Functional Specification Document

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# 1. Document Information

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| --- | --- | --- | --- | --- |
| Document Title | Project Name | Client Name | Prepared By (Author, Department) | Document Version & Date |
| SAP Making Tax Digital report | SAP | PWC AI Asset | PWC AI Asset | 1.0 / 01.09.2025 |

# 2. Introduction

This document outlines the technical specification for the SAP Making Tax Digital (MTD) report. The purpose of this document is to define the requirements and scope for developing a new SAP output that enables the download of monthly stock and VAT-related details for all materials maintained in SAP MM across various plants and storage locations. The scope includes enhancements over the existing Adhoc VAT report, such as additional output fields, CSV file format, and improved handling of time-dependent VAT recovery rates. The intended audience for this document includes SAP technical consultants, developers, functional consultants, and business stakeholders involved in tax reporting and inventory reconciliation processes.

# 3. Business Requirement Overview

The business requires a new SAP report to support the Making Tax Digital (MTD) initiative. The main objectives are to provide a downloadable CSV file containing monthly stock and VAT details for all materials managed in SAP MM, across multiple plants and storage locations. This report is based on the existing Adhoc VAT report but includes enhancements such as additional output fields, a CSV output format, and the ability to run discrete or grouped reports. A key requirement is to ensure that time-dependent VAT recovery rates are correctly applied, addressing the current limitation where only the latest VAT rates are used, which can lead to inaccuracies for historical data. The solution aims to streamline inventory monitoring, reconciliation, and monthly closing activities, while improving data accuracy and usability for tax and finance users.

# 4. Business Process Flow

Start

→ User accesses SAP and selects the Making Tax Digital (MTD) report

→ User enters selection criteria (Company Code, Tax Code, Posting Periods, Report Options, Document Type, Profit Centre, Special VAT Codes)

→ User chooses report type (Calendarised, Summary, Details, Summary by VAT Code, Summary by GL Account, Summary by Profit Centre, Royal Mail Input Tax Accruals)

→ System validates input parameters (mandatory fields, date ranges, dependencies)

→ If "Enable File to be Chosen" is selected

→ User selects previously generated file and download location

→ System checks required fields

→ Download file to specified location

→ End

→ Else

→ System executes report in background

→ Data is extracted from SAP tables (BKPF, BSEG, T001, T007A, LFA1, etc.) according to selection criteria

→ System applies logic for time-dependent VAT recovery rates

→ Output file is generated in CSV format with required fields and layout

→ Completion report is generated and available as spool

→ End

# 5. Functional Scope

In-Scope items:

1. Creation of a new SAP report for Making Tax Digital (MTD) that provides a downloadable CSV file output, replacing the existing SAP spooled report format.

2. Enhancement of the existing Adhoc VAT report to include additional fields in the output, as specified in the requirements.

3. Implementation of discrete downloads for each current adhoc output, such as output by GL, summary by VAT code, and other summary reports.

4. Introduction of time-dependent VAT recovery logic, ensuring that the VAT rate applied corresponds to the rate valid at the time of posting, rather than the current rate.

5. Provision of a selection screen with radio buttons and checkboxes to allow users to run reports individually or in groups, with options to save input parameters as variants.

6. Enabling the program to run only in background mode for file generation, with the ability to select and download previously generated files from a server location.

7. Validation of selection screen input fields, including mandatory checks, value lookups, and logical validations (e.g., date ranges, field formats).

8. Output of multiple report types in CSV format, each with a defined layout and field mapping, including Calendarised, Summary, Details, Summary by VAT Code, Summary by GL Account, Summary by Profit Centre, and Royal Mail Input Tax Accruals reports.

9. Consistent formatting rules for all output files, including single header row, no totaling/sub-totaling, specific date and currency formats, and defined field population logic.

10. Generation of a completion report as a spool output, listing user, start/end times, and all generated filenames.

11. Authorization checks to restrict report access to users with appropriate roles (e.g., Tax User, Finance Controller).

12. Assumption that the report will be developed in ABAP and deployed in SAP GUI or Fiori, and that monthly closing activities are completed before execution.

Out-of-Scope items:

1. Development of an additional MTD report as referenced in version 2.0, which is no longer required.

2. Replication of the existing VAT report ZPFRR029V3 layout, such as providing a separate totals report for all company codes within the CSV output (users are expected to achieve this via Excel).

3. Inclusion of any fields, logic, or report types not explicitly mentioned in the requirements or sample layouts.

4. Real-time or online execution of the report for immediate download (the report is restricted to background execution).

