Welcome. The scope of this session is to give you a high-level overview of the current localization for Financials and Human Capital Management in Luxembourg.
After completing this lesson, you will be able to:

- Describe Luxembourg localization requirements
- Explain Luxembourg localization features in Financials
- Explain Luxembourg Localization features in Human Capital Management
- Explain how we support our customers
Our agenda today will mainly explain the localization solutions for Luxembourg.

In the **introduction and key features**, we will highlight the requirements of the Luxembourg country version, along with the strengths and challenges and some quick facts about Luxembourg localization.

Next, we will give an overview of the **Luxembourg localization areas in Financials**. We will explain the specific requirements for Luxembourg tax declarations and the common business practices in terms of payments.

Similarly, we will summarize the **Luxembourg localization functionalities in Human Capital Management**.

At the end, we will explain how we **support our customers in Luxembourg**.

We will discuss the basic support model for legal changes and the rollout strategy for localization.
First, let’s get a high-level overview of Luxembourg localization, including key features, challenges, and localization complexity.
Key features:

The localization solution covers common business scenarios, some of which are illustrated in the country template with examples.

Primary support is provided locally by a highly skilled SAP team and experienced partners. A local product manager for Financials is available in Luxembourg. This local manager can help with inquiries and direct your queries to the right people.

Challenges:

A business may face two main challenges in Luxembourg:

- Luxembourg has a complex regulation framework.
- Legal changes are irregular. They happen on very short notice with irregular frequency and, in some cases, they apply retroactively. In some cases, they may have an impact on the business processes already in place at the customer. There is often only a small time frame to clarify doubts and uncertainties.
Country Version Luxembourg
Snapshot

<table>
<thead>
<tr>
<th>Law complexity ranking</th>
<th>Finance / Logistics</th>
<th>Human Capital Management</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>From a legal perspective, Luxembourg legislation is of medium complexity.</td>
<td>From a legal perspective, Luxembourg legislation is highly complex.</td>
</tr>
</tbody>
</table>

- There are three major criteria that determine the complexity of a country version. These are:
  - Complexity of laws
  - Law frequency
  - Number of official languages
- The Luxembourg Finance legislation is of medium complexity.
- The Luxembourg Human Capital Management legislation is of high complexity.
In the Finance/Logistics area, as well as in the Human Capital Management area, the appearance of new legal changes is very dynamic.

Most legal changes related to taxes become applicable at the beginning of a calendar year.

Nevertheless, some legal changes may appear with irregular timing, that is, without a fixed pattern of expected appearance.
There are three official languages in Luxembourg: Luxembourgish, French, and German.

Luxembourgish is not supported by standard SAP; however, the French and German are supported by the user interface in the SAP standard.
Localization Areas in Financials

- Tax declarations
- Payments

The most important localization areas in Financials for Luxembourg are tax declarations and payments.
The following VAT declarations are supported by specific reports:
- Monthly (or quarterly, in specific cases) VAT return
- Monthly (or quarterly, in specific cases) EU sales list
- Annual VAT return

Each VAT declaration is supported via a specific SAP report. Each of these reports creates an output list and an XML file.

In the area of payments, SAP supports domestic and foreign credit transfers in two ways: with the printing program RFFOLU_X or via the corresponding payment format tree (DMEE) LUX_VIR2000.
HCM Functionalities

- The payroll solution for Luxembourg was developed—and continues to be maintained by—an external party.
Customer support is realized via:

- The localization solutions for legal changes, which allow customers to comply with legal changes
- The localization support model
- The rollout strategy
To support the Luxembourg legal changes, SAP provides:

- **An end-to-end solution**
  The complete process is fully supported with a minimum of configuration.

- **A configurable solution**
  The customer decides to extend the functional application via configuration to enhance (parts of) the process.

- **A framework application tool**
  This allows the customer to comply with legal requirements via the required configuration within the framework.
SAP implementation and delivery of legal changes is based on an internal process. The customer is informed about means and date of delivery during the execution of the process.

There are two SAP teams involved in the execution of the internal process. The localization product management team from SAP Belgium & Luxembourg keeps track of the evolution of law. The globalization product management & development team from SAP AG delivers the software changes by means of Support Packages, HR Support Packages, country legal changes, and SAP Notes.

The customer has the important role of following up on SAP messages. SAP messages should be processed at the customer’s site by the business persons responsible, as well as by the IT staff.
The localization product management team from SAP Belgium & Luxembourg takes care of the communication between the customer and the globalization product management & development team. It acts as the first point of contact.

During the localization procedure of a legal change, there will be regular interactions between SAP and the Luxembourg SAP user group. The user group’s mission is to bring SAP users together to share information, experiences, knowledge, and ideas. During the meetings, SAP will provide additional information about delivered applications and a forecast of upcoming changes and developments.
To support customers, SAP provides detailed and extended documentation about big legal changes.

- An extended roadmap guides customers through the implementation steps and customizing requirements.
- The link between functional requirements and software solution is explained in detail in the roadmap.
- This roadmap applies for bigger legal changes, such as tax reporting.
Lesson Summary

You should now be able to:

- Describe Luxembourg localization requirements
- Explain Luxembourg localization features in Financials
- Explain Luxembourg localization features in Human Capital Management
- Explain how we support our customers
For more information on the topics discussed in this lesson, see the following references:

- Country information page: http://service.sap.com/localization
- Globalization Knowledge Base: http://service.sap.com/GKB
- Literature (Implementation of Country Versions for SAP ERP Systems):

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

Contact information

SAP Globalization Services:

globalization@sap.com