



SAP GST - Goods and Service Tax –India

Smajo - Rapid Start & Road Map

- **Setting the Context**
 - GST Introduction
 - Objectives – Impact, Current Status, benefits
- **Tax Structure in India**
 - Existing Tax Structure in India
 - Proposed Tax Structure in India
- **Technical Specifications**
 - SAP Requirements
 - Impact on Business Processes
- **GST Implementation Methodology**
 - Company profile
 - GST – Expertise, Enablers, approach
 - High Level Solution approach
 - GST – For Companies not on SAP recommended Patch level

- GST (Goods and Services Tax) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India.
 - Levied and collected at each stage of sale or purchase of good or services based on the input tax credit method.
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GST – Business Impact



GST – Benefits



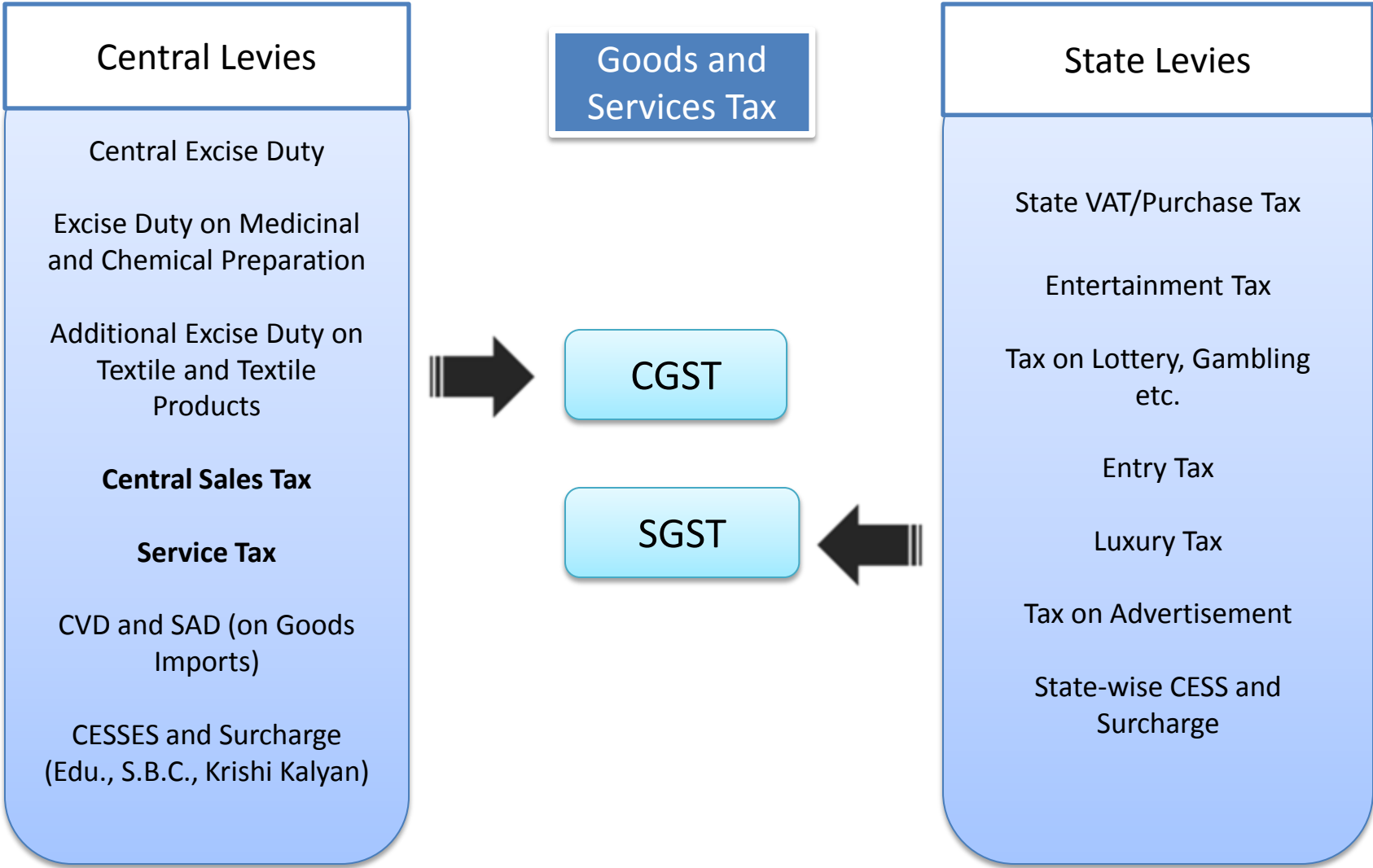
GST – The Smajo Approach

Why SMAJO:

