Hello and welcome to this E-Learning session.
Hi. I’m the country representative for the Netherlands and in this session, I’d like to give you an overview of the Dutch country version.

I’ll start with some quick facts about the country version for the Netherlands. I’ll then offer a brief insight into Dutch requirements. After that, I’ll give you a more detailed overview, focusing on Financials and Human Capital Management. Finally, I’ll provide you with some additional information.
Objectives

At the end of this lesson, you will be able to:

- Understand Dutch localization requirements,
- Outline Dutch localization features in ERP (Country Version The Netherlands), and
- Explain Dutch localization features in Financials & Human Capital Management.

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So let’s start with some quick facts about Country Version The Netherlands.
The key strengths of the country version for the Netherlands are that

- There has been a standard country version since release 3.1,
- The country version supports legal compliance for business transactions,
- There is a standard and simplified rollout strategy for legal changes, and
- There is a large customer base in all market segments.
Dutch Requirements: An Insight

Legal Complexity and Language Support
A Snapshot

Now let me give you some more insight into the country version for The Netherlands, starting with the legal complexity, frequency of legal changes, and language support.
With regard to Financials, the legal complexity can be ranked as low, as there are not many legal changes that affect the solution.

For HCM, Dutch law is highly complex, and new regulations are introduced on a regular basis.
### Country Snapshot: The Netherlands

<table>
<thead>
<tr>
<th>Legal Complexity Ranking</th>
<th>FINANCIALS</th>
<th>HUMAN CAPITAL MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>From a legislative perspective, Dutch law is not complex</td>
<td>From a legislative perspective, Dutch law is highly complex</td>
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</table>

<table>
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<th>Frequency of Legal Changes</th>
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<th>HUMAN CAPITAL MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Frequency of new legal changes is <strong>dynamic</strong>, mostly at the beginning of the year</td>
<td></td>
</tr>
</tbody>
</table>

- For Financials, the frequency of legal changes is dynamic.
- For HCM, the frequency is also dynamic, but the changes are mostly valid from the beginning of the year.
Country Snapshot: The Netherlands

<table>
<thead>
<tr>
<th></th>
<th>FINANCIALS</th>
<th>HUMAN CAPITAL MANAGEMENT</th>
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<tr>
<td>Changes</td>
<td></td>
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</tr>
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<td>Official Local</td>
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<tr>
<td>Language</td>
<td></td>
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</tr>
</tbody>
</table>

For all solutions in the Netherlands, the official language is Dutch.
Dutch Requirements: An Insight

Financial Details
A Snapshot
Financials

- VAT number validation (11 modules check)
- Payment with DME format tree
  - BTL91 (foreign payments)
  - CLIEOP03 (domestic payments)
  - SEPA Credit Transfer
  - SEPA Direct Debit
- EC sales list with DME format tree

Corporate Services

- Real Estate
  - Adjustment of rent via the Representative List of Rents
  - Subsidized rent
  - Additional reports
  - Extra points for highly populated areas

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Financials

The VAT number in the Netherlands consists of the country code (NL) and the fiscal number. The last 3 positions contain a B and a number ranging from 1-99. The fiscal number should meet the 11 modules check.

The DME format tree is used for the different payment files known in the Netherlands, namely:

- BTL91 for foreign outgoing payments, and
- CLIEOP03 for domestic outgoing payments, including the accompanying sheet that needs to be sent to the bank.

These files will be replaced on or before February 1, 2014 by the SEPA formats. SEPA Credit Transfer and SEPA Direct Debit are already supported by SAP.

The DME format tree is also used to create the EC Sales (ICP) list. Sending the list to the tax office via the channel that is normally used in the Netherlands (known as BAPI), is not supported.
For corporate services, in particular Real Estate, the solution includes the following functions that are specific to the Netherlands:

- Adjustment of rent via the Representative List of Rents,
- Subsidized rent; where part of the rent is subsidized by the Dutch government,
- Additional reports, and
- Extra points for highly populated areas; in this case, the extra points mean that a higher rent can be demanded.
Within Corporate Services, there are also functions for chain liability. Chain liability is the situation where a contractor is liable for the taxes paid by subcontractors. To support this, the following functionality has been created for the Netherlands:

- Flexible Customizing, to support the different situations,
- Adjustments to vendor master data, to store the necessary dates for chain liability,
- A check on the expiry dates of subcontractor certificates. Subcontractors are issued these certificates by the tax office, to indicate that they have been paying their taxes. The validity dates of these certificates are stored in the system, and functions are available to check when the certificates are going to expire.
- Chain liability requires changes to purchase orders and the posting of invoices, especially with regard to posting and paying tax.
- When paying an invoice, you have the option of paying the tax amount to the tax office instead of the supplier. The payment program has been adjusted to support this.
- Specific adjustments have also been made in the document flow of the purchase order.
Several country-specific fields, or specific usage of fields, have been introduced for the Netherlands to enable you to enter the necessary data. The following fields have been added or have country-specific usage:

- The VAT registration number,
- Company code,
- Industry sector,
- National Bank (DNB) trade number, and
- General vendor master. This includes the
  - Address regions,
  - Payment methods and
  - VAT registration number
Financial Details
Setup

Country-Specific Forms
- Accompanying sheet for domestic payments
- Accompanying sheet for foreign payments
- Accompanying sheet for direct debit

The solution supports the following country-specific forms for the Netherlands:
- The accompanying sheet for domestic payments (CLIEOP03),
- The accompanying sheet for foreign payments (BTL91), and
- The accompanying sheet for direct debit.
Dutch Requirements: An Insight

Human Capital Management Details
A Snapshot

Now let's take a closer look at some of the details relating to the Human Resources solutions.
### Human Capital Management

**NL-Specific Infotypes**

<table>
<thead>
<tr>
<th>Infotype</th>
<th>Code(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Data</td>
<td>IT0002 &amp; IT0021 &amp; IT0006</td>
</tr>
<tr>
<td>Social Insurance</td>
<td>IT0059</td>
</tr>
<tr>
<td>Fiscal Data</td>
<td>IT0060</td>
</tr>
<tr>
<td>Pension Data</td>
<td>IT0110</td>
</tr>
<tr>
<td>Commuter Traffic</td>
<td>IT0127</td>
</tr>
<tr>
<td>Payment Reductions</td>
<td>IT0303</td>
</tr>
<tr>
<td>Special Provisions</td>
<td>IT0317</td>
</tr>
<tr>
<td>Company Car</td>
<td>IT0442</td>
</tr>
<tr>
<td>Permanent Disability Benefit Act</td>
<td>IT0764</td>
</tr>
<tr>
<td>Wage Return</td>
<td>IT0808</td>
</tr>
<tr>
<td>Savings Schemes</td>
<td>IT0854</td>
</tr>
<tr>
<td>Adjustment Calculations</td>
<td>IT0879</td>
</tr>
<tr>
<td>Flexible Benefits</td>
<td>IT0897 &amp; IT3200</td>
</tr>
<tr>
<td>Additional Terms of Employment</td>
<td>IT3210</td>
</tr>
<tr>
<td>Illness Reporting</td>
<td>IT3249 &amp; IT3250</td>
</tr>
<tr>
<td>Pension Return APG</td>
<td>IT3274</td>
</tr>
</tbody>
</table>

The following infotypes have been defined specifically for the Netherlands:

- **Personal data** in infotypes 0002, 0006 and 0021. These infotypes are used internationally, and have been adapted for the Netherlands with specific screens.

- **Social insurance**: In this infotype, you can enter all the data that is relevant for social insurance in the Netherlands.

- **Fiscal data**: In this infotype, you can enter all the data that is relevant for tax (such as the conversion rule, or calculation table).

- **Commuter traffic**: This infotype provides the option to store data relating to commuter traffic, such as mode of transport and number of travelling days.

- **Payment reductions**: In this infotype, you can enter specific payment reductions relating to education.

- **Special provisions**: In this infotype, you can enter special provisions such as delayed wages and pension breaks.

- **Company car**: This is an international infotype. For the Netherlands, 2 fields have been added, namely the leasing company and leasing category.
- Permanent Disability Benefit Act. In this infotype, you can enter the different actions that need to be taken as a result of the Permanent Disability Benefit Act.

- Wage return; This infotype contains the data needed for the wage return. Besides data for the wage return, the infotype also contains data that is relevant for the illness and recovery messages.

- Savings schemes; This infotype contains data relating to saving schemes for employees.

- Adjustment calculations; You use this infotype if you need to make adjustment calculations for an employee.

