

Topic: SAP's Solution Approach for GST

Development Strategy including Pre-requisites



Prasoon Anand

Development Expert, SAP Labs India



Thejas A G

**Product Owner and Development
Architect, SAP Labs India**

Agenda

- **Goods and Service Tax India**
 - Areas of Impact
 - Solution Proposals
- **Pre-requisites**

GST: Areas of Impact

Tax Registration

Define GST Registration levels

Master Data Maintenance

Business Partner Tax Data, GST Accounts

Tax Configuration & Computation

Configure Tax and Pricing procedures; Tax computation

Document Numbering

Outgoing Invoice Numbering

Business Process Localization

Extend Support to currently localized Business Processes

GST Tax Postings

GST Input and Output Tax postings

Utilization

Input tax credit utilization against payable for GST Taxes

Reporting

Tax Register

Tax Registration

GSTIN – GST Identification number

- Single registration for CGST, SGST and IGST
- Individual registration to be obtained in each state of business establishment
- PAN based registration number – Up to 15 characters in length



Tax Registration - Proposed Solution

Capture GST registration at Business Place level

Company Code	IN47	India Model Company, IN
Business Place	IN47	Corporate Treasury

Tax information

Rep's Name	
Type of Business	
Type of Industry	
Tax Number 1	
Tax Number 2	
Dis. Tax Office	
Signer of Tax Inv	
GST Reg. No	

Master Data Maintenance

Business Partner Tax Data


- GST reg. no. to be captured for each Registered Customer and Vendor




GST Tax Accounts

- Separate tax A/P and A/R accumulation might be required at GST registration level
- To be defined for CGST, SGST and IGST separately



Vendor GST Registration- Proposed Solution

 ***Change Vendor: Control***

   Tax categories Certificates Ireland RCT data

Vendor India Vendor

Account control

Customer	<input type="text"/>	Authorization	<input type="text"/>
Trading Partner	<input type="text"/>	Corporate Group	<input type="text"/>

Tax information

Tax Number 1	<input type="text"/>	Tax number type	<input type="text"/>
Tax Number 2	<input type="text"/>	Tax type	<input type="text"/>
Tax Number 3	<input type="text" value="AHJDF6745N132MH"/>		
Tax Number 4	<input type="text"/>	Tax base	<input type="text"/>

Customer GST Registration- Proposed Solution

Create Customer: General Data

Other Customer

Company Code Data

Customer

TESTGST123

Address

Control Data

Payment Transactions

Account control

Vendor

Authorization

Trading Partner

Corporate Group

Reference data/area

Location no. 1

Location no. 2

Industry

Tax information

Tax Number 1

Tax number type

Tax Number 2

Tax type

Tax Number 3

AHKJF5674N124KA

Tax Number 4

Tax Account - Proposed Solution

Business Place based G/L account determination – Both for MM and SD

New Entries: Overview of Added Entries











Chart of Accts

CAIN

Transaction

JOS

India Tax Account Determination

	Tax code	Business place	G/L Account	
		IN01	51010100	
		IN02	50200000	
				

Tax Configuration and Computation

- Intra-state transactions
 - CGST and SGST applicable
- Inter-state/Import transactions
 - IGST applicable
- Export Transactions
 - Zero rated
- Region level rate variations may exist
- New condition types/access sequences and account determination



Tax Configuration and Computation- Proposed Solution

Tax Procedure – New Condition Types

Procedure		TAXINN IN; India taxes new													
Control															
Reference Step Overview															
Step	Co...	CTyp	Description	Fro	To	Ma...	R...	St...	P	SuTot	Reqt	CalTy...	BasT...	Acc...	
930	0	MWAS	Output Tax	100	100	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						MWS	
931	0	MWVS	Input tax	100	100	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						VST	
990	0	JICG	IN: Central GST	100	100	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						JIC	
991	0	JISG	IN: State GST	100	100	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						JIS	
992	0	JIIG	IN:I GST	100	100	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						JII	

Tax Configuration and Computation- Proposed Solution

SD Pricing Procedure – New Condition Types

Procedure

JINFAC

IN:Factory sale

Control

Reference Step Overview

Step	Co...	CType	Description	Fro	To	Ma...	R...	St...	P	SuTot	Reqt	CalTy...	BasT...	Acc...	A
900	0	JOCG	IN: Central GST	10	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						JOC	
910	0	JOSG	IN: State GST	10	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						JOS	
920	0	JOIG	IN:IGST	10	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						JOI	