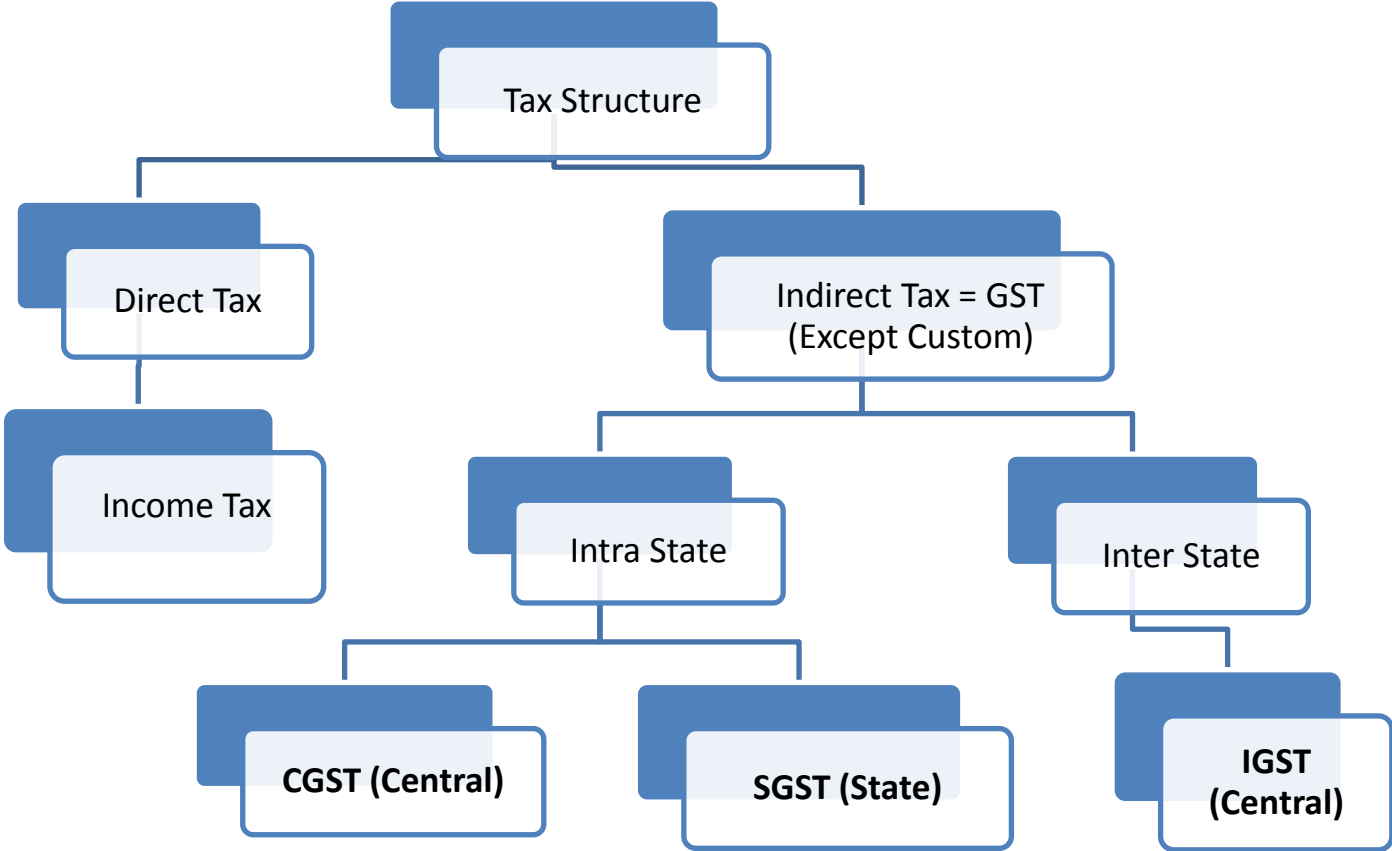
- ❑ SAP GST Implementation impacts entire business operations within your organization (Sales, Purchase, Finance).
- ❑ **End-to-End GTS Solution approach along with connectivity to the GSTN network (Impact assessment to GST return filings through the GSTN Network)**
- ❑ **Automation of GST Returns, reconciliations, tax determination, Invoice printing and comprehensive GST compliance**
- ❑ A strategic approach required for implementation to be done in Industrialized and standardized manner. Reduces Business and consulting efforts.
- ❑ Proven track record and Expertize in Tax Migration project ensure ON-TIME project delivery and with highest standards.
- ❑ Readiness with Templates, implementation methodologies as an added advantage.



