Hello, and welcome to this session about Country Version Denmark.

In this lesson, I’ll present:

- An overview of the country specifics in the Financials and Human Capital Management areas,
- Guidance on how SAP manages legal changes for rollout, and
- The documentation paths in the SAP system.
After completing this session, you will be able to:

- Understand Danish localization requirements,
- Outline the localization features of the country version for Denmark,
- Explain Danish features in Financials & Human Capital Management, and
- Understand the solution support and rollout strategy for Country Version Denmark.
This is what has been packaged for you for about the next half hour. Starting with quick facts on the Danish Country Version, this session will give you insights into the requirements that must be addressed by any ERP software provider in Denmark to enable businesses to run compliantly.

I'll briefly cover the features offered by Country Version Denmark in the areas of Finance and Human Capital Management.

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

Quick Facts

So let's start with some quick facts about Country Version Denmark.
Key Strengths:

- Available as SAP standard as of 3.1I and a trusted name among organizations
- Provides legal compliance for business transactions
- Standard and simplified rollout strategy for legal changes

Challenges:

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

Key Strengths:

Country Version Denmark has lead the market for decades. It is maintained according to the general SAP maintenance strategy up to the latest ECC 6.0 enhancement package. So the country version is mature solution that is trusted in the marketplace.

It provides legal compliance features for various business transactions, enabling your businesses to run better. All these features are developed and supported by the highly skilled teams located in India and Germany. These teams constitute some of the most experienced research and development teams in the SAP Labs network throughout the world.

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 Denmark, and is provided by our development partner KMD.
- Another challenge is that legal changes in Denmark are often announced unplanned, and at short notice.
Danish Requirements: An Insight

Legal Complexity and Language Support – a Snapshot

Now let me walk you through the Danish requirements snapshot. We’ll have a closer look at the complexity of Danish 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, and
- The official language or languages (for countries with 1 or more official languages)

Regarding the legal complexity of the Danish country version

Finance and Logistics are of medium complexity. This is mainly due to country-specific taxes and tax regulations, as well as special tax scenarios like tax reporting, and so on.

Human Capital Management is of low complexity.
The 2nd criterion relates to the frequency of legal changes in Denmark.

The frequency of legal changes in the Financials area is medium, which means that announcements of legal changes are well distributed over the year.

The frequency of legal changes in the Human Capital Management area is stable, meaning that few changes occur during the year.
The 3rd criterion relates to the official languages that are allowed in a country. Country Version Denmark has a Danish user interface.
Danish Requirements: An Insight

Financial Details – a Snapshot

Let's have a look at the Danish requirement snapshot. We'll take a close look at the Financials part of Country Version Denmark.
In Financials, the tax area is at the heart of the Danish country version.

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 are compliant with Danish tax legislation.

Country Version Denmark supports VAT reporting by providing the advance return tax on sales & purchases. Automatic transfer posting of tax payable is possible, as well as filling out the tax return.

The Advance Return on Sales and Purchase program creates the advance return for tax on sales/purchases. Additionally, it creates a batch input session for automatic transfer posting of tax payable, if required. You can also use the program to fill out the tax return.

You can display the return at line item level for each tax type (output and input tax). Note however, that even when you suppress the line item information, the data is still taken from the individual documents.
The Danish country version supports payment formats for outgoing payments as well as for uploading bank statements.

For Postal Giro, the program creates data media for domestic payment transactions. These data media satisfy the regulations of the BG bank in Denmark. A separate data medium is generated for bank transfers and bank collection.

In addition to the payment media, the accompanying sheets and payment summaries for the respective data medium can also be printed in a program run.

For Bank Statement Conversion, the program converts bank statements from Denmark into MultiCash format. It supports UDDATA Giro bank and 0602 PBS services.
With regard to the Payment Reference Number, it is a requirement in Denmark that an invoice contains an extra key that customers specify when making payments. This enables suppliers to identify paid invoices in their incoming payments more easily. Suppliers have to include this key, called a payment reference number, as part of the invoice.

