID in the **Service ID** field through which communication would take place.

■ Deactivate

For any task that isn't relevant or any new process that is delivered by SAP, the previous ones are to be deactivated (see Figure 5.12).

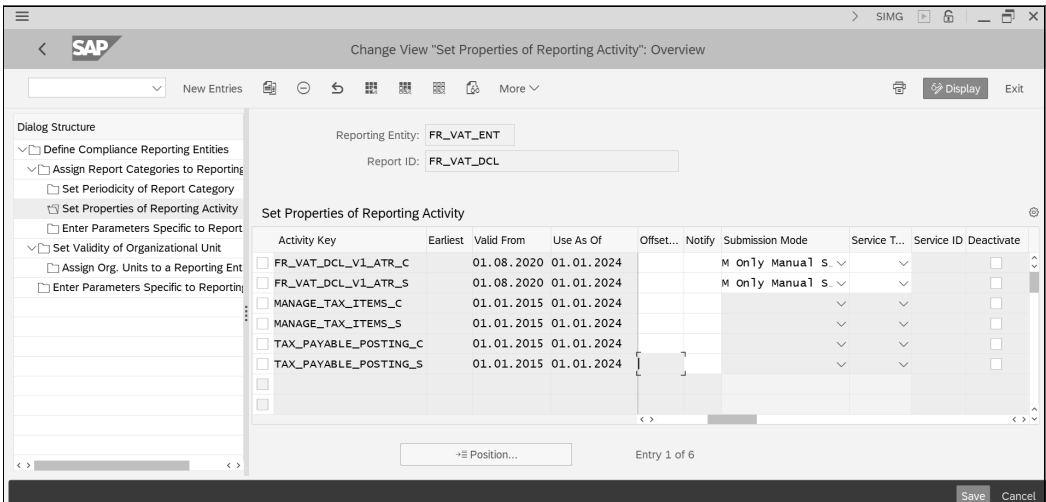


Figure 5.12 Set Properties of Reporting Activity: Deactivate

5.2.5 Enter Parameters Specific to the Report Category

Entering parameters specific to the report category (see Figure 5.13) is essential for the effective configuration of statutory reports in SAP S/4HANA. This involves specifying detailed criteria and settings that enable the report to meet organizational and regulatory requirements. Parameters may include the reporting period, currency, tax codes, and other relevant data fields. We have the standard parameters that are applicable for each country-specific report available in the system by default. This level of detail enhances the accuracy and relevance of the reports, facilitating better regulatory adherence and more informed decision-making.

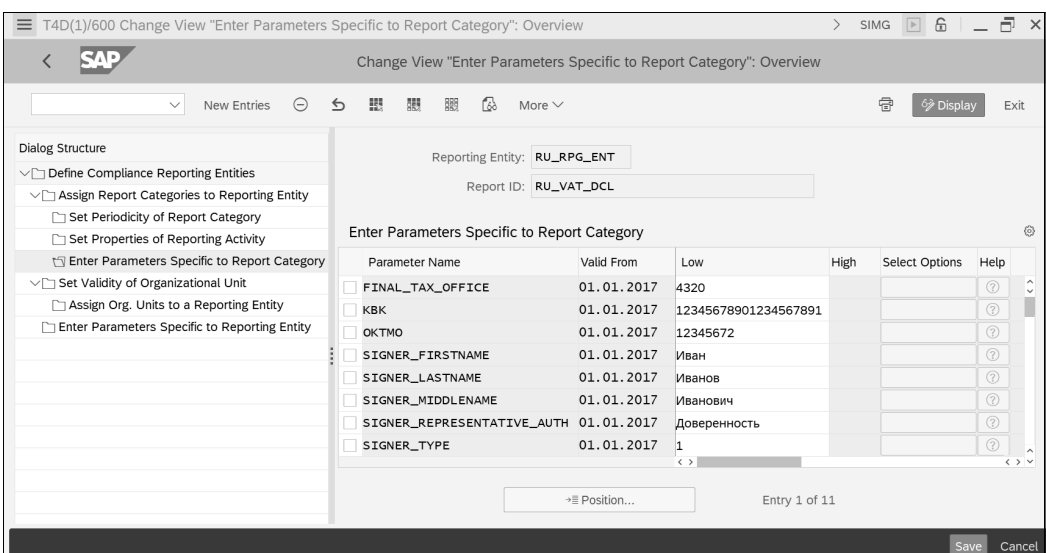


Figure 5.13 Enter Parameters Specific to Report Category

5.2.6 Set the Validity of the Organizational Unit

The organizational unit represents at what level the report should be generated and submitted. Setting the validity of an organizational unit involves defining the period during which an organizational unit is active and relevant for reporting purposes (as shown in Figure 5.14). By establishing clear validity periods, you can ensure that the data included in reports is accurate and reflects the current structure of the organization. Defining the validity of organizational units also facilitates the management of organizational changes, such as mergers or restructures, ensuring that the reports stay consistent and dependable across various periods.

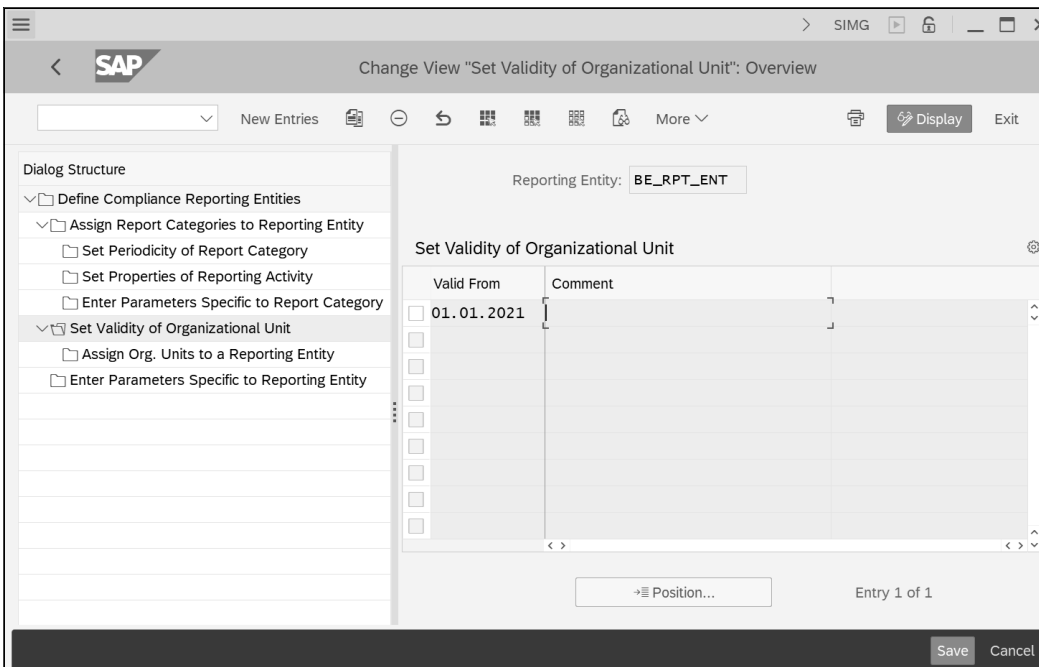
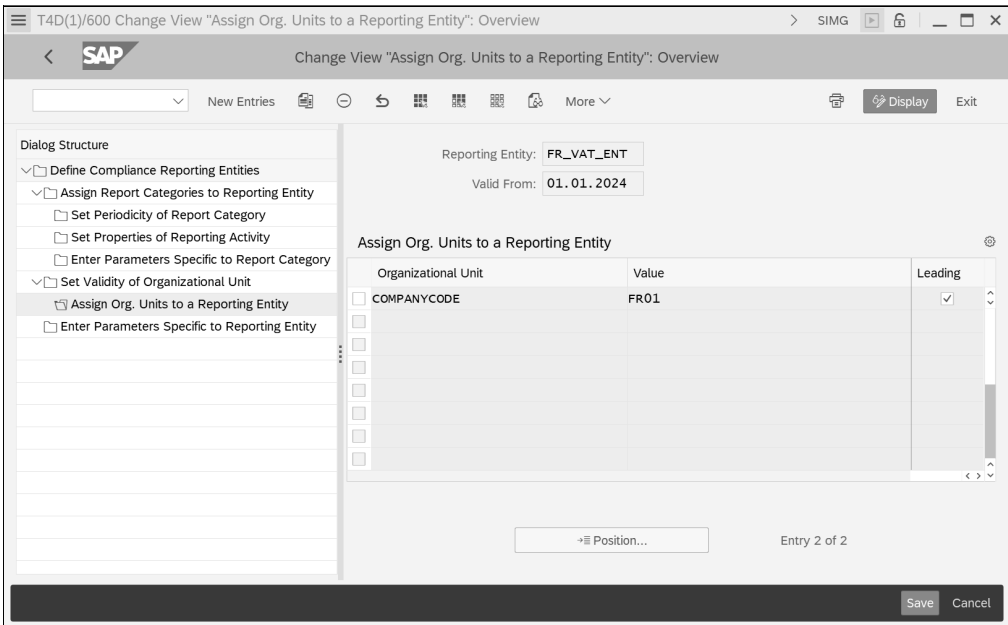


Figure 5.14 Set Validity of Organizational Unit

5.2.7 Assign the Organizational Unit to the Reporting Entity

Assigning organizational units to a reporting entity involves designating the organizational units that make up the reporting entity, which can include business place, company code, profit center, section code, segment, and tax jurisdiction (see Figure 5.15).

When there's a group, you can assign one or several organizational units (company code), but it's essential to mark one as the **Leading** organizational unit (company code). The system uses data from this unit to populate specific fields in the report documents created for the authority.



