Hello and welcome to this session about the Spanish country version.

In this lesson, I will present to you:

- An overview of the country specifics in the Financials area
- A guidance on how SAP manages legal changes
- The documentation paths in the SAP system
After completing this session, you will be able to:

- Understand the Spanish localization requirements
- Outline the Spanish localization features in ERP (Spanish country version)
- Explain the Spanish localization features in Financials
- Understand the solution support and rollout strategy for Spain

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This is what has been packaged for you for about the next half hour. Starting with some quick facts on the country version Spain, this session will give you insights into the requirements that must be addressed by any ERP software provider in Spain, enabling the businesses to run compliantly.

I will cover in brief the features offered by the Spanish country version in the area of Finance.

I will also touch the support system and give recommendations for those who plan to use the Spanish country version.
So let's start with some quick facts on the Spanish country version.
Country Version Spain
Quick Facts

Key Strengths

- Available as SAP standard from 3.1i
- Provides legal compliance for business transactions
- Standard and simplified rollout strategy for legal changes
- Large customer base including Spanish customers and multinational companies based in Spain

Challenges

- Highly complex regulatory framework
- Short-term legislative reform
- Legal changes:
  - Come unplanned
  - Effective on short notice
  - Mandatory and often mission-critical category

Key Strengths:

- The Spanish country version is part of the SAP standard country version from version 3.1i. The Spanish country version is being maintained in all higher releases up to the latest ECC 6.0 enhancement package.
- It provides legal compliance features for various business transactions, enabling businesses to run better. The primary support for these features is provided locally by a highly skilled team and there is also a Local Product Manager for FI.
- The Spanish country version is now operational in most of the top business organizations in Spain across industries, including global business giants having establishments in Spain.

Challenges:

- There are two main challenges:
  - Spain has a highly complex regulatory framework.
  - Legal changes in Spain come on a very short notice and are often released unplanned.
Now let me walk you through the Spanish requirements. We will take a deeper look into the Spanish legislation complexity and language requirements.
There are 3 major criteria that determine the complexity of a country version.

These are the following:

- Law complexity
- Law frequency
- Official language(s) (countries with 1 or more official languages)

Law complexity of the Spanish country version:

- The complexity of the Finance/Logistics Spanish country version is highly complex. This is mainly due to country-specific taxes and tax rules, as well as special tax scenarios like tax reporting, and so on.
The second criterion relates to the law frequency in Spain.

- In the Financials area, it is very dynamic. This means that most legal changes are expected at the beginning of a year and become less during the year.
Country Snapshot
Spain

FINANCIALS

LAW COMPLEXITY RANKING
From the law perspective, Spanish legislation is highly complex.

FREQUENCY OF LEGAL CHANGES
Frequency of new legal changes is dynamic.

OFFICIAL LOCAL LANGUAGE
Official languages are Spanish, Catalán, Eusquera, Valenciano, and Gallego

The Spanish country version is provided with a Spanish UI. Some solutions are supported in Catalán.
Let's have a look into the Spanish requirements solution coverage. We will dive deeper into the Financials part of the Spanish country version.
Now in the area of Finance, the tax area is the heart of the Spanish country version.

- The VAT report is an official periodic report that must be provided to the tax authorities.
- VAT reporting is supported in the Spanish country version by providing VAT register books on sales & purchases.

- Advance Tax Return (electronic):
  - This program does not create the advance return for tax on sales/purchases.

- Reverse charge applies in Spain to acquisitions of certain services basically to EU vendors and foreign vendors as defined by the tax authority.
The Spanish country version supports payment formats in the outgoing payment area as well as in the upload phase of bank statements.

- Cuaderno bancario 34-1 is supported.
- The system enables the generation of files in Spanish DME format for domestic, abroad, and special transfers and checks in euros according to Cuaderno 34-1. Depending on the bank specifications, customizing is required.
- Bill of Exchange receivables and payables procedures are supported including Cuaderno 32, Cuaderno 19, and Cuaderno 58.
- Bank Statements can be automatically imported according to Cuaderno 42.
Another important area of the Spanish country version is the reporting.

