Hello, I am speaking on behalf of Dr. Manfred Esser, Localization Product Manager for SAP Globalization Services, Slovenia.

Welcome to this session on the SAP Country Version for Slovenia.

In this lesson, I’ll present:

- An overview of the country specifics in the areas of Finance and Human Capital Management,
- Guidance on how SAP manages legal changes for rollout
- Documentation paths in the SAP system.
Objectives

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

- Understand Slovenian localization requirements
- Outline Slovenian localization features for ERP (Country Version Slovenia)
- Explain Slovenian localization features for Financials & Human Capital Management
- Understand solution support and the rollout strategy for Slovenia

After completing this session, you will be able to:

- Understand Slovenian localization requirements
- Outline the localization features for the Country Version for Slovenia
- Explain Slovenian localization features for Financials & Human Capital Management
- Understand solution support and the rollout strategy for Country Version Slovenia.
This is what I’ve packaged for you for the next half an hour. Starting with quick facts about the Country Version for Slovenia, this session will give you an insight into the requirements that need to be addressed by any ERP software provider in Slovenia to enable businesses to run compliantly.

I will cover in brief the features offered by the Country Version for Slovenia in the areas of Logistics, Financials, and Human Capital Management.

I’ll also touch upon the support system, and certain recommendations for those of you who are planning your first steps with the Country Version for Slovenia.
Country Version Slovenia

Quick Facts

So let’s start with some quick facts about the Country Version for Slovenia.
Country Version Slovenia
Quick Facts

Key Strengths:
- Established add-on version since R/3 4.6C, and a trusted name among organizations.
- Provides legal compliance for business transactions.
- Development & Support: In Czech Republic & Slovenia for Slovenia.
- Standard and simplified rollout strategy for legal changes.
- Large customer base, including global giants like Nestlé, Sandoz GmbH, Boehringer Pharma, Coca Cola, and Unilever.

Challenges:
- Finance / Logistics (VAT, payments)
- Human Capital Management solution (payroll)
- Legal changes
  - Effective at short notice
  - Mandatory and often mission-critical

Key Strengths:
- The Country Version for Slovenia was established back in 2003 as part of R/3 Add-On 4.6C. It is maintained in all higher releases up to the latest ECC 6.0 enhancement package. So the country version is more than 7 years old, and a matured and trusted solution.
- It provides legal compliance features for various business transactions, enabling businesses to run better. In close cooperation with local SAP experts and consultants in Slovenia, these features are developed 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.
- The Country Version for Slovenia is now operational at most of the top business corporations in Slovenia across many industries. These include global business giants with establishments in Slovenia, such as Nestlé, Sandoz GmbH, Boehringer Pharma, Coca Cola, and Unilever.

Challenges:
- There are two major localization areas:
  - One is FI/LO, which mainly covers the legal reporting requirements for VAT, and provides the formats for automated domestic or foreign payment transactions.
  - The other is the HCM solution: Here, the payroll part is localized to meet the requirements specific to Slovenia.
  - Another challenge is that legal changes in Slovenia are often announced at short notice.
Now let me walk you through the Slovenian requirements snapshot. We’ll have a closer look at the complexity of Slovenian legislation and the language requirements.
There are 3 major criteria that determine the complexity of a country version. These are:

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

Regarding the legal complexity of the Country Version for Slovenia:

- Finance and Logistics is highly complex. This is mainly due to country-specific taxes and tax rules, and special tax scenarios like tax accrual postings, tax reporting, and so on.
- Human Capital Management is also highly complex. The most important topics relate to social & pensions insurance, maternity leave, and income tax, among others.
The 2\textsuperscript{nd} criterion relates to the frequency of legal changes in Slovenia.

- The frequency of legal changes in the Financials area is medium, which means that announcements of legal changes are well distributed over the year.
- In the Human Capital Management area, it is very dynamic, meaning most legal changes are expected at the beginning of the year, and become less during the year.
The 3rd criterion relates to the official languages that are allowed in a country. In Slovenia there is Slovenian, the only official language for Finance / Logistics and Human Capital Management.

In the Country Version for Slovenia, the UIs are translated for Finance and Logistics as well as for Human Capital Management.
Let's have a look at the Slovenian requirements snapshot. We'll take a closer look at the Financials part of the Country Version for Slovenia.
In the area of Finance, taxation is at the heart of the Country Version for Slovenia.

- VAT reporting is supported in the country version, through provision of the advance return for tax on sales & purchases. Automatic transfer posting of tax payable is provided, as well as completion of the tax return. In addition, .txt files can be generated in a predefined format.

- The EC sales list enables you to prepare the correct form for the tax authorities. Another report for deliveries is also necessary in Slovenia.

- Acquisition tax accruals: Posting of VAT in case of goods delivery without invoicing. In the next tax period reverse charge postings should be done according to Slovenian tax legislation.

- EUL (Enotna upravna lista: import and export declaration) documents should be processed differently, because the tax processing should be based on dates from EUL documents and not invoices.