The screenshot shows the SAP S/4HANA Change View 'Assign Org. Units to a Reporting Entity': Overview. The left sidebar contains a 'Dialog Structure' with the following items:

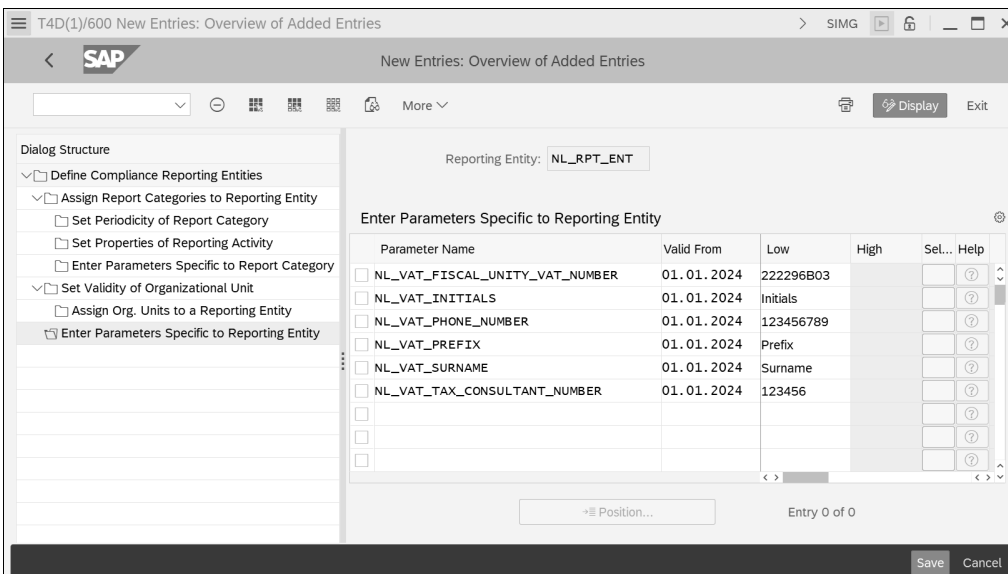
- Define Compliance Reporting Entities
 - Assign Report Categories to Reporting Entity
 - Set Periodicity of Report Category
 - Set Properties of Reporting Activity
 - Enter Parameters Specific to Report Category
 - Set Validity of Organizational Unit
 - Assign Org. Units to a Reporting Entity (selected)
 - Enter Parameters Specific to Reporting Entity

The main area displays the 'Assign Org. Units to a Reporting Entity' table. The 'Reporting Entity' is 'FR_VAT_ENT' and the 'Valid From' date is '01.01.2024'. The table has three columns: 'Organizational Unit', 'Value', and 'Leading'. The first row shows 'COMPANYCODE' with a value of 'FR01' and a checked 'Leading' checkbox. Below the table, there is a 'Position...' button and the text 'Entry 2 of 2'. At the bottom right, there are 'Save' and 'Cancel' buttons.

Figure 5.15 Assign Org. Units to a Reporting Entity

5.2.8 Enter Parameters Specific to Reporting Entities

This step is similar to maintaining parameters specific to a report category, but the difference is that this will be common for all the reporting categories within the reporting entity (see Figure 5.16).



The screenshot shows the SAP S/4HANA New Entries: Overview of Added Entries. The left sidebar contains a 'Dialog Structure' with the following items:

- Define Compliance Reporting Entities
 - Assign Report Categories to Reporting Entity
 - Set Periodicity of Report Category
 - Set Properties of Reporting Activity
 - Enter Parameters Specific to Report Category
 - Set Validity of Organizational Unit
 - Assign Org. Units to a Reporting Entity
 - Enter Parameters Specific to Reporting Entity (selected)

The main area displays the 'Enter Parameters Specific to Reporting Entity' table. The 'Reporting Entity' is 'NL_RPT_ENT'. The table has six columns: 'Parameter Name', 'Valid From', 'Low', 'High', 'Sel...', and 'Help'. The first five rows show parameters for NL_VAT: 'NL_VAT_FISCAL_UNITY_VAT_NUMBER' (Valid From: 01.01.2024, Low: 222296B03), 'NL_VAT_INITIALS' (Valid From: 01.01.2024, Low: Initials), 'NL_VAT_PHONE_NUMBER' (Valid From: 01.01.2024, Low: 123456789), 'NL_VAT_PREFIX' (Valid From: 01.01.2024, Low: Prefix), and 'NL_VAT_SURNAME' (Valid From: 01.01.2024, Low: Surname). The sixth row shows 'NL_VAT_TAX_CONSULTANT_NUMBER' (Valid From: 01.01.2024, Low: 123456). Below the table, there is a 'Position...' button and the text 'Entry 0 of 0'. At the bottom right, there are 'Save' and 'Cancel' buttons.

Figure 5.16 Enter Parameters Specific to Reporting Entity

This step involves detailing criteria and settings unique to each reporting entity, such as legal entities, business units, or departments. Parameters may include entity-specific financial data, tax codes, reporting periods, and other relevant information. After entering these parameters, you ensure that each report is tailored to reflect the precise requirements and conditions of the respective reporting entities.

5.3 Report-Specific Key Configurations

In this section, we'll cover the overview of statutory reporting and delve into the critical configurations focusing on key reports such as VAT/Goods and Services Tax (GST), ESL, SAF-T, audit files, and additional emerging or generic reports necessary for effective country-specific statutory reporting in SAP S/4HANA. We'll outline the importance of accurate tax reporting for compliance, describe how SAP supports configuration and automation for country-specific requirements, highlight the main setup steps—such as mapping tax boxes for VAT reports and general ledger account mapping for SAF-T reports—and address specific elements that contribute to the accuracy and compliance of your financial reports.

5.3.1 Value-Added Tax/Goods and Services Tax Reporting

VAT and GST reporting are critical components of statutory reporting for businesses operating in jurisdictions where these taxes are applicable. Both VAT and GST are consumption taxes levied on the value added to goods and services at each stage of production or distribution. Ensuring accurate and timely reporting for VAT and GST is essential for compliance with local tax regulations and avoiding potential penalties.

VAT reporting typically includes detailed information on the VAT collected from sales (output VAT) and the VAT paid on purchases (input VAT). The difference between the output VAT and input VAT determines the amount of VAT payable to or refundable from the tax authorities. A VAT regime and reporting system (also sometimes referred to as GST) is used by a significant number of countries worldwide, stretching from Europe, Asia, and Africa to South America. GST reporting follows a similar structure to VAT reporting, with detailed information on the GST collected from sales and the GST paid on purchases. The net GST payable or refundable is calculated similarly to VAT. Countries that use GST include Australia, Canada, India, and New Zealand.

To run the VAT/GST report, you must first assign the correct report category to your reporting entity and complete other steps within the same configuration node. Afterward, set up tax box mapping to ensure that all tax codes and transactions are properly classified for statutory reporting purposes. Lastly, configure the general ledger account for post-tax payable, allowing the system to automatically post the amounts owed to the tax authority into the designated general ledger account. Following this sequence of configurations helps guarantee that VAT/GST reporting is accurate, compliant, and streamlined.

Assign Report Categories to the Reporting Entity

Once you've created your reporting entity, then you need to assign the report category of the VAT report to your reporting entity (see Figure 5.17). We already covered this process in detail in Section 5.2.2, which is an example of Spain, for assigning the reporting category (ES_VAT_DCL) to your reporting entity.

Note

As a reminder, you can find country-specific configuration information on SAP Help at <http://s-prs.co/v614501>. This will be an important resource throughout this section, so keep it bookmarked! It provides comprehensive and up-to-date guidance based on the country you need to configure.

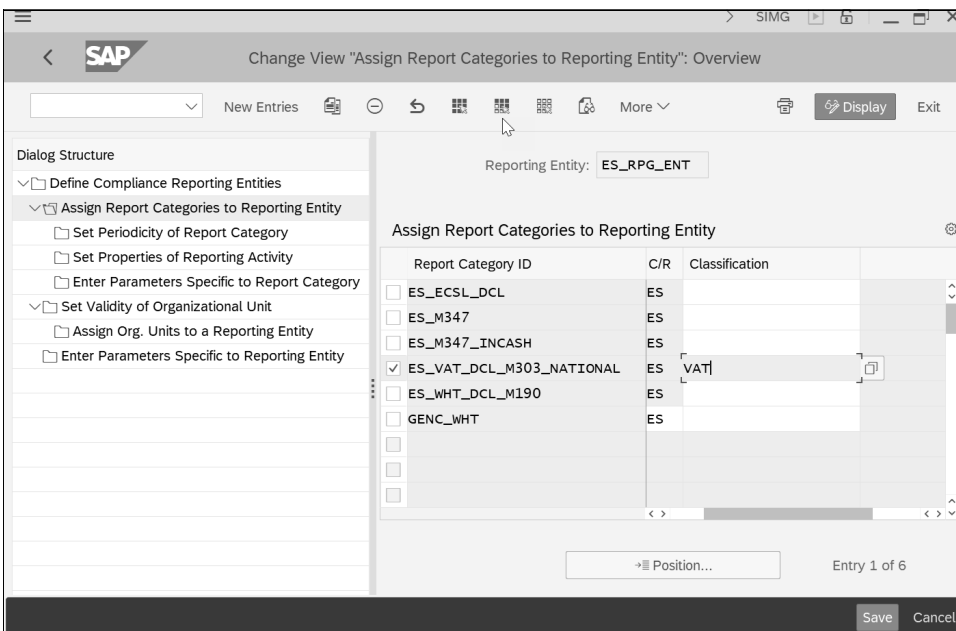


Figure 5.17 Assign Report Categories to Reporting Entity

Tax Box Mapping

Tax box mapping and structures are essential for accurate tax reporting within SAP S/4HANA, ensuring compliance with regulatory standards. The process starts with identifying the necessary tax boxes required for reporting, such as VAT and GST. Relevant tax codes are then mapped to these tax boxes to ensure each transaction is correctly categorized and reported.

