Hello, and welcome to this session on SAP Country Version Latvia.

In this lesson, I’ll present

- An overview of the country specifics in Financials,
- Guidance on how SAP manages legal changes for rollout, and
- The documentation paths in the SAP system
Objectives

After completing this session, you will be able to:

- Understand Latvian localization requirements,
- Outline Latvian localization features for ERP (Country Version Latvia),
- Explain Latvian localization features in Financials, and
- Understand the solution support and rollout strategy for Latvia.
This is what has been packaged for you for about the next half hour. Starting with quick facts about Country Version Latvia, this session will give you an insight into the requirements that need to be addressed by any ERP software provider in Latvia to enable businesses to run compliantly.

I’ll cover in brief the features offered by Country Version Latvia in the area of Finance.

I’ll also touch upon the support system, and certain recommendations for those of you who are planning to use the Latvian Country Version.
Country Version Latvia

Quick Facts

So let’s start with some quick facts about Country Version Latvia.
Key Strengths:

- Country Version Latvia has been available since early 2008. The Latvian country version is in maintenance in all releases from ERP 6.0 onwards. So the country version is mature, and trusted in the marketplace.

- It provides legal compliance features for various business transactions, enabling businesses to run better. Development and support for these features is provided exclusively by the highly skilled team located at Brno. This team is one of the most experienced research and development teams in the SAP Labs network throughout the world.

- Country version Latvia is now operational at most of the top business corporations in Latvia across many industries, including global business giants with establishments in Latvia.

- This country version is designed for use by businesses with operations in Latvia. As well as the generic SAP system functions, it includes functions designed for legal and business practices particular to Latvia, and delivers Customizing settings to help you customize the system according to local requirements.
Now let me walk you through the Latvian requirements snapshot. Here, we'll have a closer look at the complexity of Latvian legislation and the language requirements.
There are 3 main criteria that determine the complexity of a country version. These are:

- The legal complexity
- The frequency of legislation, and
- The official language or languages (for countries with 1 or more official languages)

Regarding the legal complexity of the Latvian country version:

- The complexity of Finance in Latvia is low. This mainly involves country-specific taxes and tax rules, as well as special tax scenarios such as tax reporting, etc.
The 2nd criterion relates to the frequency of legal changes in Latvia.

- The frequency of legal changes in the Financials area is medium, which means that few legal changes are expected, and that these are spread over the year.
The 3rd criterion relates to the official languages that are allowed in a country. Country Version Latvia has a Latvian user interface.
Let's have a look at the Latvian requirements snapshot. We'll now take a closer look at the Financials part of Country Version Latvia.
With regard to the payment area:

- The Latvian country version supports payment formats for outgoing payments, as well as formats for uploading bank statements.
- The system has all the settings you need to be able to make foreign and domestic payments.
- Country Version Latvia supports the automatic processing of electronic bank statements to clear accounts receivable and payable, as well as update the corresponding G/L accounts.
- You use the standard cash journal entry functions to enter incoming and outgoing payments. Specifically for Latvia, the system enables you to post incoming and outgoing cash payments to a customized G/L account, and print a copy of the cash voucher in the format required by law.
In the area of Finance, taxation is at the heart of Country Version Latvia.

- The value added tax (or VAT) report is an official, periodic report that must be provided to the tax authorities.
- The rules and periods for submitting the VAT report comply with Latvian tax legislation.
- VAT reporting is supported in Country Version Latvia through provision of the advance return tax on sales & purchases. Automatic transfer posting of tax payable is possible, and you can also use the system to fill out the tax return.
- In addition to the VAT report, Country Version Latvia provides a report for creating fringe benefits.
- The report calculates and displays the social tax and income tax amounts you file with the tax authorities. The system calculates the taxes according to financial statement version REE3, specially for fringe benefits. The report comes with a predefined chart of accounts (CAEE), but you can customize your own account assignments to suit the needs of your organization.
### Legal Compliance Requirements
#### Financials

<table>
<thead>
<tr>
<th>Payment area</th>
<th>The following formats are supported:</th>
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<tbody>
<tr>
<td></td>
<td>• domestic outgoing payments</td>
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<td></td>
<td>• foreign outgoing payments</td>
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<tr>
<td>Tax area</td>
<td>Creation of electronic bank statement forms</td>
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<td></td>
<td>Creation of cash journal report</td>
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<tr>
<td></td>
<td>The VAT report creates the advance return for tax on sales/purchases. It creates a batch input session for the automatic transfer posting of tax payable, and also fills out the tax return, if required.</td>
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<tr>
<td>Reporting</td>
<td>Financial statement versions are accounts that are structured and grouped into balance sheet and profit and loss statements, and form the basis for various financial reports</td>
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<td>An EC sales list report must be created quarterly or annually</td>
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<td>Generation of the Intrastat declaration</td>
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Another important area of the Latvian country version is reporting based on G/L accounts to close fiscal years.

