Hello and welcome to this session on SAP country version France.

In this lesson, we will present:

- An overview of the French country specifics in the Financials area
- Details about how SAP manages legal changes for rollout
- Documentation paths in the SAP system
After completing this lesson, you will be able to:

- Explain French localization requirements
- Outline French localization features in SAP ERP (country version France)
- Explain French localization features in Financials
- Discuss solution support and the rollout strategy for France
This is the agenda for today. First, we will give a quick introduction to the country version. Next, we will discuss highlights of Financial Accounting, such as taxes, sales and distribution, and so on.
Key strengths:

- The French country version has been available since early 2008. The French country version is in maintenance in all releases up to the latest SAP ECC 6.0 enhancement package, it is mature and trusted in the marketplace.
- The French country version provides legal compliance features for various business transactions, enabling businesses to run better.
- Country version France is now operational at most of the top corporations in France across all industries, including global business giants who have establishments in France.
- This country version is designed for use by businesses with operations in France. Along with generic SAP system functions, it comprises functions designed for laws and business practices particular to France, and delivers settings to help you customize the system according to local requirements.
France Requirements: Insights

Legal Compliance Snapshot

This section will give you an overview of French legislation complexity and language requirements.
There are three major criteria that determine the complexity of a country version:

- Legal complexity
- Law frequency
- Official language

France finance and logistics is complex, mainly due to country-specific taxes and tax rules, special tax scenarios, deferred tax postings, tax reporting, and tax audit.
The frequency of new legal changes in the finance/logistics area is dynamic, which means that legal changes can be published at any time. Sometimes the new laws apply retroactively, and there is little time for implementation and changes.
In France, French is the only official language. In the France country version, the UIs and the documentation are translated in French in all areas.
Let's have a look at requirements for France. We will delve deeper into the Financials part of country version France.
The tax area is very important in the French country version. The country version supports VAT reporting. The VAT report(s) provide the advance return tax on sales and purchases. The VAT report supports the following government requirements:

- Amounts for the EFI declaration

Please note that VAT codes are available as delivered Customizing for the French country version and should be adjusted to the customer’s needs.

- The EC sales list is currently not required by the French authorities. However, declaration on goods and services movements is done with Intrastat.
- The pro-rata VAT for France can be customized to work with the Adjustment due to PR Calculation or with Adjustment due to PR Variation reports.
- There are specific postings procedures for goods import and export, which should be used to enter all tax information of the custom documents.
The France solution supports the posting of withholding tax.

The withholding tax declaration is based on the withholding tax base amount and is posted when the open items are paid.

You can set up a withholding tax report for vendors and customers.
In France, a special ruling applies to the remittance of tax on sales and purchases of services. You can withhold payment of the tax on sales or purchases until the invoice is paid.

In the French country version, there is a standard report for deferred taxes that transfers the tax on the sale/purchase amount of an invoice from the deferred tax account to the normal output tax account.
### Legal Compliance Requirements

**Financials (4)**

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<tr>
<th>PAYMENT AREA</th>
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<tr>
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France, like Spain and Italy, uses the **bill of exchange (BOE)** payment.

In France, localized import and posting of bank statements is enabled, and uses the CFONB format.

**Foreign Currency Valuation** report enables the revaluation of open items in foreign currency.

- The French country version supports payment formats in the outgoing payment area, and the upload of bank statements.
  - The French country version supports outgoing domestic and foreign payment areas.
  - In domestic payments, the system enables the generation of files in France DME format for domestic and foreign transfers in CFONB and SEPA formats.
  - France uses the bill of exchange (BOE) payment. The country version supports bill of exchange receivables procedures and bank deposits in file form, and bill of exchange payables procedures and bank exchanges in file form,
  - Bank statements can be automatically imported. The SAP report is used for bank statement upload (CFONB format).
  - Foreign currency revaluation

- Assets and liabilities in foreign currency have to be revaluated with the exchange rate on the year-end closing date. Revaluation differences are posted on a specific customer/vendor account.
Legal Compliance Requirements
Financials (5)

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<td>For the year-end closing, tax auditors require legal archiving for all tax-relevant documents.</td>
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<td>Central Bank Reporting</td>
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<td>ECO declaration in XML format</td>
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<td>RTE declaration in XML format</td>
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There are some additional features that can be used with the France country version:

- **Self-invoice**: The company can choose to work with a self-billing invoice. The self-billing must generate sequential numbering per vendor. For more information, see SAP Note 684514.

- **Year-end closing**: Tax auditors require legal archiving for all tax-relevant documents (DART).

- **Central bank reporting**: All foreign open items must be declared in ECO declaration. All foreign service invoices must be declared in RTE declaration.
The following features are available for sales and distribution in country version France.

Intrastat declaration:
- This is a monthly declaration for goods and services. In France, the services must be declared at the same time as the declaration of goods movements countries).
- There is one intra-European-Union trade statistics (Intrastat) declaration for receipts (arrivals) and one for dispatches.

Tax licenses for billing with exempted VAT:
- The tax licenses are delivered with condition type LCFR.
- Reporting is already available in tax reporting for France.

Billing date/invoice number:
- To comply with tax regulations (BOI), all billing document numbers must be chronological, in ascending order, and without gaps.
A warehouse valuation:
- Is done according purchase accounting costs processing
- In France, you must use purchase accounting for all stock materials (Inventaire permanent).
- Includes a valuation at the end of the year
- FIFO is the method used for warehouse valuation in France.

The warehouse journal is supported by a report that is usually run at the end of the year.
Recommendations and Additional Information

Now let's discuss some recommendations and additional information.
Country Version France
Recommendations

- Not a “do it yourself” system
- Expert knowledge required on global templates
- Upgrade to minimum support pack for country version France
- User training

Please keep in mind the following recommendations for country version France:

- First and most important, the France country version is not a “do it yourself” system. With the level of complexity involved, and the complex regulatory framework, we recommended that you have experts on board right from the beginning.
- There is definitely some expert knowledge required on global templates.
- We strongly recommend that you upgrade to the minimum Support Package level for country version France.
- User training is critical to a successful country version implementation.
Lesson Summary

You should now be able to:

- Explain French localization requirements
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Related Information

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

- Availability information for country versions (release, SP, and so on) at service.sap.com/GKB
- SAP standard documentation (SAP Library Documentation for France): help.sap.com
- Legal change planning information: service.sap.com/Globalization → Country Information → Legal Changes
- Releases supported: Standard in all releases in mainstream maintenance

Customer service

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<tr>
<td>XX-CSC-FR</td>
<td>for functional problems (FI/OP)</td>
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<tr>
<td>XX-CSC-FR-ISU</td>
<td>for functional problems (specific IS Utilities)</td>
</tr>
<tr>
<td>XX-TRANS-FR</td>
<td>for translation issues</td>
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For more information on the topics discussed in this lesson, see the references listed here.
Thank You!

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globalization@sap.com