GST – Current Taxation Vs. GST



GST – Proposed Tax Structure



- **IGST** – Tax levied under the Integrated Goods and Service Tax Act, 2016
- **CGST** – Tax levied under the Central Goods and Service Tax Act, 2016
- **SGST** - Tax levied under the State Goods and Service Tax Act, 2016

- ❑ For GST Implementation certain Technical specification needs to be fulfilled as per recommendations from SAP.
- ❑ Technical specification for GST Implementation solely depends on current version of Tax Localization for your organization.
- ❑ Two separate Tax Calculation Procedures
 - TAXINJ – Formula based taxation
 - TAXINN – Taxation based on Condition records
- ❑ Technical activities to be carried out for each of the Tax Calculation procedures currently available in SAP there are three approaches .
 1. **Migration TAXINJ to TAXINN** : If your organization is still on TAXINJ procedure, then first step would be to migrated TAXINJ to TAXINN procedure.
 2. **Migration to GST** : If your organization is still on TAXINN procedure, then GST patch to be migrated to TAXINN procedure and apply the SAP note for GST.
 3. **New (Greenfield) Implementation**: If your organization is still not implemented SAP, then GST to be implemented along with SAP ERP System.

GST – Approach 1 (TAXINJ to TAXINN)



- **Service Pack (SP) to be applied as per 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
- **SAP Note to be applied for Migration:**
 - 2014164 - TAXINJ to TAXINN Migration
 - 2153807 - Tax code update programs PO SA and Contract
 - 2161911 - Purchase order display and Invoice display/cancel issue
 - 2167294 - Prerequisite Note for SAP Note 2153807
 - 2252781 - FAQ on Tax procedure migration from TAXINJ to TAXINN
- **Configuration:** Configure TAXINN Procedure and Other prerequisite configuration for TAXINN
- **Master Data Migration/Cutover activity**
 - Migrate tax Code in TAXINN (for Historical data and currently used tax codes)
 - Create new condition records for TAXINN
- **Historical Data Maintenance:**
 - Migrate Open Transactional Data , open purchase order, open sales order and open FI documents if any

If the TAXINN procedure exist in the system :

- The Government of India is planning to introduce GST on July 01, 2017,
- This is a draft note and is not for productive use. Ensure that you apply changes proposed in this note only in a sandbox system as it is in DRAFT status.
- The Note contains information based on the draft Model GST law attached with the note. The information offered is subject to change without prior notice due to factors outside/beyond the control of SAP. SAP does not take responsibility for any changes that arise in your system after implementing this note.
- SAP suggests that you perform an assessment on the risks involved before implementing this note.
- Once the final GST law is available, SAP will keep you informed regarding the details of the final solution
- SAP notes to be applied in sandbox for ready ness of GST
 - 2385575 - GST India - Changes to Master data
 - 2405502 - GST India - Changes to Master data- DDIC activities
 - 2407980 - GST India - Changes to tax procedure and pricing procedure
 - 2315692 - Information on GST
 - 1375438 - Globalization Collection Note

New (Green) Implementation:

Below SAP notes to be applied in sandbox for ready ness of GST

- 2385575 - GST India - Changes to Master data
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- **Tax registration** - Define Registration level
- **Master Data Maintenance** – GL Accounts, Business partner Tax Data
- **Tax Configuration and Computation** – Configure Tax and Pricing Procedure
- **Document Numbering** – Outgoing Invoice Numbering
- **Business Process Location** – Currently Localized Business Process
- **GST Tax Posting** – GST Input and Output Tax Posting
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- **Utilization** – Input tax credit utilization against payable for GST taxes
- **Reporting** – Tax Register

GST – Tax Registration and Master data

- **Tax registration** - Define Registration level
 - GSTIN – GST Identification Number
 - Single registration for CGST, SGST and IGST
 - Individual registration to be obtained in each state of business establishment.
 - GST registration at Business place level

- **Master Data Maintenance** – GL Accounts, Business partner Tax Data
 - Customer and Vendor: GST registration number to be captured for each registered customer and vendor. (Vendor and Customer GST registration field to be defined in General Data Tab field **Tax Number 3**)
 - Separate tax for A/P and A/R accumulation might be required at GST level
 - Accounts to be defined for SGST CGST and IGST
 - GL Accounts to be determined at Business place level for **example IGST**

Transacti on Key	Tax Code	Business Place	GL Account	GL Description
JIC		IN01	XXXX000	IGST – Maharashtra
JIC		IN02	XXXX100	IGST - Andhra Pradesh
JIC		IN03	XXXX200	IGST - Bengal

GST – Tax procedure and Condition records

- **Tax Configuration and Computation – Configure Tax and Pricing Procedure**
 - **For Intra-state** transactions : applicable CGST and SGST.
 - **For Inter-state and Import** transaction : applicable IGST.
 - New Condition types, access sequence and account determination to be configured for GST example (OBQ1).
 - Condition types to be created for deductible and non deductible GST, conditions to be added in Tax calculation (OBYZ) and SD Pricing procedure (V/06 or V/08) example JINFAC.. .

Tax type	Access Sequence	Condition deductible	Description	Account Key	
Input	JGSI	JICG	Central GST (INTRA)	JIC	
		JISG	State GST (INTRA)	JIS	
		JIIG	Integrated GST (INTER)	JII	
Output	JGSO	JOCG	Central GST (INTRA)	JOC	
		JOSG	State GST (INTRA)	JOS	
		JOIG	Integrated GST (INTER)	JOI	

GST – Document Numbering

- **Document Numbering – Outgoing Invoice Numbering**

- Unique sequential numbering for outgoing GST Invoices
- Criteria for legal numbering may be specified by government
- Numbering could be for example on Registration level, document type
- Assignment of Number Ranges to Business place

Docume nt Class	Docum ent Types	Description	Busines s Place	NO Grp	No	Exp Date from To
IN	RE	Invoice – Gross	IN01	IN01	01	01.01. 2016 - 31.12.2016
	WA	Goods Issue	IN01	IN01	01	01.01. 2016 - 31.12.2016
	WE	Goods Receipts	IN01	IN01	01	01.01. 2016 - 31.12.2016
	WI	Inventory Document	IN01	IN01	01	01.01. 2016 - 31.12.2016

- **Business Process Location** – Currently Localized Business Process
 - Sales Process
 - Procurement Process
 - Stock Transfer
 - Subcontracting
 - Others

- **GST Tax Posting** – GST Input and Output Tax Posting
 - Separate accumulation of credit and payables for
 - CGST
 - SGST
 - IGST
 - Separate accumulation at registration level
 - Automatic Tax posting to respective GL Account from business process

- **Utilization** – Input tax credit utilization against payable for GST taxes
 - 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

- **Reporting** – Tax Register
 - CGST
 - SGST
 - IGST
 - Registration level segregation

Utilization : New Utilization program to handle GST credit utilization is planned



Monthly Utilization



General Data

Company Code

Business Place



GST Invoice selection

Period

07.05.2015

to



GST Invoice

to



Display Last Utilization date

Utilization Edit System Help



Monthly Utilization



Taxes

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 : Advance Return for Tax on Sales/ Purchases (Tcode : F.12)