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- VAT reporting is supported in the country version, through provision of the advance return for tax on sales & purchases. Automatic transfer posting of tax payable is provided, as well as completion of the tax return. In addition, .txt files can be generated in a predefined format.

- The EC sales list enables users to report EC sales and deliveries in Slovenia, a member of the European Union since 2004. The reports have to be addressed to the tax authorities.

- There are cases where goods are delivered by the supplier, but not yet invoiced. According to Slovenian legislation, VAT must be posted in the period when the goods are received. However, in the following tax period the postings have to be reversed.

- With regard to imports and exports, there are specific postings procedures that need to be followed to enter all the tax information from the customs documents (EUL).
Another feature specific to Slovenia concerns the posting of withholding tax.

- The Slovenian solution supports the posting of withholding tax on the customer and vendor side. The customer subtracts the withholding tax portion from the payment amount, and pays the tax at source directly to the tax authorities.
- The withholding tax is calculated and posted at the time the open items are cleared.
- A withholding tax report can be set up for all vendors who are subject to income tax.
The Slovenian country version supports payment formats in the outgoing payment area, as well as in the upload phase for bank statements.

- Payment formats are supported in the outgoing domestic and foreign payment area. SEPA payments have recently been made available too, following adaption to specific Slovenian requirements.

- For domestic payments, the “business statistical code” is required in all payment formats. In the SEPA payment format, the purpose code is required.

- In foreign payment transactions, the “Reason for Payment” is obligatory.

- Bank Statements can be automatically imported and processed by supporting different bank statement formats.
### Legal Compliance Requirements: Financials

#### Payment Area

- **Reporting**
  - Reporting of financial liabilities to the reconciliation system ePoboljš.
  - The law defines the mandatory many-sided reconciliation of mutual liabilities.

  - **The Intrastat report** is required according to Slovenian legislation. This report records goods movements within the European Union and has to be executed on a monthly basis.

  - **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.

  - A cash flow report is created based on the financial statement (indirect method).

Another important area of the Slovenian country version is reporting based on G/L accounts to close fiscal years.

- The Slovenian legislation prescribes a mandatory, many-sided reconciliation report of mutual liabilities.

- Slovenian companies are obliged to prepare the Intrastat report of all goods movements within the European Union. The report must be prepared on a monthly basis.

- Financial statements are supported as part of year-end closing, including profit & loss statements in accordance with Slovenian legislation.

- Based on the financial statement, cash flow reports can be generated using the indirect method.
Let’s have another look at the Slovenian requirement snapshot. This time, we’ll take a closer look at the area of Human Capital Management, as part of the Country Version for Slovenia.
Specific master data is an important area of Slovenian Human Capital Management.

This includes:

- Special personal ID (called EMSO), type of education and other education data, specific disability data and processing,
- Specific length of service and complex seniority calculation,
- Tax data (tax ID, tax reliefs, special tax categories), and
- Specific reimbursement of food and transport to the place of work.
### Legal Compliance Requirements: HCM

<table>
<thead>
<tr>
<th>Master Data</th>
<th>Taxes &amp; Payroll</th>
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</thead>
<tbody>
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<td><strong>Specific personal master data</strong>, like personal ID, family members data, education data, disability data and processing.</td>
<td><strong>Social insurance is linear, paid by the employee as well as the employer. Taxation is progressive, with three levels.</strong></td>
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<td><strong>Specific tax master data</strong>, tax number, tax reliefs, special tax categories.</td>
<td><strong>There is a specific sick leave calculation and payment. Under certain circumstances, it is reimbursed by health insurance.</strong></td>
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<td><strong>Specific reimbursement of food and transport to place of work.</strong></td>
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The tax & payroll part is a major area in Slovenian Human Capital Management, with some local specifics.

- Reimbursements above a specified limit (for food, transport, per diems, and so on) and benefits (such as a company car, company insurance etc.) are taxed. Taxation is progressive, with three levels currently in place.
- A special kind of tax relief is applied in the payroll calculation when an employee is working abroad.
- In case of sick leave, there are specific rules in Slovenia for calculating payroll and employee payments. Part of the payment is reimbursed by health insurance.
According to the Slovenian legislation, payment must comply with SEPA standards, and different tax reports have to be provided.

- Payment of any kind from payroll (including salaries, taxes, contributions, loans & installments) is requested and supported electronically by means of SEPA XML files and e-bank client application.

- The Slovenian tax office requires detailed monthly reporting of salary contributions (both gross & net) and taxes (using XML files).

- The annual XML report with amounts paid into the pension insurance fund is most complex. The tax and social insurance calculated for certain income types must also be reported on an annual basis.
Legal Compliance Requirements: HCM

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<td>Tax Office of Slovenia requires reporting on gross &amp; net salary contributions and taxes through complex monthly XML reporting.</td>
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<td></td>
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There are also different statistical reports to be sent to the Slovenian authorities. All of them are prepared in XML interface files, ready to upload to the statistics portal.