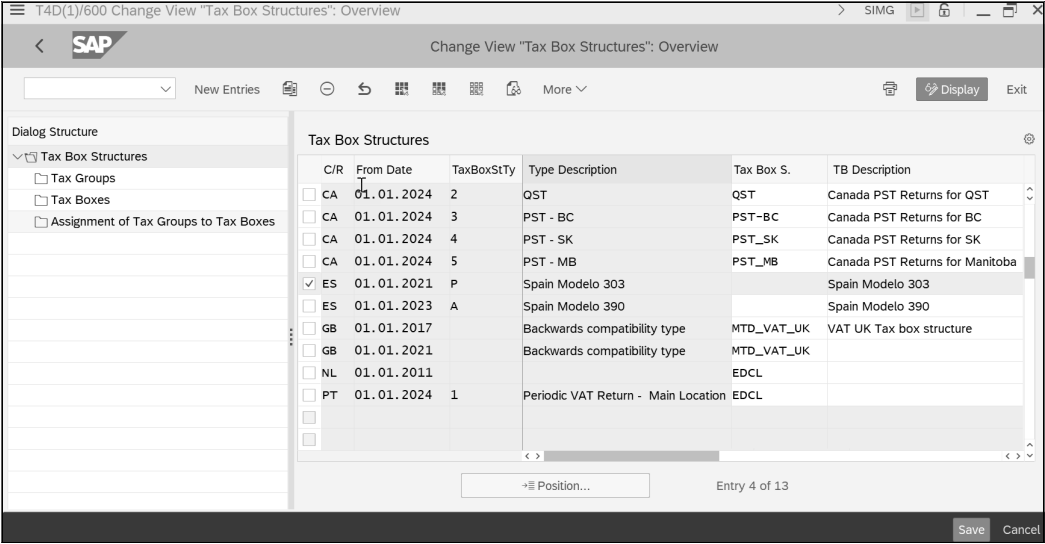
Establishing a hierarchical structure of tax boxes is important to meet the reporting requirements of various tax authorities. Thorough validation and testing are conducted by running test transactions to verify that tax amounts are accurately reported in the designated tax boxes.

Tax box mapping is done to accurately map the tax codes and tax groups in the SAP system to the boxes defined by the tax authority. By doing this configuration, it then becomes easier for you to generate and submit accurate tax reports. In addition, it ensures the accuracy of the information that your organization submits to the tax authorities. There are various methods of configuring tax box mapping within SAP Document and Reporting Compliance depending on the country.

The following configuration is an example of tax box mapping for Spain. To access the settings for tax box mapping for Spain, open Transaction SPRO, click on **SAP Reference IMG**, and then follow menu path **Cross-Application Component • General Application Functions • Document and Reporting Compliance • Country/Region-Specific Settings • Spain • Statutory Reporting • VAT Return- Form 303 • Manage Tax Items for Legal Reporting • Define Tax Box Structure**. Once there, you'll define the tax box structures, tax groups, and tax boxes, and then assign the tax groups to tax boxes, as you'll see in the following sections.

Tax Box Structures

The first step in statutory reporting configuration is to define the tax box structure. This process establishes the framework for how tax data will be mapped and reported for a specific country or region. The **Tax Box Structures** area is shown in Figure 5.18.



The screenshot shows the SAP SPRO transaction 'Tax Box Structures' in the 'Overview' view. The left sidebar contains a 'Dialog Structure' tree with 'Tax Box Structures' selected. The main table lists the following data:

C/R	From Date	TaxBoxStTy	Type Description	Tax Box S.	TB Description
☐ CA	01.01.2024	2	QST	QST	Canada PST Returns for QST
☐ CA	01.01.2024	3	PST - BC	PST-BC	Canada PST Returns for BC
☐ CA	01.01.2024	4	PST - SK	PST_SK	Canada PST Returns for SK
☐ CA	01.01.2024	5	PST - MB	PST_MB	Canada PST Returns for Manitoba
☒ ES	01.01.2021	P	Spain Modelo 303		Spain Modelo 303
☐ ES	01.01.2023	A	Spain Modelo 390		Spain Modelo 390
☐ GB	01.01.2017		Backwards compatibility type	MTD_VAT_UK	VAT UK Tax box structure
☐ GB	01.01.2021		Backwards compatibility type	MTD_VAT_UK	
☐ NL	01.01.2011			EDCL	
☐ PT	01.01.2024	1	Periodic VAT Return - Main Location	EDCL	

At the bottom of the table, it indicates 'Entry 4 of 13'. The interface includes standard SAP navigation and action buttons like 'New Entries', 'Display', 'Save', and 'Cancel'.

Figure 5.18 Tax Box Structures

You'll enter the following information in the columns:

- **C/R (country/region)**

This column is used to assign the relevant country or region key where the statutory report needs to be submitted. It ensures that the tax box structure is linked to the

correct jurisdiction for compliance purposes. In our examples, we've selected **ES** (Spain) as we're maintaining the configuration for a Spanish report.

- **From Date**

In this column, you specify the date from which the tax box structure becomes effective. Only transactions and data from this date onward will be considered when generating statutory reports using this structure. For example, we've maintained the date as **01.01.2021**, so this tax box structure will be applicable from that date onward.

- **TaxBoxStTy (tax box structure type)**

This field is used to align the tax box structure with an official report or form as required by the tax authority/statutory authority. Multiple tax box structure types can be created to represent different statutory reports. Additionally, organizations can define their own custom tax box structures for internal or nonstatutory reporting needs. For Spanish reports, **P** refers to periodic and **A** refers to annual. This comes as standard with SAP best practice for Spain. As we're configuring a periodic report for Spain, we've selected **P** in our example.

- **Type Description**

This column allows you to provide a detailed, descriptive name for the tax box structure type. It helps you easily identify the purpose and scope of each tax box structure within the system.

- **Tax Box S. (tax box structure)**

Here, you define the title or unique identifier for the tax box structure. This serves as the main reference for the structure in the configuration and reporting processes.

- **TB Description (tax box description)**

This column is used to add a more detailed description of the tax box structure being configured. It provides additional context and clarification for users and administrators maintaining or reviewing the configuration.

Tax Group

The second step of configuration is to define the tax group. After you complete the first step of the configuration, that is, tax box structure, you need to select the line item you've created (in our case, the line item for the Spain periodic report), and then click on the Tax Groups option on the left side. Here, we define the tax group and assign the relevant tax code and the transaction key available in our SAP S/4HANA system (Figure 5.19). Tax groups serve as an internal structure for organizing the data necessary for reporting. Each tax group includes a tax group number, tax code, valid-from and valid-to dates, the types of transactions to be reported, and an indicator for credit or debit.

You'll enter the following information in the columns:

- **Tax Group**

This column represents the unique identifier or number for the tax group. It serves as the main reference for grouping related tax codes and transaction keys, facilitating structured tax reporting.

Change View "Tax Groups": Overview

Country/Reg.: ES

From Date: 01.01.2021

Tax Box Str. Type: P

Tax Group	Tx	Trs	Bal.	Type	SG	Group	Percentage	ArithmOper	FC Code
☐ 01	03	MWS	✓						
☐ 03	03	MWS	✓						
☐ 07	0A	MWS	✓						
☐ 09	0A	MWS	✓						
☐ 10	3J	ESA	✓						
☐ 28	3K	VST	✓						
☐ 29	3K	VST	✓						

Entry 1 of 8

Save Cancel

Figure 5.19 Tax Groups

■ Tx (tax code)

This field is used to specify the tax code that is associated with the tax group. Tax codes define the type and rate of tax applied to transactions and are essential for categorizing and processing tax-relevant data.

■ Trs (transaction key)

The transaction key is linked to the tax group and tax code. Some tax codes may be relevant for both input tax (purchases) and output tax (sales), especially in reverse charge cases. So here, transaction keys will help in accurate tax reporting where each transaction key (ESA/ESE) is supposed to be reported to different boxes in the tax return.

■ Bal. (balance)

This is an indicator that specifies which amount is displayed in the tax return. Following are the three available options:

- **S**: Displays the balance of all debit entries.
- **H**: Displays the balance of all credit entries.
- Leaving the field empty: Displays the balance of all debit and credit entries.

When there's a legal requirement to show all the debit balances under one tax box and the credit balance in a separate tax box, then we'll assign the **Bal.** indicator. Assigning **S** or **H** will differentiate the entries, and leaving it blank will report all balances in the same tax box.

■ SG (special G/L indicator)

This field identifies whether the transaction is related to a **Special G/L** indicator transaction. **Special G/L** indicators are used for transactions that require specific accounting treatment, such as down payments or bills of exchange.

■ Group

This column allows for further categorization or grouping of tax groups, which can be useful for internal reporting, analysis, or organizational purposes.

■ Percentage

This field specifies the percentage rate associated with the tax group. It's used to calculate the tax amount based on the underlying transaction values.

■ Arithm Oper (arithmetic operation)

This column defines any arithmetic operation that should be applied to the tax amounts within the group. For instance, if the box value should be shown in a specific sign, then we can use this field to show the amount as either positive or negative.

■ FC Code (financial code)

This field is used to enter a financial code related to the tax group. This code may be necessary for integrating with financial reporting systems or for meeting specific statutory requirements. For Spain, this isn't applicable.

Tax Boxes

The third step of the configuration is to maintain the tax boxes. Here we define the tax boxes that are already available in the statutory authority–defined reports (Figure 5.20).