Tax Configuration and Computation- Proposed Solution

SD Access Sequence

Condition type

Key Combination

- ☒ Customer/Material
- ☐ Material
- ☐ Country/PlntRegion/Region/TaxCl1Cust/TaxCl.Mat
- ☐ Country/State/Customer Classif.1/Material Classification 1
- ☐ Country/PlntRegion/Region/Material
- ☐ Country/Plant/Ctrl code/Material

☒ ☐



Tax Configuration and Computation- Proposed Solution

MM Access Sequence

Condition type

Key Combination

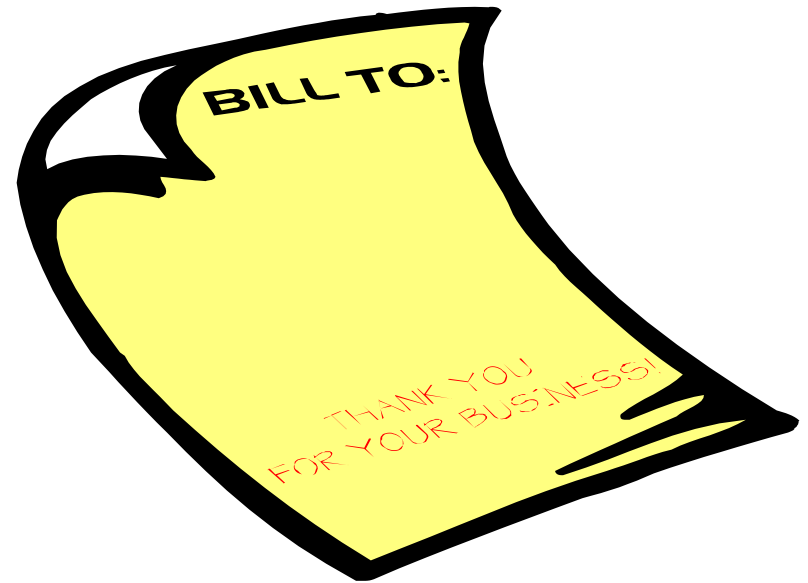
☒ Vendor/Material/PlntRegion
☐ Matl Group/PlntRegion
☐ Country/Ctrl code/TaxCl.Mat/PlntRegion
☐ Country/Region/PlntRegion



Document Numbering

Unique sequential numbering for outgoing GST invoices





- Criteria for legal numbering may be specified by govt.
- It could be for example:
 - Registration level
 - Document type (Invoice / Credit Memo)
 - A combination of above
 - ...



Document Numbering- Proposed Solution


Maintain Document Class

Display View "Maintain Document

Country

Maintain Document Classes

	D...	Text	
	IN	Document class India	

Document Numbering- Proposed Solution

Assign Document class to Document Types

Country India

Assign Document Classes to Document Types				
	Type	Description	D...	Text
<input type="checkbox"/>	RE	Invoice - Gross	IN	Document class India
<input type="checkbox"/>	WA	Goods Issue	IN	Document class India
<input type="checkbox"/>	WE	Goods Receipt	IN	Document class India
<input type="checkbox"/>	WI	Inventory Document	IN	Document class India
<input type="checkbox"/>				


Document Numbering- Proposed Solution

Assign Number Range to Business Place

Display View "Assign Number Ranges to Business Places":