5. Any changes to the underlying SAP MM, FI, or CO master data or transactional data structures beyond what is required for report extraction and validation.

6. Performance optimization for lookups not currently used in the program (e.g., Vendor VAT Registration from LFA1), though performance considerations are noted.

7. Handling of data accuracy issues arising from incomplete monthly closing activities, as it is assumed these are completed prior to report execution.

# 6. Functional Solution Approach

The business requirement to generate a Making Tax Digital (MTD) report from SAP will be addressed by enhancing the existing Adhoc VAT report functionality. The new solution will introduce additional fields to the output and change the output format to a downloadable CSV file, eliminating the need for manual manipulation of SAP spooled reports. The report will provide discrete downloads for each current adhoc output, such as output by GL, summary by VAT code, and others, with the flexibility to run summary reports together or individually.

The solution will ensure that VAT recovery rates are applied based on the time of posting, using time-dependent recovery logic, rather than applying current rates to historical data. This will guarantee that VAT rates are accurate for the period in which transactions were posted.

The selection screen will be redesigned to use radio buttons for individual report execution and checkboxes for running summary reports together or individually. Input parameters can be saved as variants, and the program will only execute in the background to generate new files. Users will have the option to select previously generated files for download, with server-side browsing and download location selection.

Mandatory and optional fields will be validated against SAP standard tables (e.g., T001 for Company Code, T007A for Tax Code, T003 for Document Type, CEPC for Profit Centre). Special logic will be implemented for fields such as Partially and Wholly Recoverable Car Hire, ensuring correct tax code validation.

The output files will be in CSV format with a single header row, no totaling or sub-totaling, and standardized date and currency formats. Each report type (Calendarised, Summary, Details, Summary by VAT Code, Summary by GL Account, Summary by Profit Centre, Royal Mail Input Tax Accruals) will have a defined layout and sorting logic, as specified in the requirements.

A completion report will be generated as a spool output, listing user, execution times, and all generated filenames. Authorization checks will restrict report access to users with appropriate roles. The solution will be developed in ABAP and deployed in SAP GUI or Fiori, with the assumption that monthly closing activities are completed prior to report execution to ensure data accuracy.

# 7. Functional Requirements

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Requirement ID | Requirement Description | Business Rule | Priority | Comments |
| 1 | Create a download from SAP for the "Making Tax Digital" project, based on the existing Adhoc VAT report with enhancements. | Output must be a downloadable CSV file, not a spooled SAP report; additional fields to be included; discrete downloads for each output type (e.g., by GL, summary by VAT code, etc.). | High | Enhancements over existing Adhoc VAT report. |
| 2 | Output to be downloadable as a CSV file. | File must have a single header row, no totaling/sub-totaling, currency values without commas, dates in dd.mm.yyyy format. | High | To avoid issues with CSV format and facilitate downstream processing. |
| 3 | Add additional fields to the output. | Fields such as Company Code, Name, Year, Period, GL Account, Profit Centre, VAT Code, Tax Flag, Document Number, Document Type, Document Date, Posting Date, Amounts, Vendor VAT Registration, etc. | High | As per detailed layouts for each report type. |
| 4 | Allow discrete download for each current adhoc output (e.g., by GL, summary by VAT code, etc.). | Selection screen to provide radio buttons and checkboxes for individual or grouped report execution. | High | Flexibility for users to run reports as needed. |
| 5 | Use time-dependent VAT recovery rates for partial recovery. | VAT rates must be applied based on the posting period, not current rates, to ensure historical accuracy. | High | Addresses issue with non-time-dependent VAT values in SAP. |
| 6 | Selection screen redesign. | Use radio buttons for individual reports, checkboxes for summary group; input parameters can be saved as variants; only background execution allowed. | High | Improves usability and ensures correct execution context. |
| 7 | Enable file selection and download of previously generated files. | "Enable File to be Chosen" button activates file and download location selection; mandatory fields in other sections ignored when this is used. | Medium | User-friendly access to historical outputs. |
| 8 | Validate all input fields against SAP standard tables. | Company Code (T001), Tax Code (T007A), Document Type (T003), Profit Centre (CEPC), etc.; ranges and multiple entries allowed as specified. | High | Ensures data integrity and correct filtering. |
| 9 | Special validation for Partially and Wholly Recoverable Car Hire tax codes. | Tax Code must be in TAXGB and MWART V (input tax code); error message if not. | High | As per ZPFRR029V3 logic. |
| 10 | Mandatory posting date fields for Royal Mail Input Tax Accrual report. | If P\_ITA is selected, Posting Date From and To must be entered and valid; error if missing or invalid. | High | Prevents incomplete or incorrect report execution. |
| 11 | Output file layouts as per report type. | Each report (Calendarised, Summary, Details, Summary by VAT Code, Summary by GL Account, Summary by Profit Centre, Royal Mail Input Tax Accruals) has a defined field layout and sorting logic. | High | See detailed layouts in requirements. |
| 12 | Completion report generation. | Completion report to include user, start/end time, and all generated filenames; available as spool output. | Medium | For audit and tracking purposes. |
| 13 | Authorization requirements. | Report accessible only to users with appropriate roles (Tax User, Finance Controller). | High | Security and compliance. |
| 14 | Assumptions and constraints. | Report developed in ABAP, deployed in SAP GUI or Fiori; monthly closing activities must be completed before execution. | High | Ensures data accuracy and technical feasibility. |