- A specific report is required when hiring and reassigning employees, with employee’s level of education, type of profession, job description, working time, and so on.
- A monthly report on salaries and working time has to be provided by the employer.
- The authorities require periodic statistical surveys of various types of payroll data. These are usually required every 4 years.
So that was a brief overview of the functionality that exists within the Country Version for Slovenia.

Now let’s look at some softer, but nonetheless significant aspects of the Country Version for Slovenia.
Starting with Country Version for Slovenia support and rollout:

- There are a good number of informative Notes available in the SAP Notes repository, including FAQs for various functional aspects, and some Installation Guide notes too, that can be referenced. Please see the Appendix slides for the same.
- Legal changes that come unplanned during the year are rolled out smoothly via SAP Solution Notes, which can be applied directly to the customer systems.
- Additionally, legal changes are supported by special rollout procedures, such as CLC.
- SAP Service Marketplace also hosts a dedicated Slovenia Page, with the latest updates on the Country Version for Slovenia directly accessible to customers.
Let's have another look at the Slovenian Requirement snapshot. This time, we'll have a quick look at the legal change rollout process.
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, but two options for implementing legal changes in HCM:

- 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.

- Country Legal Change Packages (CLC) represent another way of delivering legal changes in HCM; they are offered in addition to HRSPs. CLC Packages include country-specific legal changes - one CLC Package per country - and they enable customers to decide when to implement legal changes for their country versions. As such, they significantly reduce the effort required for testing, as well as the risks. This delivery process is available for the following software components: SAP_HR, EA-HR, and HR-CEE.

- Legal changes in the Financials & Human Capital Management areas are released monthly via Support Packages.
- Additionally, in the HCM area all legal changes can be released monthly per country: one CLC package per country.
- The upcoming legal changes that SAP is planning to deliver under the quick link legal changes.
You can find information about the planned legal changes that will take effect in SAP ERP Financials, SAP ERP Operations, and SAP ERP Human Capital Management, 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 about 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 Slovenia
Recommendations

- Not a “do it yourself” system
- Expert knowledge required on global templates
- Upgrade to minimum Support Package level for Country Version Slovenia
- User Training

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

- First and foremost, as you will probably agree, the country version for Slovenia 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 Slovenia, so that they receive the relevant legal changes in future.
- Finally, user training is critical to the successful implementation of Country Version Slovenia. I’m sure all of us will agree on this one.
You should now be able to:

- Explain Slovenian localization requirements with regard to legal compliance
- Provide an overview of the solution coverage for Country Version Slovenia
- Explain Slovenian localization features for Financials & Human Capital Management
- Understand the solution support and rollout strategy for Country Version Slovenia
- Outline the recommendations for implementing Country Version Slovenia
Related Information

For more information about the topics discussed in this lesson, see the following references:

- service.sap.com/GKB
- Literature (Implementation of Country Versions):
- Local consulting:
  - Mateja Marolt mateja.marolt@eap.com
  - Sandi Cemazar sandi.cemazar@sap.com

This information slide provides additional useful links:

- The Globalization Knowledge Base, or GKB, is a tool that supports decision makers and consultants in global implementation projects. It provides important country-specific information in a consolidated way, so that you can easily compare.

- The “Implementation of Country versions” book provides a general overview of the country versions maintained by SAP.

- And finally, there are local consultants who can provide support in installing the country version for Slovenia.
Installation Queries

- Add-On Installation Queries: Notes 520991, 572185, 840472, 936977, 951888, 574323, 584396, 1250109, 1250254, 1293059
- Country Version Slovenia: Notes 337220, 520001
- Country Version Upgrade and Objects: Notes 574076, 584396

Notes on Taxes

- EU VAT 2010 – Slovenia - Monthly VAT Report: Notes 1416460, 1644088, 1418291, 1618089
- EU VAT 2010 – Slovenia - EC Sales List & Report about Deliveries: Notes 1411/95, 1264/67
- Change - EC Sales List: Note 1542714
- Withholding Tax Reporting for Slovenia (Form ODO-1): Note 828692

Notes on Payment

- Slovenia Bank Statement: Note 999400
- ISO SEPA XML RB 4.0 Structure of Outgoing Payments (DMEE): Note 1623011
- SWIFT MT101 for Outgoing Payments: Note 1004663, 1010981
- ZBS XML for Outgoing and Incoming Payments (Slovenia): Note 1087512
- cPobot: Note 1605681
Taxes and insurance

- Taxes: Note 1127744
- Reporting About Taxes and Contributions from Payroll (REK Reports): Note 1172892
- Tax Reporting: Note 1122684
- Pension Plan: Note 1465154

Payroll

- Working Age: Note 1136092
- Sick Leave: Note 1127744
- SEPA Payments: Note 1626165
Thank You!

Dr. Manfred Esser  
LPM, Localization Product Management,  
Globalization Services, SAP  
email: manfred.esser@sap.com

- With That I would like to thank you for your patience and attention during this session. You can contact me with your doubts and queries on the mail Id given here.
- Thank you and Have a Nice Day !!!.