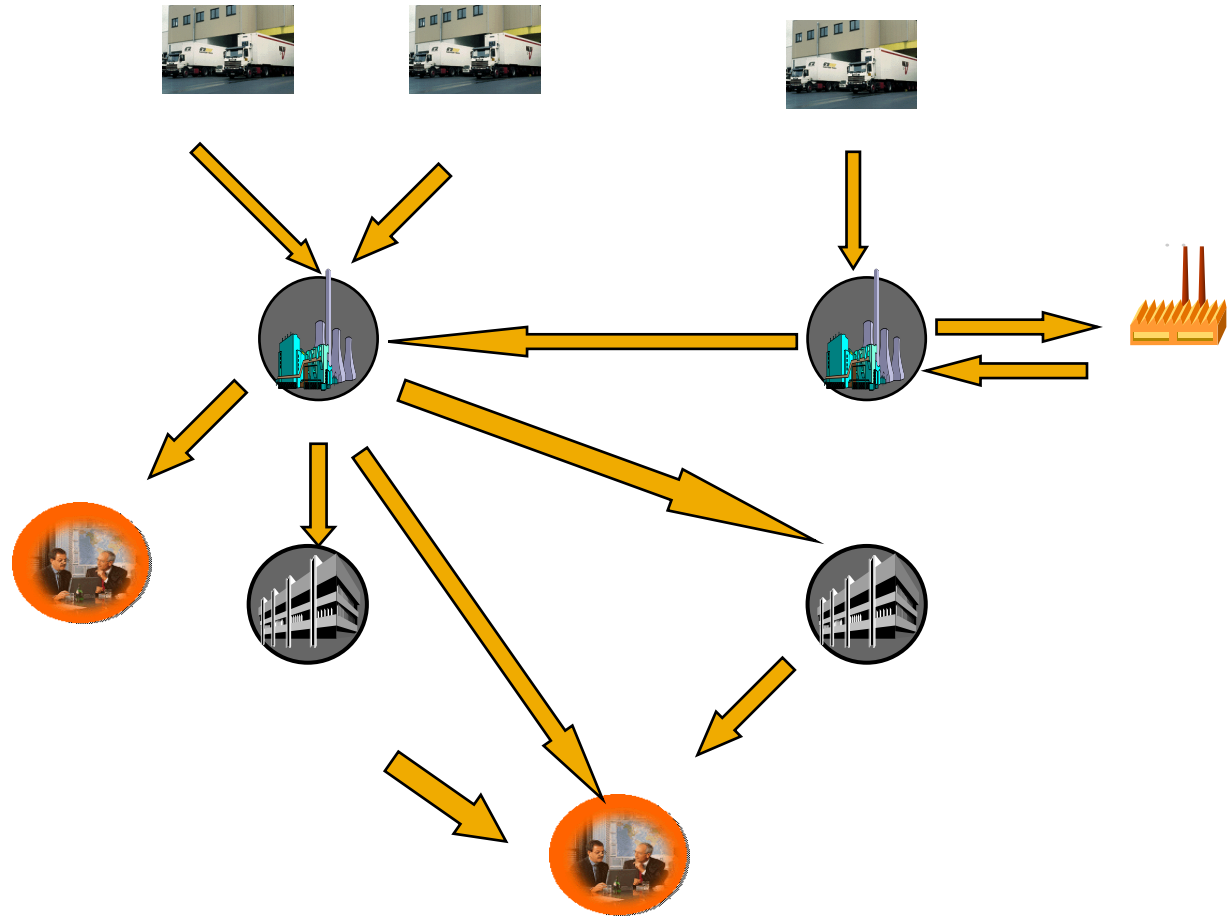


Assign Number Ranges to Business Places

	CoCd	BP	D...	Date	Exp. date	Prefix	No. gp	No	EINV Rele	
	IN47	IN47	IN	01.0...	31.12.2003	IN	IN01	01	<input type="checkbox"/>	

Business Process Localization

- Sales Processes
- Procurement Processes
- Stock Transfers
- Subcontracting
- Others



Sales - Proposed Solution

Sales Order

Sales Document Item	10	Item category	TAN	Standard Item
Material	SPAREPARTS	Spare parts for building automobiles		

Sales A

Sales B

Shipping

Billing Document

Conditions

Account assignment


Schedule lines




Quantity	10	KG	Net	20.000,00	INR
			Tax	5.400,00	

Pricing Elements										
	N..	CnTy	Name	Amount	Crcy	per	U...	Condition value	Curr.	Status
	PR00		Price	2.000,00	INR	1	KG	20.000,00	INR	
	JOCG		IN: Central GST	13,000	₹			2.600,00	INR	
	JOSG		State GST	14,000	₹			2.800,00	INR	

Sales - Proposed Solution

Billing Document (A/R)

 **Invoice 90000003 (F2) Display: Item Data**

  Billing items  Accounting

Item Created by
Item category Created on Time
Material Spare parts for building automobiles
Batch

Item Detail Item Partners Conditions ForTrade/Customs Item Texts PO Data


Quantity Net
Tax

Pricing Elements

	N..	CnTy	Name	Amount	Crcy	per	U...	Condition value	Curr.	Status	Nu
<input checked="" type="checkbox"/>	PR00		Price	2.000,00	INR		1 KG	20.000,00	INR		
<input checked="" type="checkbox"/>	JOCG	IN:	Central GST	13,000	₹			2.600,00	INR		
<input checked="" type="checkbox"/>	JOSG	IN:	State GST	14,000	₹			2.800,00	INR		

