What is Company Code? & How to Define Company Code in SAP

In this SAP tutorials we will learn what is company code in SAP and how to define company code "TK01"(TK Software limited) step by step using recommended configuration settings.

What is Company Code in SAP

Company code is an independent organizational unit which is registered under companies act 1956. Under company code you can generate individual financial statements like profit & loss account and balance sheets.

- The definition of company code in SAP is mandatory.
- It is mandatory to create at least one company code for implementing the SAP financial accounting module.

You can define company code in SAP by using navigation method or transaction code.

- Navigation: – SPRO – IMG – Enterprise Structure – Definition – Financial Accounting – Edit Copy, Delete, Check company code
- Transaction code: – OX02
- Database Table: – T880

How to define company code in SAP

Step 1) Enter transaction code "OX02" in the SAP commend field and enter to continue.
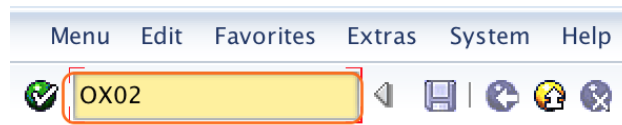
Step 2) On change view "Company Code": Overview screen, displays with the list of company codes with their names. Click on "New Entries" button to create new company code as per organizational requirements.

Step 3) On new entries company code screen, update the following details.

- **Company code: –** Enter 4 digits alphanumeric code that identifies company in SAP
- **Company name:** – Update the name of the company
- **City: –** Enter the name of city in which the company is located.
- **Country: –** Enter the name of country. Press F4 for possible entries and you can select the code from the list.
- **Currency: –** This currency is also called as home currency or local currency.
- **Language: –** Our default language key: English (EN).

Step 4) After updating all the required details, click on save button to save the configured data.

Now the system prompts the another screen to update the full address of company. Update all the required address details of company and press enter to save the data.

Step 5) Now you get the transport request number, save the request.

Successfully company code "TK01" is created in SAP system. Continue to learn how to assign company code to company in SAP.

⊩ Assign company code to field status variant

⊩ Define Tolerance group for G/L accounts

⊩ Define Tolerance group for employees

⊩ Check company code global parameters

SAP FICO - Foreign Currency Transactions

⊩ Check exchange rate types

⊩ Define translation ratios for currency translation

⊩ How to maintain exchange rates in SAP

⊩ Define accounts for exchange rate differences

⊩ Define foreign currency valuation methods

⊩ Define accounting principles and assign to ledger group

⊩ Define valuation areas and assign to accounting principles

SAP FICO - New G/L Accounting

⊩ How to activate new G/L accounting?

⊩ Define ledgers for general ledger accounting

⊩ Define currencies for leading currency

⊩ Define & Activate Non-Leading Ledgers

⊩ Define Zero-balance clearing account

⊩ Define interest calculation types

⊩ Define interest indicator

SAP FICO - Accounts Receivable

⊩ Define account group for customers

⊩ Maintain number ranges for customer account groups

⊩ Assign number ranges to customer account groups

⊩ Define risk categories

⊩ Define tolerance group for Customers

⊩ Create sundry debtors accounts

⊩ Define Customer Master Record

SAP FICO - Accounts Payable

⊩ What is Accounts Payable in SAP?

⊩ Define vendor account groups

⊩ Maintain number range intervals for vendor accounts

⊩ Assign number ranges to vendor account groups

⊩ Create payment terms

⊩ Define accounts for cash discount taken

⊩ Define Vendor reconciliation account

⊩ Create vendor code

SAP FICO - Tax on Sales and Purchases

⊩ What is Sales tax and Purchase tax in SAP?

⊩ Define tax calculation procedures

⊩ Assign country to calculation procedure

⊩ Assign tax codes for non taxable transactions

⊩ Maintain tax codes for sales and purchases

⊩ Define tax accounts in SAP

SAP FICO - Bank Accounting

⊩ What is Bank Accounting in SAP?

⊩ Define bank key

⊩ Define house bank in SAP

⊩ Create check lots

⊩ Automatic payment program

SAP FICO - Asset Accounting

⊩ What is Asset Accounting in SAP?

⊩ Define Chart of Depreciation

⊩ Assign chart of depreciation to company code

⊩ Specify Account Determination

⊩ Number range intervals for Assets

⊩ Maintain Asset Classes

⊩ Define tax accounts in SAP

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