In Denmark, the payment reference number is printed on the invoice.

The SAP SRM system checks that the payment reference number is valid, and transfers it to the accounting document in *Accounts Payable* (FI-AP) in a back-end system. You quote this number when you pay the invoice. In most cases, you send a data medium exchange (DME) file with payment instructions – including the payment reference number – to your house bank.
Reporting, based on G/L accounts, for closing fiscal years is another important area of the Danish country version.

The Financial Statement is supported as part of the year-end closing activities, as well as the profit & loss statement, in accordance with Danish legislation.

You can use the Financial Statement to generate cash flow reports based on the indirect method.

The program creates a form for the EC sales list. The report must be created on a quarterly or annual basis, but can also be issued at different intervals (for testing purposes, or if the relevant tax authorities allow this).

SAP provides a specific version of the asset history sheet for Denmark that satisfies Danish legal requirements.

You can set this report up using any kind of sort versions, and create totals on any group level. You can also create a compact totals list without information about individual assets.
Danish Requirements: An Insight

Human Capital Management Details – a Snapshot

Let’s continue with a deeper dive into the aspects of Human Capital Management that are specific to Country Version Denmark.
The payroll program is run at a specific point in time, not only to calculate an employee’s basic remuneration, but also any special payments, overtime payments, or bonuses that must be effected for the period in question.

The system calculates the gross and net pay, which comprise the individual payments and deductions that are calculated during a payroll period, and are received by an employee. These payments and deductions are included in the remuneration calculation using different wage types. After the remuneration payroll, you can carry out various subsequent activities, for example, you can see the remuneration, or create various lists, and make evaluations.
Regarding Withholding Tax:

- The taxation rate for withholding tax is defined by law. Generally, the withholding tax rates are progressive. When wages increase, the percentage of withholding tax is increased proportionately.

- Wages are usually taxed in the payment period in which they were paid out. This is valid for payments relating to previous periods too, for example, for retroactive payments for overtime hours worked.

- The employee statistics report stores the statistical data of an employee that is used when reporting statistical data to DA (Danish Employer Association), DS (Statistics Denmark), and FA (Employers Association in the Financial Sector).

- For every payroll period, the system collects information on the conditions of employment, education and training, and the work function of the employee.

- The payroll journal displays the payroll results using the in-period view; in other words, retroactive accounting runs are printed together with the payroll run during which the retroactive run took place.

- Totals can be calculated and printed using the individual printed payroll excerpts, in accordance with the parameters set on the selection screen.
Here’s some information about Danish Country Version support and rollout.

There are a good number of informative Notes available in the SAP Notes repository, including FAQs for various functional issues, and some installation guide notes too. Please take a look at the Appendix slides for details.

Legal changes that come unplanned during the year are rolled out smoothly via SAP Solution Notes, which can be applied directly in the customer systems.

Additionally, legal changes are supported by special rollout procedures, such as CLC.

SAP Service Marketplace also hosts a dedicated Denmark Page, with the latest updates on Country Version Denmark. Customers can access this directly.
Let me briefly explain the legal change rollout procedure at SAP.
SAP provides two options for customers to implement HCM legal changes:

- **The first option is HR Support Packages (HRSPs)**
  HRSPs are released every month, and provide HR customers around the globe with the latest legal requirements and corrections. They include all updates for international functions and country versions.

- **The second option is Country Legal Change (CLC) Packages**
SAP constantly 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 represent another way of delivering legal changes in HCM; they are offered in addition to HRSPs. CLC Packages include country-specific legal changes, with one CLC Package per country. 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.
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 Denmark
Recommendations

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

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

First and foremost, as you will probably agree, the country version for Denmark 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 Denmark, so that they receive the relevant legal changes in future.

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

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

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

- Important SAP Notes for Denmark:
  - VAT 2010 - EC Sales List for Services : 1453961
  - EC Sales List Denmark : 887370
  - SEPA - Standard CT & DD Files – Updates : 1524116
- 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. If you have any queries, you can contact me at the e-mail address given here.
- Thank you, and have a nice day !!!.