Procurement - Proposed Solution

Purchase Order

 **Display Taxes**

Item

10

Material

SPAREPARTS

Net

1.000.000,00

INR

Tax





150.000,00

Pricing Elements										
	N..	CnTy	Name	Amount	Crcy	per	U...	Condition value	Curr.	Stat
<input checked="" type="checkbox"/>	BASB		Base Amount					1.000.000,00	INR	
<input checked="" type="checkbox"/>	JIIG	<input type="checkbox"/>	IGST Credit	15,000	%			150.000,00	INR	

Procurement - Proposed Solution


Vendor Invoice (A/P)




Enter Incoming Invoice: Company Code IN47

Show PO structure Show worklist  Hold  Simulate  Messages 

Transaction Invoice

Diff. Posting Not Applicable




Basic Data Payment Details **Tax** Withholding tax (  

Tax Data			
	D/C	Tax doc.currency	Tax code
	S	150.000,00	IG (IGST Setof

Calculate tax ☒

Stock Transfers - Proposed Solution

Purchase Order

 **Display Taxes**

Item

Material

Net


Tax












Pricing Elements



	N..	CnTy	Name	Amount	Crcy	per	U...	Condition value	Curr.
<input checked="" type="checkbox"/>	BASB		Base Amount					1.000,00	INR
<input checked="" type="checkbox"/>	JIIG	<input type="checkbox"/>	IGST Credit	15,000	₹			150,00	INR

Stock Transfers - Proposed Solution

Replenishment Delivery from sending plant

 **Replenishment Dlv. 80044047 Display: Overview**

           | Post Goods Issue

Outbound deliv.  Document Date
Ship-to party  CIn customer / bangalore

Item Overview

Picking

Loading

Transport

Status Overview

Goods Movement Data

Pick Date/Time OvrllPickStatus Fully picked
Warehouse No. OverallWMStatus No WM trnsf ord reqd

All Items

Itm	Material	Plnt	SLoc	Deliv. Qty	Un	Picked Qty	Un	Batch	B..	P	V	Stag. Date	Matl...
10	BATCH_TEST50	IN49	0001	10	EA	10	EA		<input checked="" type="checkbox"/>	C		13.05.2015	00:00:00

Stock Transfers - Proposed Solution

Outgoing GST Invoice

- 'Consideration' Value for tax calculation.
- Will it be a pure tax Document? Example:

G/L Account Description	Amount	Currency	Debit/Credit
GST Clearing Account	150.00	INR	DR
Output IGST	150.00-	INR	CR

- OR, Will it be a GST Invoice with an account receivable? Example:

G/L Account Description	Amount	Currency	Debit/Credit
Account Receivable	1150.00	INR	DR
Internal Replenishment Revenue	1000.00-	INR	CR
Output IGST	150.00-	INR	CR

Stock Transfers - Proposed Solution

Goods Receipt at receiving plant

General

Vendor

Doc. info

Document Date

13.05.2015

Delivery Note

0080044047

Vendor

Plant In49 Vendor

Posting Date

13.05.2015

Bill of Lading

HeaderText

☐

Individual Slip

Line	Mat. Short Text	Qty in UnE	E...	SLoc	Bu...	Batch	Valuation
1	Batch test only in IN50	10	EA	Location 0001	IN01	0000001613	

Stock Transfers - Proposed Solution

Incoming GST Invoice

- 'Consideration' Value for tax calculation.
- Will it be a pure tax Document? Example:

G/L Account Description	Amount	Currency	Debit/Credit
GST Clearing Account	150.00-	INR	CR
Input IGST	150.00	INR	DR

- OR, Will it be a GST Invoice with an account receivable? Example:

G/L Account Description	Amount	Currency	Debit/Credit
Account Payable	1150.00-	INR	CR
GR/IV Clearing	1000.00	INR	DR
Input IGST	150.00	INR	DR

Subcontracting - Proposed Solution

Purchase Order

S..	I..	I	Material	Short Text	PO Quantity	O...	C	Deliv. Date	Net Price	Curr...	Per
10	L		SPAREPARTS	Material from different location	10	G	D	13.05.2015	14.000,00	INR	1
										INR	
										INR	
										INR	
										INR	
										INR	

Default ValuesAddl Planning

Item [10] SPAREPARTS , Material from different lo...