Tax Box	Name	Tax Box OT	TB Cond.
☐ 01	General Regime - Output VAT 4%	B Tax Base	▼
☐ 03	General Regime - Output VAT 4%	A Tax Amount	▼
☐ 07	General Regime - Output VAT 21%	B Tax Base	▼
☐ 09	General Regime - Output VAT 21%	A Tax Amount	▼
☐ 10	Intra-Community acquisitions of goods and services	B Tax Base	▼
☐ 11	Intra-Community acquisitions of goods and services	A Tax Amount	▼
☐ 122	Subject to VAT with reverse charge	B Tax Base	▼

Figure 5.20 Tax Boxes

You'll enter the following information in the columns as shown in the figure:

■ Tax Box

This column is used to define the tax box number as specified in the statutory authority–defined reports. The tax box number serves as a unique identifier for each tax box, ensuring that the tax data is mapped correctly to the corresponding fields in statutory reports.

■ Name

In this column, the name of the tax box is defined with reference to the statutory authority–defined reports. The name provides a clear and descriptive label for the tax box, making it easier to identify and understand its purpose in the context of tax reporting.

■ Tax Box OT (tax box output type)

The tax box output type is an indicator that specifies the nature of the tax box. It defines which of the following the tax box represents:

- **A Tax Amount:** The tax amount to be reported.
- **B Tax Base Amount:** The base amount on which the tax is calculated.
- **T Total:** Both the tax base and tax amount.

This classification helps in accurately reporting the tax data as required by the statutory authority. For example, in Figure 5.20, we assign **Tax Box 01** to **B** because this box is for reporting the base amount, and we assign **Tax Box 03** to **A** because this box is for reporting the tax amount calculated on the base amount.

■ TB Cond. (tax box condition)

This column is used to specify any conditions or additional details related to the tax box. It may include specific criteria or rules that apply to the tax box, ensuring that the data is reported correctly according to the statutory requirements.

Assignment of Tax Groups to Tax Boxes

The fourth step of the configuration is to assign the tax box to tax group. Here you need to map the relevant **Tax Box** field to the **Tax Group** field, as shown in Figure 5.21. This mapping helps us get the system values in the correct boxes in the report, which is created after running and generating the report.

Country/Reg.: **ES**

From Date: **01.01.2021**

Tax Box Str. Type: **P**

Tax Box	Tax Group	Op
☐ 01	01	
☐ 03	03	
☐ 07	07	
☐ 09	09	
☐ 10	10	
☐ 28	28	
☐ 29	29	

Position... Entry 1 of 8

Save Cancel

Figure 5.21 Assignment of Tax Groups to Tax Boxes

General Ledger Mapping for Post Tax Payable

Post Tax Payables is an activity in the Run Statutory Reports app that allows you to manage tax amounts by posting the balances of input and output tax accounts to a tax payable account. Once the VAT Return report is generated using the Run Statutory Reports app and submitted to the government, the **Post Tax Payables** activity allows you to post your documents directly. This eliminates the need to manually enter amounts for VAT posting, streamlining the process. If document posting is successful for a specified reporting period, the **Post Tax Payable** activity is automatically set to complete.

To maintain the general ledger account, you can open Transaction SPRO, click on **SAP Reference IMG**, and then follow menu path **Financial Accounting • General Ledger accounting • periodic processing • Report • Sale/Purchase Tax Returns • Define Accounts for Automatic Tax Payable Transfer Posting**. In addition, you can use Transaction OB89 (Define Accounts for Automatic Tax Payable Transfer Posting) to configure the general ledger accounts that are used for automatic postings related to tax returns (see Figure 5.22), ensuring that the tax payable amounts are correctly recorded in the general ledger.

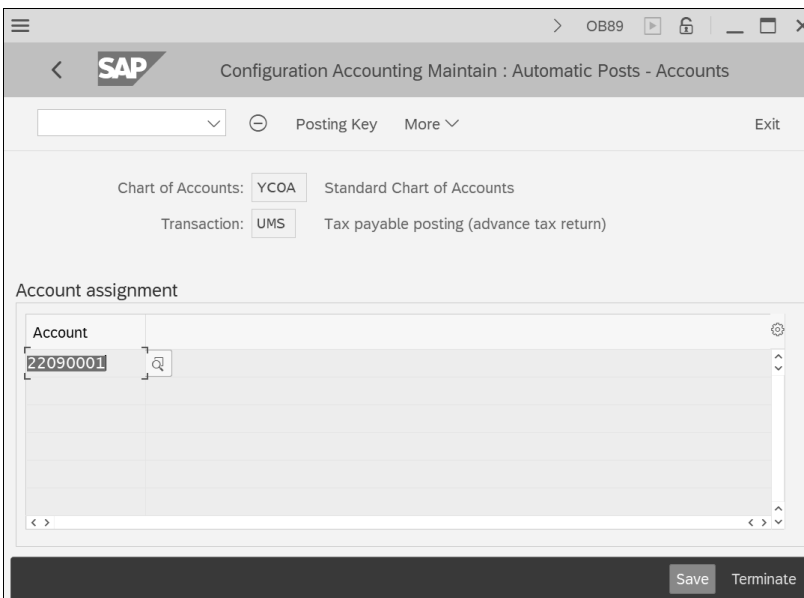


Figure 5.22 Maintain the General Ledger Account

Follow these steps to maintain the general ledger account in Transaction OB89:

1. Check whether you want to assign different accounts based on the posting key.
2. Provide the general ledger **Account** (see Figure 5.22) in which the post tax payable needs to be posted.

When you're working with a tax group, you'll need to assign intercompany accounts using Transaction OBYA, as demonstrated in Figure 5.23. Start by selecting the pair of

company codes that will be involved in intercompany transactions. Enter their information in the **Posted In** and **Cleared Against** fields under the sections for **Company Code 1** and **Company Code 2**. Next, specify the appropriate general ledger accounts for each company code in the **Account Debit** and **Account Credit** fields. SAP will then use these accounts to automatically post entries during intercompany transactions, according to the debit and credit posting keys you've assigned.

The screenshot displays the SAP 'Configuration Accounting Maintain: Automatic Posts - Clearing Account' window. The transaction is set to 'BUV' for clearing between company codes. The interface is divided into two main sections: 'Company Code 1' and 'Company Code 2'.

Company Code 1:

- Posted In:** GR10
- Cleared Against:** GR12
- Receivable:**
 - Debit posting key: 40
 - Account Debit: 101020
- Payable:**
 - Credit posting key: 50
 - Account Credit: 101020

Company Code 2:

- Posted In:** GR12
- Cleared Against:** GR10
- Receivable:**
 - Debit posting key: 40
 - Account Debit: 101030
- Payable:**
 - Credit posting key: 50
 - Account Credit: 101030

The bottom of the screen shows the SAP logo and status bar with 'T4D (1) 600', 'dnltax4d', and 'INS'.

Figure 5.23 Assign Intercompany Accounts

5.3.2 EC Sales List

The EC Sales List (ESL) is essential for VAT-registered entities in the EU, facilitating information exchange between tax authorities to ensure compliance with EU regulations. Generated using the Run Statutory Reports app in SAP S/4HANA, the ESL is required for transfer of goods or supply of services to VAT-registered entities in other EU member states, that is, when you perform intra-community supplies. It includes details of supplies, credit notes, and triangular deals, with VAT registration numbers and relevant tax codes.

In many countries, reporting sales to other EU nations is mandatory. However, in some instances, you must also report purchases from the EU. This requirement applies to countries such as Spain, Poland, and Hungary, where the ESL return encompasses

intra-community acquisitions of goods and services. In such cases, we refer to European Sales and Purchases Listing (ESPL).

There are two main activities we need to accomplish for the ESL: assigning the reporting category to the reporting entity and maintain the EU code in the tax code configuration.

Assignment of the Report Category to the Reporting Entity

Once you've created your reporting entity, then you need to assign the report category of the ESL report to your reporting entity. Figure 5.24 shows an example of assigning the reporting category (**ES_ECSSL_DCL**) to your reporting entity for Spain.

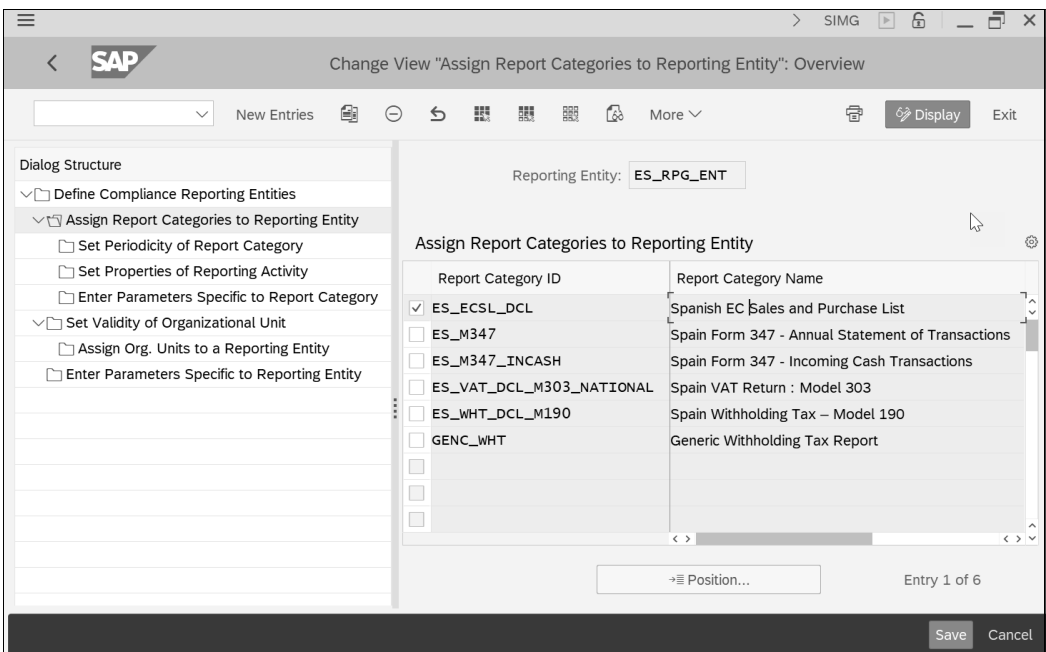


Figure 5.24 Assign Report Categories to Reporting Entity

Maintaining the EU Code in the Tax Code Configuration

The **EU Code** field is used for classifying the tax codes; that classification is then taken into consideration in the ESL. You can go to Transaction FTXP and assign the EU code to the existing tax codes, or you can assign it while creating a new tax code in the **Properties** section of the tax code (see Figure 5.25). Alternatively, you can also open Transaction SPRO, click on **SAP Reference IMG**, and then follow menu path **Financial Accounting • Financial Accounting Global Settings • Tax on Sales/Purchases • Calculation • Define Tax Codes for Sales and Purchase**.