# 8. Interfaces & Integration

No functional interfaces (inbound, outbound, real-time, batch) are specified in the provided payload for the SAP Making Tax Digital report.

# 9. Output

[Error: Section Output not found in LLM output.]

# 10. UI Requirement

[Error: Section UI Requirement not found in LLM output.]

# 11. Authorization & Security

|  |  |  |  |
| --- | --- | --- | --- |
| Role/Profile | Authorization Object | Access Level | Description |
| Tax User | [To Be Filled] | [To Be Filled] | Report should only be accessible to users with the appropriate roles, such as Tax User. |
| Finance Controller | [To Be Filled] | [To Be Filled] | Report should only be accessible to users with the appropriate roles, such as Finance Controller. |

# 12. Error Handling & Notifications

1. If the "Royal Mail – Input Tax Accrual" (P\_ITA) checkbox is selected, the Posting Date From (P\_BUDAT\_FROM) and Posting Date To (P\_BUDAT\_TO) fields must be entered. An error message should be shown if the report is executed with P\_ITA selected but no entry in the posting date from and to fields.

2. A check should be made on the values in the Posting Date From and To fields. They must be a date, in the correct format and valid. The From date must be lower than the To date. An error message should be shown if this is not the case.

3. If the "Enable File to be Chosen" button (P\_VIEW) is selected, all other mandatory fields should be ignored. The user should not be required to enter any information in the Sections: Company, Posting Periods, Report Options, Special VAT Codes.

4. If the "Download File" button (P\_DOWN) is selected, there should be a check that there are values in both the Choose File (P\_FILE) and the Choose Download Location (P\_DESTPATH) fields. An error message should be shown if either or both of the fields are not populated.

5. All other mandatory fields should be ignored if the Download File to be chosen button is selected; the user should not be required to enter any information in the Sections: Company, Posting Periods, Report Options, Special VAT Codes.

6. Before the program can be executed, the parameters should be checked and an error issued if there is any issue with the contents of the parameter field (as outlined in the Technical field).

7. A message should be shown when the program is executed in background to confirm that the job is being executed in background.

8. When clicking on the Download File button, after successful download, a message should be shown indicating the file has been downloaded to the specified location.

# 13. Assumptions & Dependencies

1. The report will be developed using ABAP and deployed in SAP GUI or Fiori.

2. Monthly closing activities are completed before report execution to ensure data accuracy.

3. For the details report, if a profit centre(s) are added in the parameters on the selection screen, then if a document contains a GL line item with the profit centre, all the GL line items on that document (except customer and vendor line items) will be shown regardless of the other line items' Profit Centre content.

4. A document line item should only appear once in the report.

5. A GL line should only appear once in the report.

6. If there is an entry in the Profit Centre parameters (S\_PRCTR), all GL line items for a document will be included in the report. This may result in additional line items with VAT codes not in the parameters (S\_MWSKZ) being included.

7. The report has the ability, and dependent on parameters, to show both Input and Output Tax, not just Input Tax as the name suggests.

8. The search for the Vendor VAT registration will need to be done for all documents that include a vendor line item, which may be time consuming and impede performance.

9. The tax flag is not directly available in the document and must be determined for each line item, which may impede performance.