▲▼

Material Data

Quantities/Weights

Delivery Schedule

Delivery

Invoice

Conditions

Texts

Delivery Address

Material group01

IUID-Relevant

Revision Level

Components

Vendor mat. no.


EAN/UPC






Explode BOM

Vendor sub-range

Subcontracting - Proposed Solution

Purchase Order - Components

 **Processing Components: Component Overview**

     Collective entry Detailed entry

Material

SPAREPARTS

Material from different location

Plant

IN47

Release Date

13.05.2015



Quantity

0,010

Delivery date

13.05.2015

Component Overview

 Material	Description	Requirement qty	U...	Q.	Plant	Pr...	Supply Area	Reqmt Date
IRON	 h	15,000	KG	<input type="checkbox"/>	IN47			13.05.2015
ALUMINIUM	Aluminium foils for ...	20,000	KG	<input type="checkbox"/>	IN47			13.05.2015

Subcontracting - Proposed Solution

Purchase Order - Taxes



Item	10	Material	SPAREPARTS	
Net			140.000,00	INR
Tax			37.800,00	

Pricing Elements											
	N..	CnTy	Name	Amount	Crcy	per	U...	Condition value	Curr.	Status	N
	<input checked="" type="checkbox"/>		BASB Base Amount					140.000,00	INR		
	<input checked="" type="checkbox"/>		JICG IN: Central GST	13,000	₹			18.200,00	INR		
	<input checked="" type="checkbox"/>		JISG <input type="checkbox"/> State GST	14,000	₹			19.600,00	INR		

Subcontracting - Proposed Solution

Transfer Posting

Enter Transfer Posting: Overview

  To Reservation... To Order... To Purchase Order...

Posting Date

Items

Item	Quantity	EU	Material	Plnt	SLoc	Batch	Re	MvT	S	S
		BUn	Material Description				Reserv.No.	Itm		FIs
<input type="text" value="1"/>	<input type="text" value="20,000"/>	<input type="text" value="KG"/>	<input type="text" value="ALUMINIUM"/>	<input type="text" value="IN47"/>	<input type="text" value="0001"/>			<input type="text" value="541"/>		<input type="text" value="-"/>
			<input type="text" value="Aluminium foils for Manufacturing"/>							
<input type="text" value="2"/>	<input type="text" value="15,000"/>	<input type="text" value="KG"/>	<input type="text" value="IRON"/>	<input type="text" value="IN47"/>	<input type="text" value="0001"/>			<input type="text" value="541"/>		<input type="text" value="-"/>
			<input type="text" value="iron"/>							

Subcontracting - Proposed Solution

Outgoing GST Invoice

- 'Consideration' Value for tax calculation.
- Will it be a pure tax Document? Example:

G/L Account Description	Amount	Currency	Debit/Credit
GST Clearing Account	37800.00	INR	DR
Output CGST	18200.00-	INR	CR
Output SGST	19600.00-	INR	CR

- OR, Will it be a GST Invoice with an account receivable? Example:

G/L Account Description	Amount	Currency	Debit/Credit
Account Receivable	177800.00	INR	DR
Internal Replenishment ?	140000.00-	INR	CR
Output CGST	18200.00-	INR	CR
Output SGST	19600.00-	INR	CR

Subcontracting - Proposed Solution

Goods Receipt

Goods Receipt

Purchase Order

Plant

IN47

General

Vendor

Document Date

13.05.2015

Delivery Note

Vendor

MIGO

Posting Date

13.05.2015

Bill of Lading

HeaderText

☐

Individual Slip

Line		Mat. Short Text	OK	Qty in UnE	E...	SLoc
1		Material from different location	<input checked="" type="checkbox"/>	10	G	Location 0001
1		Aluminium foils for Manufacturing	<input checked="" type="checkbox"/>	20,000	KG	
1		iron	<input checked="" type="checkbox"/>	15,000	KG	

Subcontracting - Proposed Solution

Incoming GST Invoice

- 'Consideration' Value for tax calculation.
- Will it be a pure tax Document? Example:

G/L Account Description	Amount	Currency	Debit/Credit
GST Clearing Account	37800.00-	INR	CR
Input CGST	18200.00	INR	DR
Input SGST	19600.00	INR	DR

- OR, Will it be a GST invoice with an account payable? Example:








G/L Account Description	Amount	Currency	Debit/Credit
Account Payable	177800.00-	INR	CR
GR/IV Clearing	140000.00	INR	DR
Input CGST	18200.00	INR	DR
Input SGST	19600.00	INR	DR

GST Tax Postings

- Separate accumulation of credit and payables for
 - CGST
 - SGST
 - IGST
- Separate accumulation at Registration level
- Automatic Tax posting to respective accounts from business processes

GST Tax Postings - Proposed Solution

Billing (A/R) Accounting Document





 Taxes
  Display Currency
  General Ledger View

Data Entry View

Document Number	<input type="text" value="40001"/>	Company Code	<input type="text" value="IN47"/>	Fiscal Year	<input type="text" value="2015"/>
Document Date	<input type="text" value="08.05.2015"/>	Posting Date	<input type="text" value="08.05.2015"/>	Period	<input type="text" value="2"/>
Reference	<input type="text" value="00900000003"/>	Cross-Comp.No.	<input type="text"/>		
Currency	<input type="text" value="INR"/>	Texts exist	<input type="checkbox"/>	Ledger Group	<input type="text"/>



C...	Itm	PK	S	Account	Description	Amount	Curr.	Tx
IN47	1	01		CUST_KTK	Customer for Automobil...	25.400,00	INR	A
	2	50		811600	Sales/Revenue Acc	20.000,00-	INR	A
	3	50		51010100	Central GST	2.600,00-	INR	A
	4	50		50200000	State GST	2.800,00-	INR	A

GST Tax Postings - Proposed Solution

Vendor Invoice (A/P) Accounting Document

Taxes
 Display Currency
 General Ledger View

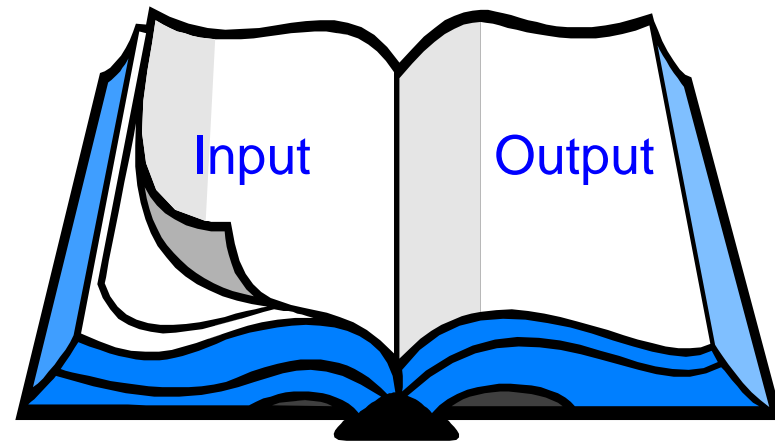
Data Entry View

Document Number	1000000695	Company Code	IN47	Fiscal Year	2015
Document Date	13.05.2015	Posting Date	13.05.2015	Period	2
Reference		Cross-Comp.No.			
Currency	INR	Texts exist	<input type="checkbox"/>	Ledger Group	

It...	CoCode	G/L Account	PK	S	Account	Description	Assignment	Amount	Curr.
1	IN47	13110000	31		MIGO	MIGO		1.150.000,00-	INR
2		13110100	86		13110100	GR/IR-ext proc	450001618200010	1.000.000,00	INR
3		1000003	40		1000003	IGST Account	20150513	150.000,00	INR

Utilization



- Utilization of Input tax credit would be as under
 - Input CGST to be utilized against output CGST and IGST
 - Input SGST to be utilized against output SGST and IGST
 - Input IGST to be utilized against output IGST, CGST and SGST in the order of IGST, CGST and SGST





Utilization - Proposed Solution

New Utilization program to handle GST credit utilization



Monthly Utilization



General Data

Company Code	<input type="text"/>	
Business Place	<input checked="" type="checkbox"/>	

GST Invoice selection

Period	<input type="text" value="07.05.2015"/>	to	<input type="text"/>	
GST Invoice	<input type="text"/>	to	<input type="text"/>	