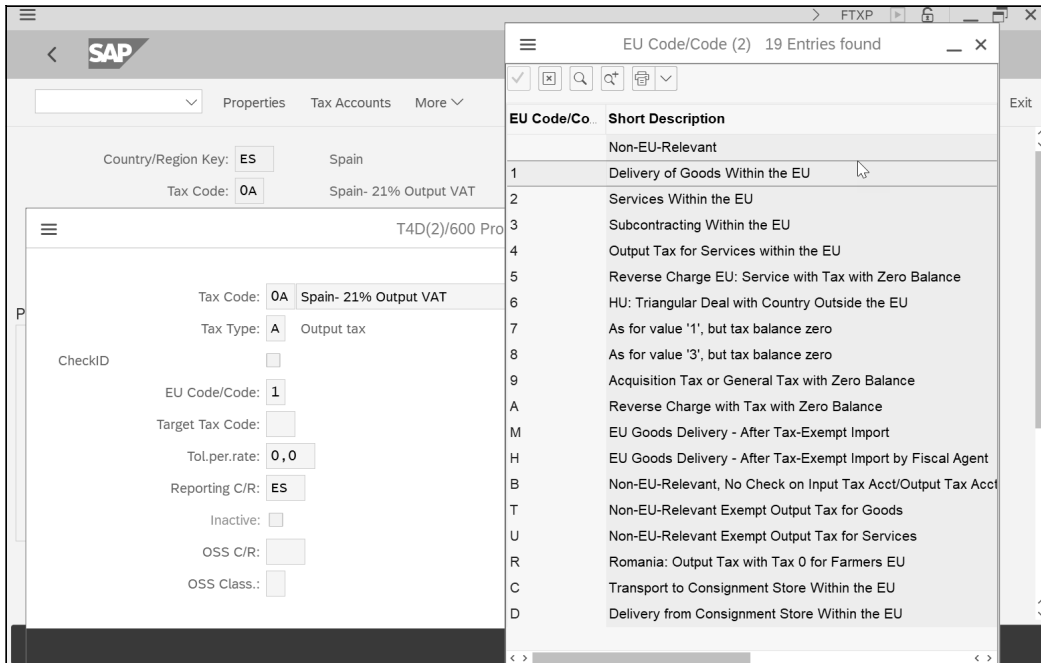


Figure 5.25 EU Code

Figure 5.25 shows the EU codes that are available in the SAP system to be assigned to the tax code. In our example, we've assigned **EU Code 1** to the output tax code. You can refer to SAP Note 2402710 to configure the EU code per your business needs.

5.3.3 Standard Audit File for Tax

The Standard Audit File for Tax (SAF-T) report in SAP Document and Reporting Compliance provides a standardized format for exchanging accounting data from organizations to tax authorities, facilitating tax audits, and ensuring compliance with local tax regulations.

The SAF-T report includes master data (company, customers, suppliers, products) and transactional data (invoices, payments, journal entries). Typically, in XML format, the SAF-T file adheres to local tax authority specifications. Compliance with these requirements helps reduce the risk of noncompliance penalties. SAP Document and Reporting Compliance integrates with the organization's SAP S/4HANA system to extract necessary data, automating the generation and submission of the SAF-T report. The report can be customized to meet specific local requirements, with SAP providing tools and templates for tailoring. Benefits include streamlined tax reporting, enhanced accuracy and consistency, and reduced manual effort and risk of errors. Refer to Section 5.2 for more information about setting up your report.

Apart from the standard configuration for setting up of statutory report, we need to maintain a few additional configurations to generate the SAF-T report. Following is an example for Norway, but you can refer to SAP Help for country-specific additional configurations.

To access the settings for additional configuration for Norway, open Transaction SPRO, click on **SAP Reference IMG**, and then follow menu path **Cross-Application Component • General Application Functions • Document and Reporting Compliance • Country/Region-Specific Settings • Norway • Setting Up Your Statutory Reporting • SAF-T**. In this section, we'll cover mapping standard tax types, mapping account types, mapping **Special G/L** indicators, and then maintaining some additional parameters.

Map Standard Tax Types

To ensure accurate and compliant SAF-T reporting in Norway, you need to map the standard Norwegian tax types to your company's SAP tax codes. This involves linking each Norwegian tax rate and type (e.g., various VAT rates and other taxes) to the corresponding SAP tax codes used in your transactions. This process guarantees that the data extracted for SAF-T reports is accurate and compliant with Norwegian tax regulations. The **Map Standard Tax Types** configuration activity's **Overview** screen is shown in Figure 5.26.

Proc.	Tx End Date	Start Date	Std. Tax	Tax %	Std. Tax Description	Description	FullTax	Compens.
TAXNO A2	31.12.9999	01.01.2024	05	0,000	No output VAT	Norway- 25% Output VAT	☐	☐
TAXNO A4	31.12.9999	01.01.2024	03	25,000	Output VAT	Output Tax	☐	☐
TAXNO V1	31.12.9999	01.01.2024	83	15,000	Importation of goods, VAT deductible	Norway-15% Deductible,Reverse Charge	☐	☒
TAXNO V2	31.12.9999	01.01.2024	14	15,000	Input VAT deductible (payed on import)	Norway-15% Import Input VAT	☐	☒
TAXNO V3	31.12.9999	01.01.2024	89	25,000	Services purchased from abroad, without deduction	Norway-25% Non Deductible, Services Purchase Frgn	☐	☒
TAXNO V4	31.12.9999	01.01.2024	01	25,000	Input VAT deductible (domestic)	Norway- 25% Input VAT	☐	☒

Figure 5.26 Mapping Standard Tax Types

Here, you can enter the following information in the columns shown:

- **Proc. (tax procedure)**

In this field, you need to maintain the relevant tax procedure.

- **Tx. (tax code)**

In this field, you need to maintain the relevant tax code, which is required for the mapping to the statutory authority values.

- **End Date**

In this column, you specify the date to which the tax code mapping remains effective. Only transactions and data till this date will be considered when generating the SAF-T report.

- **Start Date**

In this column, you specify the date from which the tax code mapping becomes effective. Only transactions and data from this date will be considered when generating the SAF-T report.

- **Std. Tax (standard tax)**

In this column, you need to maintain the standard tax values defined by the tax/statutory authority.

- **Tax %**

In this column, you need to maintain the tax percentage defined by the statutory authority for the standard tax values.

- **Std. Tax Description**

In this column, you need to maintain the description of the standard tax, which is defined by the tax/statutory authority.

- **Description**

In this column, you maintain the description/name of the tax code from the SAP S/4HANA system.

- **Full Tx (full tax)**

You can set this indicator to ensure that the tax code configured is full tax (100%). This setting will override the **Tax %** field.

- **Compens. (compensation)**

Selecting this checkbox indicates that the reporting entity has been qualified for the VAT compensation scheme and gets compensation for parts of the VAT on goods and services. In addition, the compensation element will have the value **True** in the **Tax Code Details** subsection of the **Master Files** section in the SAF-T file. In you deselect the checkbox, this element will have the **False** value.

Map Standard Account Types

The **Map Standard Account Types** Customizing activity involves mapping the standard account types defined by the Norwegian tax authorities to your company's general ledger accounts in SAP S/4HANA. By linking each Norwegian account type to the corresponding general ledger account, you ensure that financial transactions are accurately categorized and reported according to local regulations (see Figure 5.27). This process helps maintain regulatory compliance and supports accurate financial reporting.

Change View "SAF-T NO mapping standard account": Overview

Expand <-> Collapse New Entries Delimit More Display Exit

SAF-T NO mapping standard account

Chrt/Accts	G/L Account	End Date	Start Date	G/L Acct Long Text	Std Acct	Standard Acct. Desc.
☐ YCOA	12610000	31.12.9999	01.01.2024	Input Tax	1610	Input VAT, high rate
☐ YCOA	22100000	31.12.9999	01.01.2024	Output Tax	2700	Output VAT, high rate
☐ YCOA	65100000	31.12.9999	01.01.2024	Office Supplies	81	Financial expenses
☐ YCOA	65150000	31.12.9999	01.01.2024	Computer Supplies	80	Financial income
☐ YCOA	65200000	31.12.9999	01.01.2024	Other Supplies	80	Financial income
☐ YCOA	65300000	31.12.9999	01.01.2024	Legal and Audit Services	3510	Service

Position... Entry 1 of 6

Save Cancel

Figure 5.27 Mapping Standard Account Types

You'll enter the following information in the columns shown in the figure:

■ **Chrt/Accts (chart of accounts)**

In this column, you need to maintain the chart of accounts used in your company code.

■ **G/L Account**

In this column, you need to maintain the relevant general ledger accounts from the chart of accounts maintained in the previous column.

■ **End Date**

In this column, you specify the date to which the account type mapping remains effective. Only transactions and data until this date will be considered when generating the SAF-T report.