Tax on sls/purch. adv. ret.: Posting date 01.01.2017 to 31.03.2017

Selections | << >>

India Model Company, IN Tax on sls/purch. adv. ret.: Posting date 01.01.2017 to 31.03.2017 Time 16:37:57 Date 14.03.2017
 Bangalore Ledger 0L RFUMSV00/RANDAL Page

Output tax: Line items

CoCd	M	Year	Pstng Date	BP	DocumentNo	Tx	Trs	Tax base amount	Output Tax Pay.	Gross amount	Output tax
IN47	12	2016	03.03.2017	IN47	1400000000	A0	JOC	1.000,00-	100,00-	1.100,00-	100,00-
IN47	12	2016	03.03.2017	IN47	1400000000	A0	JOI	1.000,00-	120,00-	1.120,00-	120,00-
IN47	12	2016	14.03.2017	IN47	1400000001	A0	JOC	13.000,00-	1.560,00-	14.560,00-	1.560,00-
IN47	12	2016	14.03.2017	IN47	1400000001	A0	JOI	13.000,00-	780,00-	13.780,00-	780,00-
IN47	12	2016	14.03.2017	IN47	1400000002	A0	JOC	13.000,00-	1.560,00-	14.560,00-	1.560,00-
IN47	12	2016	14.03.2017	IN47	1400000002	A0	JOI	13.000,00-	780,00-	13.780,00-	780,00-
IN47	12	2016	14.03.2017	IN47	1400000003	A0	JOC	13.000,00-	1.560,00-	14.560,00-	1.560,00-
IN47	12	2016	14.03.2017	IN47	1400000003	A0	JOI	13.000,00-	780,00-	13.780,00-	780,00-
IN47	12	2016	14.03.2017	IN47	1400000004	A0	JOC	50.000,00-	4.000,00-	54.000,00-	4.000,00-
IN47	12	2016	14.03.2017	IN47	1400000004	A0	JOI	50.000,00-	2.500,00-	52.500,00-	2.500,00-
IN47	12	2016	14.03.2017	IN47	1400000005	A0	JOC	2.600,00-	312,00-	2.912,00-	312,00-
IN47	12	2016	14.03.2017	IN47	1400000005	A0	JOI	2.600,00-	156,00-	2.756,00-	156,00-
* IN47						A0		185.200,00-	14.208,00-	199.408,00-	14.208,00-

India Model Company, IN Tax on sls/purch. adv. ret.: Posting date 01.01.2017 to 31.03.2017 Time 16:37:57 Date 14.03.2017
 Bangalore Ledger 0L RFUMSV00/RANDAL Page

Input tax: Line items

CoCd	BP	M	Year	Pstng Date	DocumentNo	Tx	Trs	Tax base amount	Deduct. Input Tax	Gross amount	Input tax
IN47	IN47	12	2016	02.03.2017	5100000002	J1	JIC	20,00	2,00	22,00	2,00
IN47	IN47	12	2016	02.03.2017	5100000002	J1	JII	20,00	0,00	20,00	0,00
IN47	IN47	12	2016	02.03.2017	5100000002	J1	JIS	20,00	1,20	21,20	1,20

Create condition table for material

- 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
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- **Reporting – Tax Register**
 - CGST
 - SGST
 - IGST
 - Registration level segregation

GST – Solution for Companies not on SAP recommended patch level



TAXINN Tax procedure is Mandatory for GST.

However what if you do not want to upgrade/migrate to the recommended patch level? or have global regression constraints to migrate to the recommended SP level?
- no problem 😊

We will do a POC in your system in the sandbox environment by applying GST applicable notes and customized solution only to your environment. This will mean tremendous savings to you terms of \$\$\$, time and effort.