- Flexible benefits; The choices made by an employee with regard to flexible employment regulations (such as using holiday allowance to buy a bike) are stored here.

- Additional terms of employment; This infotype stores the additional terms of employment (such as holiday allowance or 13th month) that are relevant for an employee.

- Illness reporting; Data relevant for electronic illness reporting can be stored here. And finally,

- Pension return APG; Data relevant for the pension return to APG can be stored in this infotype.
The country version for the Netherlands offers several Dutch-specific business functions. The following business functions are currently supported:

- **Flexible Benefits**
  - Cafeteria and budget concept
- **Employee Self-Service**
- **Bank Transfers**
  - Domestic, foreign, and SEPA
- **Work Cost Regulation**
  - Monitoring final levy
  - Integration with payroll and wage return.
- **Day-One-Announcements**
- **Monitoring Permanent Disability Benefit Act**
- **Integration Between Payroll and Financial Accounting**
  - Traditional FICO and New G/L

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Several payroll functions have been created for the Netherlands to perform a correct gross/net calculation according to Dutch regulations. The following payroll functions have been created:

- Calculation of the employer and employee premiums for pensions
- Calculation of the contributions for the Social insurance laws (ZW/WW/WIA-WAO), Health Insurance Act (Zvw) and extra (non-compulsory) Social insurances. Additional private health insurance, premium reductions and premium exemptions are also included.
- The wage tax calculation includes
  - The annual salary calculation for the special tax rate
  - Payment reductions
  - Special tax regulations such as the 30% regulation, delayed wage, and pension break,
  - Company car taxation
- Additional terms of employment include
  - The vacation allowance, 13 month allowance, and reservations.
In addition to the payroll functions mentioned on the previous slide, the following payroll functions have been created to perform a correct gross/net calculation according to Dutch regulations:

- The calculation of the commuter traffic allowance and split into taxable and non-taxable allowances
- Savings schemes such as save-as-you-earn and life course savings
- The calculation of adjustments and arrears
- Sick pay calculation
- Wage return, including the extraction and viewing of data and composition of the XML file for the tax office
- The healthcare insurance board return, including data exchange and calculation of premiums.
Human Capital Management
NL-Specific Reporting

- Payroll Control Register
- Payroll Journal
- Employee Annual Tax Statement
- Overview of Tax Tables
- Illness and Recovery Messaging
  - Electronic and paper-based
- Absentee Rate Analysis
- Pension Return to APG

Country Version the Netherlands for Human Capital Management offers the following Dutch-specific reports:

- The payroll control register,
- Payroll journal,
- Employee annual tax statement,
- Overview of tax tables,
- Illness and recovery messaging, both electronic (xml-based) and paper-based
  - Absentee rate analysis, and
  - The pension return to APG.
Now let's check some recommendations and additional information
For additional information about the country version, please check the websites mentioned on the slide. For any issues, please use the following components when creating a message:

- **XX-CSC-NL** for functional issues concerning corporate services
- **XX-CSC-NL-FI** for functional issues concerning financials
- **XX-TRANSL-NL** for translation issues
- **PY-NL** for HCM Payroll issues
- **PA-PA-NL** for HCM issues
The country version for the Netherlands (especially HCM) is complex, so the following recommendations should be taken into account:

- It is not a “do it yourself” system.
- Expert knowledge of global templates is required.
- You should upgrade to the minimum support package level for Country Version The Netherlands.
- User training is required so that users have a good understanding of the country version.
Lesson Summary

You should now be able to:

- Explain Dutch localization requirements for legal compliance
- Provide an overview of the solution coverage of Country Version the Netherlands
- Explain Dutch localization features for Financials & Human Capital Management
- Outline the recommendations for implementing Country Version the Netherlands

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- Explain Dutch localization requirements for legal compliance
- Provide an overview of the solution coverage of Country Version the Netherlands
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- Outline the recommendations for implementing Country Version the Netherlands
For more information about the topics discussed in this lesson, see the following references:

- Important SAP Notes for the Netherlands:
  - 820763: Handling the electronic ICL (EC Sales List) for the Netherlands
  - 630293: Note to payee and payment advice BTL91/CLIEOP03

- Literature (Implementation of Country Versions):

- Service.sap.com/GKB
- Service.sap.com/hrnl
- Local consulting
Thank You!

Contact information

SAP Globalization Services:
globalization@sap.com

Thank you for patience and attention during this session.