■ **Start Date**

In this column, you specify the date from which the account type mapping becomes effective. Only transactions and data from this date will be considered when generating the SAF-T report.

■ **G/L Acct Long Text**

In this column, you maintain the description/name of the general ledger account.

■ **Std Acct**

In this column, you need to maintain the standard account values defined by the tax/statutory authority.

■ **Standard Acct. Desc.**

In this column, you need to maintain the description/name of the standard accounts defined by the tax/statutory authority.

Map Special G/L Indicators with Account Type to Company Code

In the **Map Special G/L Indicators with Account Type to Company Code** Customizing activity, you map **Special G/L** indicators, which represent specific transaction types for customers (D) and vendors (K), to the appropriate account types within a company code in SAP S/4HANA (see Figure 5.28). This mapping ensures that these transactions are accurately categorized and included in SAF-T reporting. You can enter multiple **Special G/L** indicators, and they will be considered in the opening and closing balances of customers and vendors, which are included in the <MasterFiles> section of the generated SAF-T XML file. This process ensures comprehensive and compliant financial reporting.

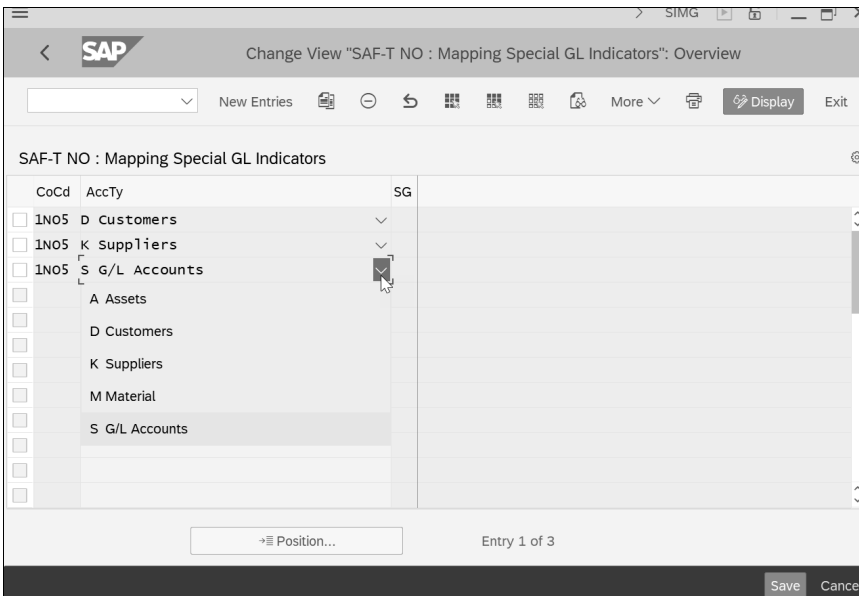


Figure 5.28 Mapping Special G/L Indicators

You'll enter the following information in the columns shown in the figure:

- **CoCd (company code)**

In this column, you need to maintain the company code relevant to your SAF-T report.

- **AccTy (account type)**

In the column, you need to maintain the account type for which the Special G/L indicator needs to be maintained. The account type determines whether the general ledger or one of the subledgers in accounting is used.

- **SG (special G/L indicator)**

In this column, you maintain the **Special G/L** indicator that identifies the **Special G/L** indicator transactions. Table 5.3 contains the list of **Special G/L** indicators you can select.

Special G/L Indicator	Description
A	Down Payment
B	Nonrediscountable Bills of Exchange
C	RE Rent Deposit
D	Doubtful Receivables
E	Individual Value Adjustment
F	Down Payment Request
G	Guarantees Given
H	Security Deposit
I	Down Payments, Intangible Assets
J	RE Advance Payment Request
K	RE AP Operating Costs
P	Payment Request
Q	Bill of Exchange Residual Risk
R	Bill of Exchange Payment Request
S	Check/Bill of Exchange
T	Down Payment
U	RE AP Sales-Based Rent
W	Rediscountable Bills of Exchange
Z	Interest Receivable

Table 5.3 Special G/L Indicators

Maintain Additional Parameters

In the **Maintain Additional Parameters** activity, you edit additional country-specific/region-specific parameters for your company codes, as shown in Figure 5.29 and Figure 5.30.

The following parameters are on the global level and not just specific to reporting:

- **Company Code**

In this column, you maintain the company code.

- **Company Name**

In this column, you maintain the company name relevant to the company code.

- **Ctry/Reg.**

In this column, you maintain the country in which the relevant company code is located.

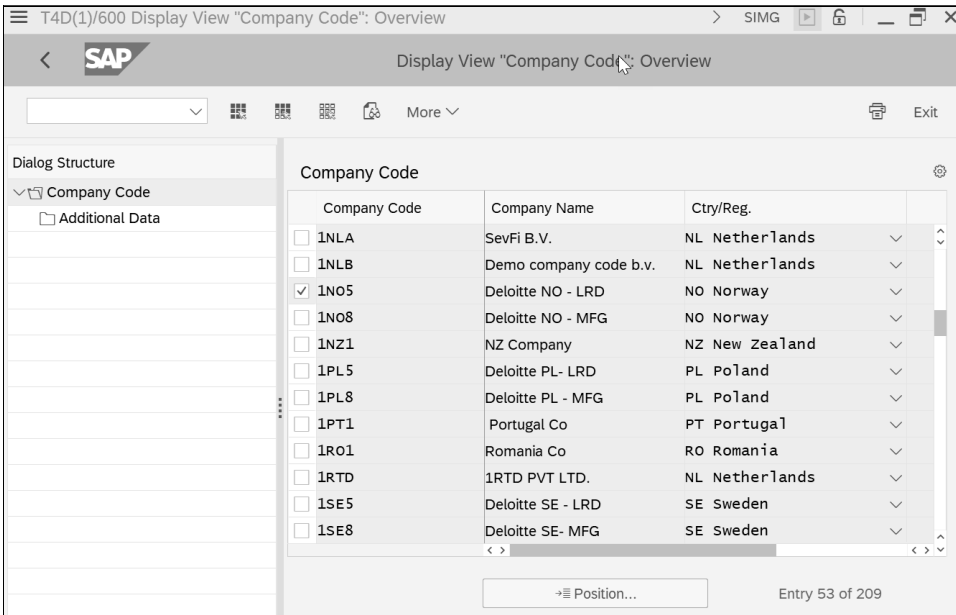


Figure 5.29 Company Code

You need to select the line item of the company code and then click on **Additional Data** in the left side column to open the **Additional Data** screen, as shown in Figure 5.30.

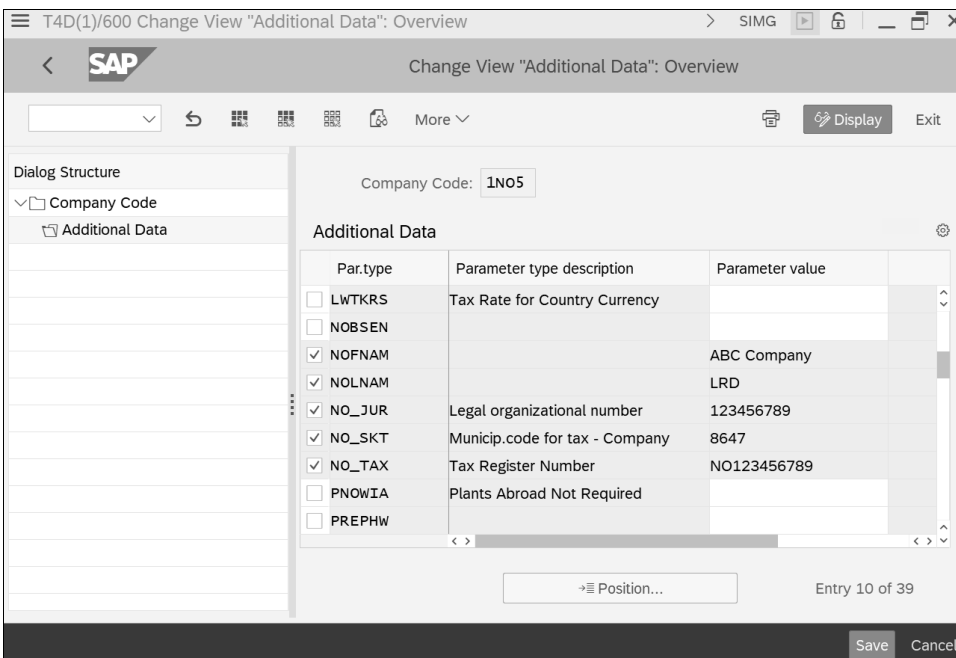


Figure 5.30 Additional Data

You'll need to enter the following:

- **Par.type (parameter type)**

In this column, you need to maintain the parameter type relevant to the specific company code.

- **Parameter type description**

In this column, you describe the parameter or mention the name of the parameter.

- **Parameter value**

In this column, you maintain the value relevant to the parameter.

5.3.4 Audit File

In SAP Document and Reporting Compliance, audit files, such as the France Audit File (FEC), are generated using the Run Statutory Reports app, allowing you to access a full audit log, including traceability and change history for compliance purposes. Audit file is similar to SAF-T; however, the end file is in a different format. For FEC, you need to assign the report category ID **FR_AUDIT_FEC** to your reporting entity as shown in Figure 5.31 and then follow the steps as explained in Section 5.2 to complete the configuration of your report.