10. The table LFA1 is not currently used by the program, so retrieving Vendor VAT registration may impact performance.

# 14. Test Scenarios

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Test Case ID | Objective | Input Data | Expected Output | Actual Result/Status | Sign-off/Comments |
| TC01 | Verify selection screen mandatory and optional fields | Enter valid Company Code(s), Posting Periods, select Summary Report, leave optional fields blank | Selection screen accepts input, allows variant save, enables report execution in background |  |  |
| TC02 | Validate Company Code field lookup and validation | Enter invalid Company Code | Error message displayed, field validated against T001 |  |  |
| TC03 | Validate Tax Code dropdown and validation | Enter Company Code, check Tax Code dropdown | Dropdown shows relevant VAT codes as per T007A-MWSKZ for entered Company Code |  |  |
| TC04 | Validate Posting Periods input and checks | Enter From/To Periods and Years, with From > To | Error message shown, period/year validation as per T009 and GJHAR |  |  |
| TC05 | Verify Report Options radio/check box logic | Select multiple summary reports via checkboxes, select Details Report via radio button | Only one Details/Profit Centre/ITA report can be run at a time; summary group can be run together or individually |  |  |
| TC06 | Validate mandatory fields for Royal Mail Input Tax Accrual | Select P\_ITA, leave Posting Date From/To blank | Error message shown, Posting Date From/To become mandatory |  |  |
| TC07 | Validate Document Type and Profit Centre lookup | Enter values, check lookup against T003-BLART and CEPC-PRCTR | Valid values accepted, invalid values rejected |  |  |
| TC08 | Validate Partially/Wholly Recoverable Car Hire VAT code logic | Enter VAT code not in TAXGB or not MWART V | Error message shown as per ZPFRR029V3 logic |  |  |
| TC09 | Verify Enable File to be Chosen logic | Select Enable File to be Chosen button | Choose File and Download Location fields enabled, all other mandatory fields ignored |  |  |
| TC10 | Validate Choose File dropdown and file restriction | Open Choose File dropdown | All files in AL11 server location (from ZBCON) shown, restriction by date of last change available |  |  |
| TC11 | Validate Download File logic | Select Download File, leave Choose File or Download Location blank | Error message shown if either field is empty |  |  |
| TC12 | Validate selection parameter checks before execution | Enter invalid values in any parameter | Error message shown, program not executed |  |  |
| TC13 | Verify background execution message | Execute report in background | Confirmation message shown that job is running in background |  |  |
| TC14 | Validate output file format for Calendarised Report | Run report with Display Calendarised Report checked, multiple Company Codes/Periods | CSV file generated with correct columns, sorted by Company Code/Period, correct header, no totals/subtotals, correct date/currency formats |  |  |
| TC15 | Validate output file format for Summary Report | Run report with Display Summary Report checked | CSV file generated per Company Code, correct columns, sorted, correct header, no totals/subtotals |  |  |
| TC16 | Validate output file format for Details Report | Run report with Display Details Report checked | CSV file generated with all required columns, sorted as specified, correct header, correct field mapping, correct date/currency formats |  |  |
| TC17 | Validate output file format for Summary by VAT Code | Run report with Display Summary by VAT code checked | CSV file generated per Company Code/VAT Code, correct columns, sorted, correct header |  |  |
| TC18 | Validate output file format for Summary by GL Account | Run report with Display Summary by GL Account code checked | CSV file generated per Company Code/GL Account/VAT Code, correct columns, sorted, correct header |  |  |
| TC19 | Validate output file format for Summary by Profit Centre | Run report with Display Summary by Profit Centre checked | CSV file generated per Company Code/GL Account/Profit Centre/VAT Code, correct columns, sorted, correct header |  |  |
| TC20 | Validate output file format for Royal Mail Input Tax Accruals | Run report with Royal Mail Input Tax Accrual checked, valid Posting Date From/To | CSV file generated with correct filters, correct columns, sorted, correct header |  |  |
| TC21 | Validate currency and date formats in output | Run any report, check output | Currency values have no commas, dates in dd.mm.yyyy format |  |  |
| TC22 | Validate Vendor VAT Registration field population | Run Details or ITA report with vendor line items | Vendor VAT Registration field populated from LFA1-STCEG for vendor line items |  |  |
| TC23 | Validate completion report generation | Run any report | Completion report generated as spool, includes user, start/end date/time, all output filenames |  |  |
| TC24 | Validate authorization restrictions | Attempt to run report with insufficient roles | Access denied, appropriate error message shown |  |  |

# 15. Sign-Off

|  |  |  |  |
| --- | --- | --- | --- |
| Role | Name | Signature | Date |
| Prepared By | RTR |  | 01.09.2025 |
| Approved By |  |  |  |
| Client Sign-Off |  |  |  |

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