GST – A complete End to End solution

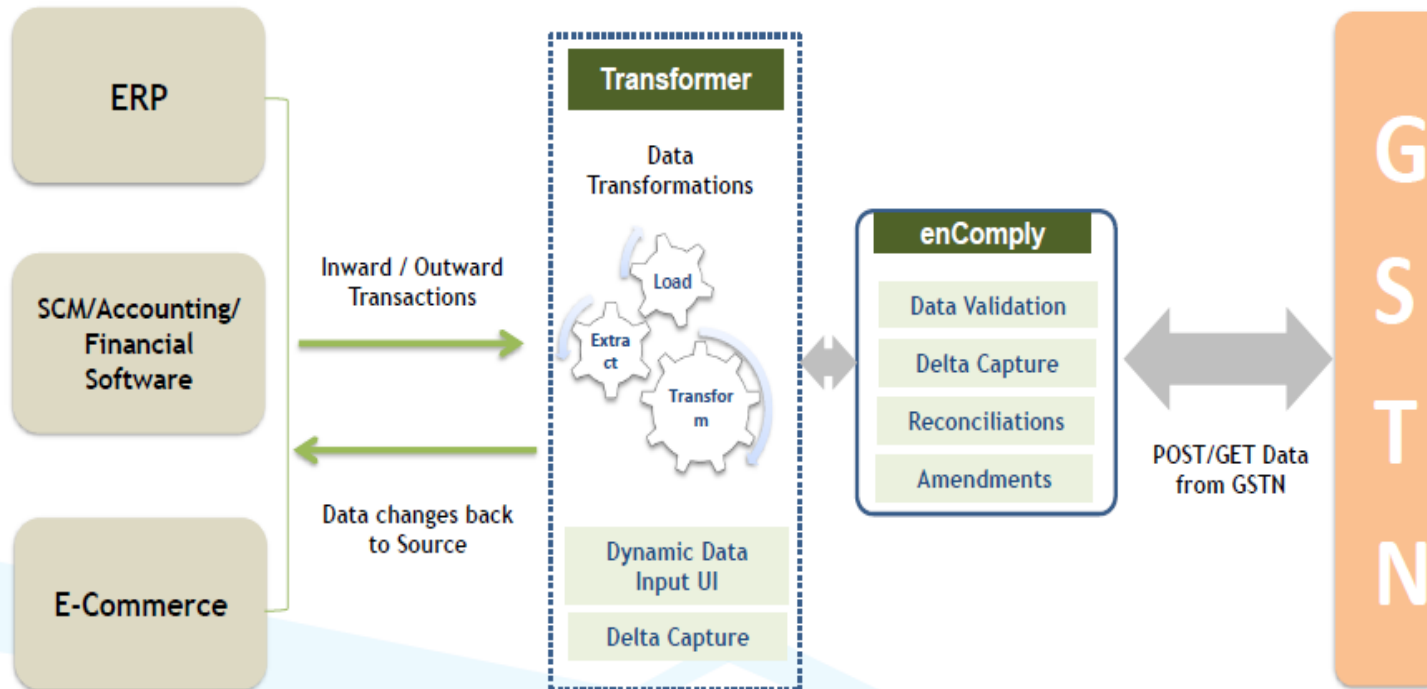


We have partnered with Adaequare who are market leaders in GST automation to have a seamless integration to the GSTN (GST Network)

Data Posting with Transformations



Capture data from multiple sources to perform data exchange with GSTN for reconciliations



GST – A complete End to End solution



A Complete GST Solution



enComply – India GST Offerings

Invoice Data Posting & Reconciliations with data transformations

Load Inward & Outward transaction data from multiple sources. Utilize Visual Data Mapper

Add Tax - Tax Determination and Calculation With Real-time REST API

With Up-to-date place of supply/service rules, HSN/SAC rates & source friendly connectors

Transactor – Process transaction documents to print or deliver electronically

Process documents with REST API based connectors or FTP synchronization

GST Returns Filing (GSTR 1,2,3 ...,8, 9)

Access GSTN APIs, perform GET & POST actions with electronic signature to process regular & amendment filings with 2-Way Synchronization

Add Tax - Tax Determination and Calculation With Offline document conversion

Convert un-taxed Invoice Documents to Taxed Invoice Documents with FTP Synchronization

Integrated Dashboard & GSTN forms

Get Status updates, Alerts, Notices or Demand Orders across Multiple GSTINs along with process status updates. Process GST forms

Contact details



Questions ??? We will be glad to answer the same.

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