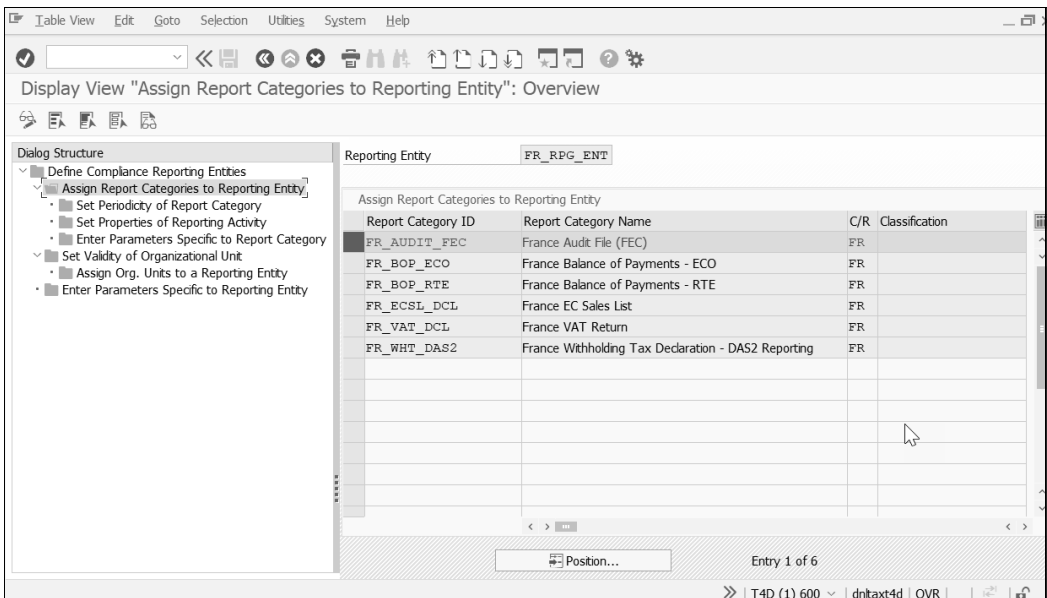


Figure 5.31 Assign Report Categories to Reporting Entity

5.3.5 Additional Reports

In addition to the statutory reports discussed previously, SAP Document and Reporting Compliance offers a range of generic and enhanced reports that can be tailored to meet country-specific requirements. This section explores how to manage emerging

taxes reports—such as those for plastic packaging or sugar taxes—alongside generic reports that offer flexible templates for developing custom reporting solutions. It also covers withholding tax (WHT) reports, which are essential for ensuring compliance with local WHT regulations. Together, these reporting options enable organizations to respond effectively to evolving tax demands and unique regulatory environments across different regions.

Emerging Taxes Reporting

Emerging taxes (e.g., plastic packaging taxes/levies, sugar taxes etc.) are relatively new areas from a tax landscape perspective. Many of these new tax types are still settling down, and SAP has created SAP Responsible Design and Production to seek to manage aspects such as plastic and packaging taxes. While SAP Document and Reporting Compliance doesn't offer a prebuilt solution for generating such reports, these reports can be developed using the extensibility options provided by the SAP Document and Reporting Compliance tool. (See Section 5.5 for more details.)

Generic Reports

Generic reports are model reports that can be used to define new report categories for specific organizational units based on various parameters. To configure these reports, you must use the Define Compliance Reports app before you get started. Reusing parts of generic reports to create custom reports makes them quicker to develop and easier to implement and maintain. However, generic reports still require the configuration of tax codes for VAT and the configuration of tax types and codes for withholding taxes.

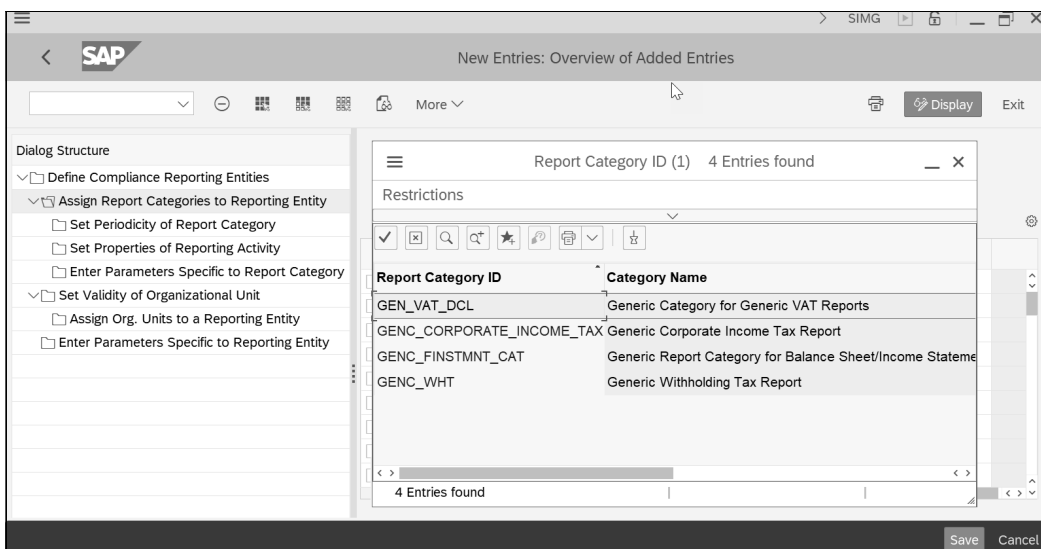


Figure 5.32 Generic VAT Report

Generic reports can also serve as models for reports in countries where SAP doesn't provide a country-specific version. To use any of the generic reports, you need to create a reporting category and assign the generic report definitions under the reporting activities, as shown in Figure 5.32. You can refer back to Section 5.2 for further configuration steps. For this example, we've assigned the **Generic Category for Generic VAT Reports** category, that is, **GEN_VAT_DCL**, to the reporting entity.

Withholding Tax Report

A WHT report is a document that details the amount of tax withheld from payments made on purchase invoices for certain types of transactions. Typically, the payer (i.e., the buyer or customer) withholds this tax from the payment to the vendor and remits it directly to the tax authorities. This report is crucial for both the payer and the payee, as it ensures compliance with tax regulations and supports accurate tax return filings.

The prerequisite before completing WHT report configuration is to complete the WHT setup for company code and maintain the WHT details in the supplier master data. You can also refer back to Section 5.2 for additional information about setting up your WHT report.

5.4 Workflows in Statutory Reporting

Companies should ensure that statutory reports are not only accurate but also validated and approved by the right stakeholders before submitting them to government authorities. The SAP Document and Reporting Compliance – Statutory Reporting framework provides a robust workflow configuration capability to support these internal controls. This section explores the end-to-end process of configuring, managing, and using workflows within this framework, ensuring compliance and operational efficiency.

Workflows are the backbone of internal validation and approval processes in statutory reporting. By automating the routing of reports for review and approval, organizations can reduce manual errors, ensure accountability, and maintain a clear audit trail. SAP's workflow configuration allows for flexible, role-based approvals, tailored to the needs of each country and reporting requirement.

To successfully configure and participate in workflow processes, you must be assigned specific SAP roles. The `SAP_BR_BPC_EXPERT` role is essential for administrators who are responsible for creating teams and configuring workflows. This role grants access to the necessary configuration applications and settings. Additionally, if you're the one who will trigger the workflow—typically those preparing or submitting reports—then you must have a relevant country-specific role, such as `SAP_BR_GL_ACCOUNTANT_ES` for Spain. This ensures that only authorized personnel can initiate the approval process for statutory reports.

If you need to interact with workflow tasks, such as approving or reviewing reports, you'll need the `SAP_BR_MANAGER` role. With this role, you'll have access to the My Inbox app, where you can receive, review, and manage all of your workflow items.

Let's now walk through the detailed steps for workflow creations, as follows:

1. **Provide access.**

Ensure that you have the `SAP_BR_BPC_EXPERT` role in the relevant frontend system (SAP S/4HANA, in our example).

2. **Open the Manage Workflow app.**

Navigate to and open the Manage Workflow app.

3. **Create a new workflow.**

Click the **Create** button to initiate the creation of a new workflow, as shown in Figure 5.33.

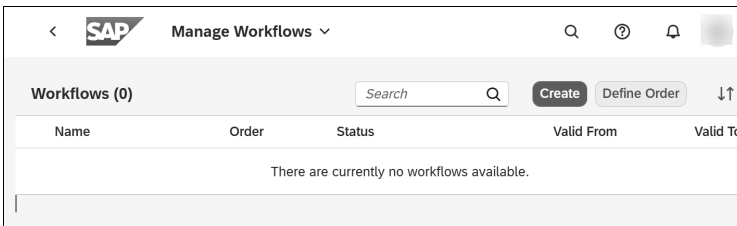


Figure 5.33 Create a New Workflow

4. **Enter workflow header information.**

Provide a unique **Workflow Name** for the workflow, as shown in Figure 5.34. This helps distinguish it from other workflows in the system.

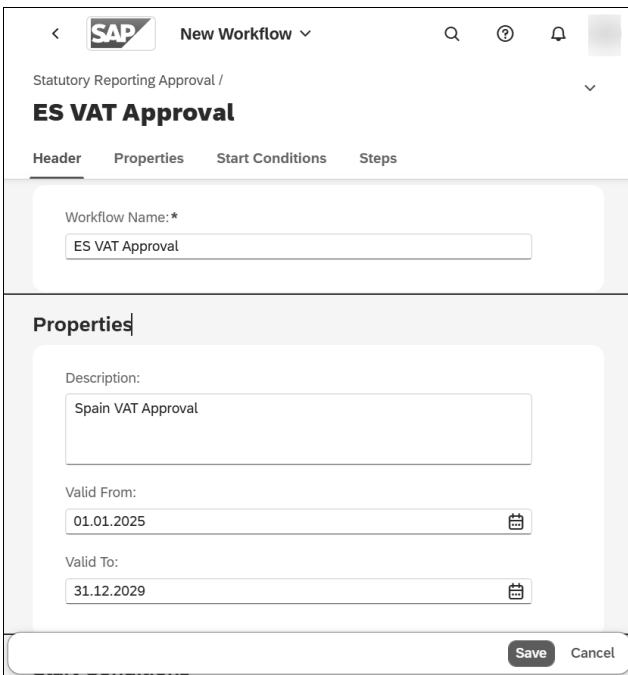


Figure 5.34 Assign Workflow Details

5. Configure step properties.

The **Valid From** and **Valid To** fields determine the period during which the workflow is active in the system, independent of the reporting tasks period. If these dates are left blank or set incorrectly, the workflow will default to being valid from the current system date. For example, specifying January 1, 2025, to December 31, 2029, means the workflow is only active within that time frame, as shown in Figure 5.34.