Utilization - Proposed Solution

Cross Utilization as per GST rules

Utilization Edit System Help

Monthly Utilization

Taxes

Ind	Taxes	Payable Amount	Amount Remaining
000	CGST	324.899,00	324.899,00
000	SGST	129.006,00	129.006,00
000	IGST	2.019,00	2.019,00

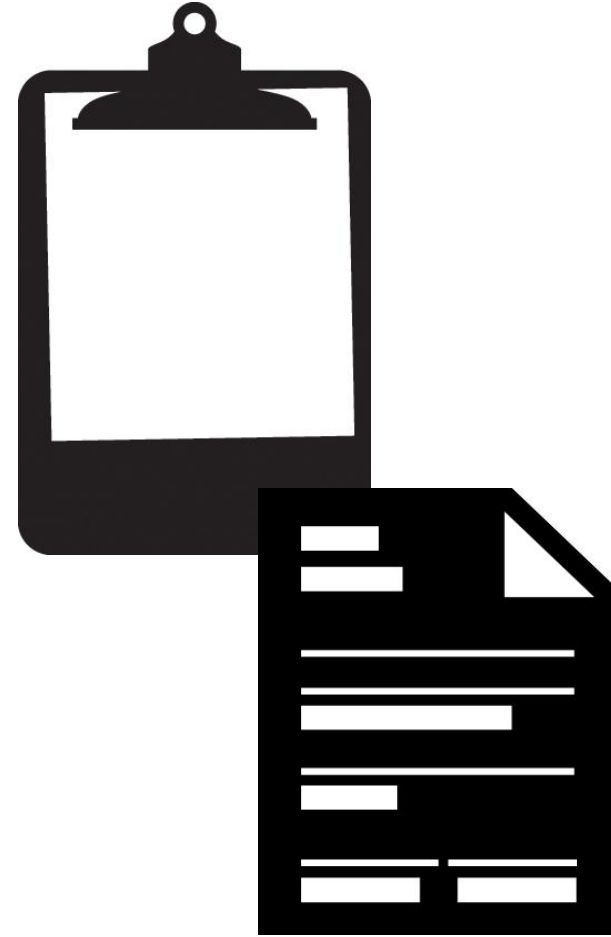
Select Tax

Utilization for CGST




















Account Name	Available Balance	Utilized	Rem Balance
CGST	174,16		174,16
IGST	2.019,00		2.019,00

Reporting

- Tax register
 - CGST
 - SGST
 - IGST
- Registration level segregation



Tax Register - Proposed Solution

Advance Return for Tax on Sales/Purchases				
   				
Company code	<input type="text"/>	to	<input type="text"/>	
Document Number	<input type="text"/>	to	<input type="text"/>	
Fiscal Year	<input type="text"/>	to	<input type="text"/>	
General selections				
Posting date	<input type="text"/>	to	<input type="text"/>	
Reference number	<input type="text"/>	to	<input type="text"/>	
 Further selections				
Further selections				
Taxes on sales/purchases group	<input type="text"/>	to	<input type="text"/>	
Fiscal period	<input type="text"/>	to	<input type="text"/>	
CPU date	<input type="text"/>	to	<input type="text"/>	
Document date	<input type="text"/>	to	<input type="text"/>	
Tax Reporting Date	<input type="text"/>	to	<input type="text"/>	
Tax on sales/purchases code	<input type="text"/>	to	<input type="text"/>	
Transaction	<input type="text"/>	to	<input type="text"/>	
Special G/L ind.	<input type="text"/>	to	<input type="text"/>	
Business Place	<input type="text"/>	to	<input type="text"/>	

Pre-requisites

- Tax Procedure
 - TAXINN

- Minimum Support Pack level
 - SAP Note no 1175384

SAP_APPL Release	Support Pack
SAP ERP 6.0 (600)	SP 26
EHP2 FOR SAP ERP 6.0 (602)	SP 16
EHP3 FOR SAP ERP 6.0 (603)	SP 15
EHP4 FOR SAP ERP 6.0 (604)	SP 16
EHP5 FOR SAP ERP 6.0 (605)	SP 13
EHP6 FOR SAP ERP 6.0 (606)	SP 14
EHP6 FOR SAP ERP 6.0 for HANA (616-SAP HANA)	SP 08
EHP7 FOR SAP ERP 6.0(617)	SP 07



Thank you

Contact information:

Prasoon Anand, Thejes AG
SAP