- **EC Sales List: Modelo 349**
  - The report should display the invoiced value of goods and services in local currency for each VAT registration number of the customer, and the acquisitions of goods and services in local currency for each VAT registration number of the vendor. The report generates the DME file.

- **Modelo 347**
  - The purpose of the 347 annual tax statement is to collect and list every transaction done with third parties that have not been submitted to the tax authorities by another tax report, such as withholding-related tax reports (190, 193, 194..), VAT reports (340), and intra-community tax reports (349), whenever the total sales or purchase amount per customer or vendor exceeds 3,005,06 € including VAT exempt transactions. The 347 report must be sent to the tax authorities annually, during the 20 first days of March including all the information from the previous Fiscal Year (January to December).

- **Modelo 340**
  - It is important to note that the 340 tax report is not mandatory by now; however, it is mandatory for those companies that have chosen the option of a monthly VAT return. Model 340 is the electronic version of Issued and Received Invoices Register Books.
Another Spanish feature concerns withholding taxes.

- The Spanish solution supports the posting of withholding tax. The customer subtracts the withholding tax proportion from the payment amount and pays the tax at source directly to the tax authorities.
- The withholding tax can be posted at the invoice or payment entry. In Spain, we normally post withholding taxes at the payment entry, when the invoice is paid.
- A tax report of the withholding tax can be set up for all vendors subject to income taxation, modelo 190.
Let me briefly explain the legal change rollout process at SAP.
Legal changes in the Financials & Human Capital Management area are released monthly via Support Packages.

In addition, in the HCM area all legal changes can be released monthly per country: one CLC package per country legalchanges.

The upcoming legal changes that SAP plans to deliver can be found under the quick link legalchanges.
SAP may continuously provide legal changes to its country versions to support customers to comply 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 way to implement FI legal changes:

- Support Packages are released monthly and provide customers around the globe with the latest legal requirements and corrections. They include all updates for international functions and country versions.
### Legal Change Process Reporting

You can find information on planned legal changes for laws that go into 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 current legal changes. The legal change files include the following information:

- Short description of the planned legal change
- Link to the corresponding SAP announcement Note
- Where to find detailed information on the calendar week/year in which planned legal changes are assumed to be provided
- Whether the legal change is already available

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Recommendations and Additional Information
Lastly, definitely not the least, here are some recommendations for the ones new to the country version Spain.

- First and foremost, as you may agree, the country version Spain is not a “do-it-yourself” system. With the level of complexity involved, we recommend that you have the experts and experienced users on board, right from the beginning.
- There is definitely some expert knowledge required about global templates to avoid late surprises.
- We strongly recommend the customer to upgrade to the minimum Support Package level for the Spanish country version, to obtain the relevant legal changes in the future.
- Lastly, the user training is a critical part to a successful implementation of the country version Spain, which I think all of us agree.
For more information on the topics discussed in this lesson, see the following references:

- **SAP Standard Documentation (SAP Library Documentation for Spain):**
  - [help.sap.com](http://help.sap.com)

- **Country Page on SAP Service Marketplace:**
  - [https://service.sap.com/GKB](https://service.sap.com/GKB)

- **Legal Change Planning Information:**
  - [https://service.sap.com/Globalization](https://service.sap.com/Globalization) ➔ Country Information ➔ Legal Changes

- **Releases Supported:**
  - Standard in all releases in mainstream maintenance

- **Customer Service**
  - XX-CSC-ES: for functional problems (FI/OP)
  - XX-TRANSL-ES: for translation issues

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

Additional information can be found on the sites listed here.
I am sure you are now able to:

- Explain the Spanish localization requirements around legal compliance
- Provide an overview of the solution coverage of the Spanish country version
- Explain the Spanish localization features in Financials
- Outline the recommendations for the implementation of the Spanish country version
Thank You!

Contact information:

SAP Globalization Services
globalization@sap.com

Thank you.