6. Define start conditions.

Start conditions determine when the workflow should be triggered for a report run. These can be based on attributes such as **Country**, **Report Category**, **Reporting Entity**, or **Reporting Phase**, as shown in Figure 5.35.

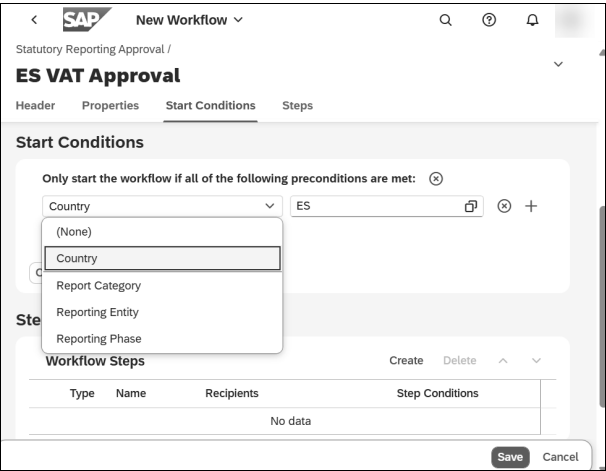


Figure 5.35 Define Start Conditions

Use the **[F4]**-enabled input box to select condition values from the dropdown list (**ES** in Figure 5.36).

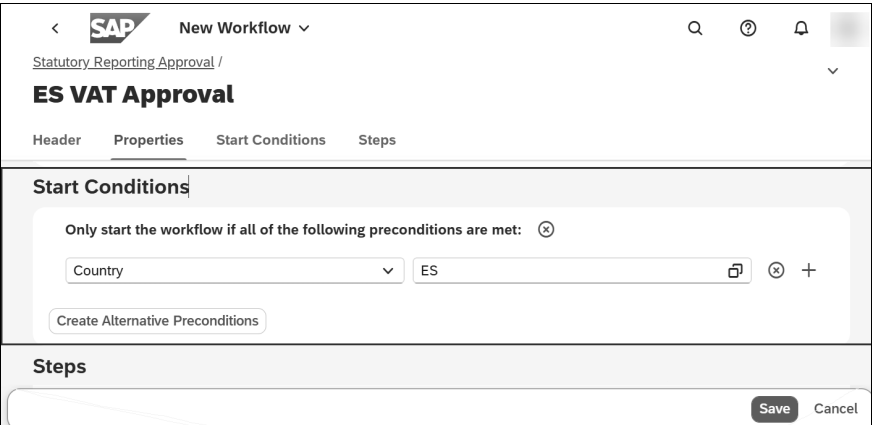


Figure 5.36 Select Condition Values

Multiple conditions can be added using the + button, creating a set of conditions, as shown in Figure 5.37.

The screenshot shows the SAP S/4HANA interface for configuring a new workflow. The title bar indicates 'New Workflow' and the breadcrumb trail shows 'Statutory Reporting Approval / ES VAT Approval'. The 'Start Conditions' tab is selected, displaying a section titled 'Only start the workflow if all of the following preconditions are met:'. Below this, there are three rows of dropdown menus for preconditions. The first row has 'Country' selected with 'ES' as the value. The second and third rows have '(None)' selected. To the right of each row are icons for deleting (X) and adding (+) conditions. A red box highlights the '+' icon for the second row. Below the preconditions is a button labeled 'Create Alternative Preconditions'. The 'Steps' tab is also visible, showing a table with columns 'Type', 'Name', 'Recipients', and 'Step Conditions'. At the bottom right are 'Save' and 'Cancel' buttons.

Figure 5.37 Add Multiple Conditions

Alternate start conditions (OR logic) can also be defined, allowing for flexible triggering scenarios, by clicking on **Create Alternative Preconditions**, as shown in Figure 5.38. Only one set of conditions needs to be met for the workflow to activate. When adding alternative preconditions, keep in mind that only one set of conditions will be evaluated during the approval process at runtime.

This screenshot shows the same SAP S/4HANA interface as Figure 5.37, but with additional conditions added. The 'Start Conditions' tab now shows three rows of preconditions: 'Country' (ES), 'Report Category' (ES_VAT_DCL), and '(None)'. The 'Create Alternative Preconditions' button is highlighted, indicating the next step to define OR logic. The 'Steps' tab is also visible, showing a table with columns 'Type', 'Name', 'Recipients', and 'Step Conditions'. At the bottom right are 'Save' and 'Cancel' buttons.

Figure 5.38 Alternative Start Conditions

In Figure 5.39, the conditions listed under **Only start the workflow if all of the following preconditions are met** represent the first set of AND conditions. The conditions listed under **or all of the following preconditions are met** form the next set of AND conditions. At runtime, if any one set of these conditions is satisfied, the report run will be considered valid for the approval process.

Figure 5.39 Setting Preconditions

Note

Start conditions within the same group are treated as an AND conjunction during runtime, meaning all conditions in the group must be met for the workflow to start.

7. Add approval steps.

Under the **Steps** tab, click **Create** to define approval levels, as shown in Figure 5.40.

Type	Name	Recipients	Step Conditions
No data			

Figure 5.40 Define Approval Levels

In the header of each step, provide an optional **Step Name**, and select **Approve Report** for **Step Type** from the dropdown, as shown in Figure 5.41.

The screenshot shows the SAP 'New Step' configuration interface. At the top, there's a navigation bar with a back arrow, the SAP logo, and a 'New Step' dropdown. Below this is a breadcrumb trail: 'Statutory Reporting Approval / ES VAT Approval /'. The main title is 'Approve Report'. There are five tabs: 'Header', 'Recipients', 'Step Conditions', 'Deadlines', and 'Exception Handling'. The 'Header' tab is active. It contains two fields: 'Step Name' with a placeholder text 'Optional. If you do not enter a name, the step type is used.' and 'Step Type' with a dropdown menu showing 'Approve Report'. Below the 'Header' tab is the 'Recipients' section, which is currently empty. At the bottom right of the 'Recipients' section are 'Create' and 'Cancel' buttons.

Figure 5.41 Create Approve Report

Under the **Recipients** section, select the function to which approval should be sent. The **Role** dropdown, shown in Figure 5.42, will display only those functions that are linked to the Statutory Reporting Framework team category and team type.

This screenshot shows the same SAP 'New Step' configuration interface as Figure 5.41, but with the 'Recipients' section expanded. The 'Role' dropdown menu is open, showing a list of roles: 'Compliance Manager', 'General Ledger Accountant', and 'Tax Head'. The 'Compliance Manager' role is currently selected. The 'Create' and 'Cancel' buttons are still visible at the bottom right of the 'Recipients' section.

Figure 5.42 Define Recipients

Step Conditions (optional) act as additional filters, ensuring that the approval step is only applicable when certain criteria are met during runtime. **Deadlines** (also optional) can be set to prioritize approval tasks. For example, an approval item can be marked as **Overdue** if not actioned within three days.

Exception Handling, which is mandatory (see Figure 5.43), is vital for a controlled approval process. The recommended setup includes the **Sent for Clarification** option (see Figure 5.44), which allows the approver to request more information from the initiator. The workflow item is routed back to the initiator, and once clarification is provided, it returns to the original approver. Avoid customizing exception handling beyond the recommended options, as this may lead to uncontrolled approval processes.

The screenshot shows the SAP 'Approve Report' configuration page for 'Exception Handling'. The breadcrumb trail is 'Statutory Reporting Approval / ES VAT Approval /'. The page title is 'Approve Report'. The navigation tabs are 'Header', 'Recipients', 'Step Conditions', 'Deadlines', and 'Exception Handling'. The 'Exception Handling' tab is active. Under the 'Exception Handling' section, the 'Rejected' sub-section is visible. It contains a 'Required Action' dropdown menu set to 'Provide More Information' and a 'Recipients' dropdown menu set to 'Determined automatically'. The 'Recipients' dropdown is open, showing a list of options: 'Determined automatically' (highlighted), 'Compliance Manager', 'General Ledger Accountant', and 'Tax Head'. At the bottom right, there are 'Create' and 'Cancel' buttons.

Figure 5.43 Exception Handling

The screenshot shows the SAP 'Approve Report' configuration page for 'Exception Handling'. The breadcrumb trail is 'Statutory Reporting Approval / ES VAT Approval /'. The page title is 'Approve Report'. The navigation tabs are 'Header', 'Recipients', 'Step Conditions', 'Deadlines', and 'Exception Handling'. The 'Exception Handling' tab is active. Under the 'Exception Handling' section, the 'Sent for Clarification' sub-section is visible. It contains a 'Required Action' dropdown menu set to 'Do nothing' and an 'Action Result' dropdown menu set to 'Cancel workflow'. At the bottom right, there are 'Create' and 'Cancel' buttons.

Figure 5.44 Define Actions for Exception Handling

8. Add multiple approval levels.

To create additional approval steps (e.g., multilevel approvals), repeat the step sequence as needed.

9. Activate the workflow.

Once all steps are configured, you can save and activate the workflow. Only activated workflows are available for use in statutory reporting processes.



Watson, Alberts-Muller, MacIntosh

SAP Document and Reporting Compliance

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