- Financial statements are supported as part of year-end closing, including profit & loss statements in accordance with Latvian legislation.
- Country Version Latvia comes with a financial statement version **BALV**, which enables you to prepare the balance sheet and profit and loss statement as required by law.
- In Latvia, companies can use the generic **EC Sales List** report to create the EC sales list. This report provides the data to enable you to complete the PVN 2 form for the Latvian authorities, or to create an electronic Data Medium Exchange (or DME) form.
To fulfill EU requirements, companies in Latvia have to complete an INTRASTAT declaration and submit it to the authorities. The requirements of INTRASTAT are similar in all EU member states, but the reporting differs. In Latvia, you can submit the INTRASTAT declaration on special forms provided by the statistical office: UPS-01 for dispatched goods or exports, and UPS-02 for received goods or imports.

SAP also provides an option to generate the Intrastat Declaration in paper format.
Starting with support and rollout for Country Version Latvia:

- Latvia FAQs and Guidance Notes (see Appendix)
- Full support for legal changes throughout the year, delivered through SAP Notes
- Special rollout procedure for legal changes
- Legal change cycles
- Country Page @ SAP Service Marketplace
Let me briefly explain the legal change rollout process at SAP.
SAP continually provides legal changes to its country versions to support customers in complying with changing laws in their countries. In many cases, this information reflects legislation and regulations that have not yet been fully approved.

SAP provides a standard method for implementing legal changes in FI:

- Support Packages are released on a monthly basis, and provide customers around the globe with the latest legal requirements and corrections. They include all updates for international functions and country versions.

- Legal changes in Financials are released on a monthly basis via Support Packages.
- The upcoming legal changes that SAP is planning to deliver are available under the quick link legalchanges.
You can find information about the planned legal changes that will take effect in SAP ERP Financials in the Legal Change Report.

The Legal Change Report includes all the current legal changes. The legal change files include the following information:

- A short description of the planned legal change, and a link to the corresponding SAP announcement Note. Here, you can find detailed information like the calendar week or year in which it is assumed the planned legal changes will take effect, and whether the legal change is already available.
Country Version Latvia
Recommendations

- Not a “do it yourself” system
- Expert knowledge of global templates is required
- Upgrade to minimum Support Package level for Country Version Latvia
- User training

Last but not least, here are some recommendations for those of you who are new to Country Version Latvia.

- First and foremost, as you will probably agree, Country Version Latvia is not a “do it yourself” system. With the level of complexity involved, we recommend you have the most experienced local experts on board from the very beginning.

- As many global customers have observed, some expert knowledge of global templates is definitely required, to avoid any late and unwelcome surprises.

- We strongly recommend that customers upgrade to the minimum Support Package level for Country Version Latvia, so that they receive the relevant legal changes in future.

- Finally, user training is critical to the successful implementation of Country Version Latvia. I’m sure all of us will agree on this one.
You should now be able to:

- Explain Latvian localization requirements with regard to legal compliance,
- Provide an overview of the solution coverage for Country Version Latvia,
- Explain Latvian localization features for Financials,
- Understand the solution support and rollout strategy for Country Version Latvia,
- Outline the recommendations for implementing Country Version Latvia.
For more information on topics discussed in this lesson, see the following references:

- **Important SAP Notes for Latvia:**
  - Country Version Latvia: 1272271
  - Intrastat Latvia: 1264253
  - Changes in Tax Codes for Baltic Countries: 1353091
  - Instruction Keys for Latvia: 1293152
  - Document Type in ERS for Logistics Invoice Verification: 1283750
  - Bank Statement Exits for Latvia and Estonia: 1271799
  - Special Numbering for Cash Documents: 1270057
  - Official Document Numbering for Latvia: 1259078

- **Availability information for Country Versions (Release, SP,...) under “service.sap.com/GKB”**

- **Literature (Implementation of Country Versions for SAP ERP Systems):**

For more information about the topics discussed in this lesson, see the references listed here.
Thank You!

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- With that, I’d like to thank you for your patience and attention during this session. You can contact me with your queries at the e-mail address given here.
- Thank you, and have a nice day !!!.