Hello and welcome to this session on SAP Country Version United Arab Emirates.

We will discuss the specifics of Financial Accounting and Human Capital Management in the United Arab Emirates Country Version, how SAP manages legal changes for rollout and documentation paths in the SAP system.
After completing this lesson, you will be able to:

- Describe Emirati localization requirements
- Outline Emirati localization features in SAP ERP
- Explain Emirati localization features in Finance and Human Capital Management
- Discuss solution support and the rollout strategy for United Arab Emirates
Let us take a look at the agenda:

First we will give a quick introduction on the Country Version and discuss what Globalization Services offers for the United Arab Emirates.

Next we will discuss some highlights of Financial Accounting regarding:

- Reporting Standards
- Accounts Receivable / Payable
- Payments

We will also discuss Human Capital Management features like:

- Personal Administration
- Time Management
- Payroll
- Reporting
**Key strengths**

- Local contact and primary support for United Arab Emirates
- Large customer base in United Arab Emirates
- Supports legal and market requirements for business transactions

**Challenges**

- Regulatory framework for specific business areas
- Legal changes: Keep your solutions up-to-date
  - Often unplanned.
  - Applicable on short notice.
  - Official technical specification is not always available on time.

**Key Strengths:**
- The United Arab Emirates Country Version is part of SAP standard Country Versions.
- It supports legal compliance feature for various business transactions, enabling businesses to run better.
- Primary support for these features is provided locally from a highly skilled team.
- The localization lead in United Arab Emirates can help with inquiries or direct your queries to the right people.
- The Country version United Arab Emirates is now operational at most of the top corporations in the United Arab Emirates, including global business giants across various industries, public sector, private sector, retail or banking.
- SAP is also the software of choice in the Public sector.

**Challenges**
- The main challenges that a business may face in United Arab Emirates include the following:
- United Arab Emirates has a relatively stable regulatory framework, however several laws apply to specific business sectors such as public, private and military; as well in different regions such as RAK and Abu Dhabi.
- Legislative reforms are often unplanned, applied on short notice and in some cases applied retroactively.
- Interpretation of the law is sometimes not really clear and often the technical specification is not always available for development in time.
This section will give you an overview of Globalization Services for SAP Middle East and North Africa
There are 3 areas where Globalization Services offers support to SAP Middle East and North Africa customers: Internationalization, Localization and Translation.

The first is Internationalization,
- It provides the technical environment to operate globally.
- The SAP system supports many languages and currencies and different time zones.
- The calendars support both Gregorian and Hijri formats. The Hijri calendar is an Islamic calendar that depicts the duration of each month based on the lunar eclipse.
The second topic relates to Localization.

- Globalization Services provides functionality meeting the market and legal requirements or provides statutory reports for the Middle East and North Africa regions.
- For the United Arab Emirates several features have been developed in order to meet local requirements for both Financial Accounting and Human Capital Management.

  - **For Financial Accounting**
    - Postdated Checks are available to maintain the future date in checks that have been received from customers or issued to vendors

  - **For Human Capital Management**
    - An Emiratization report has been developed to allow companies the monitoring of the ratio of Emiratis and Expatriates that are employed within the company.
    - Additional fields have been added to capture information that is required to be documented on statutory reports, such as more details for the home address or additional fields for names.
Globalization for SAP (3)

INTERNATIONALIZATION
- Technical enablement of a system to operate globally
- Multilanguage support and multiple currencies
- Code pages/Unicode
- Time zone and Calendar

LOCALIZATION
- Functions dedicated to the needs of business in a specific country.
- Local best business practices
- Legal requirements and statutory reporting

TRANSLATION
- Speak the language of the locals
- Product (User Interface)
- Documentation and collaterals
- Customer communication

Finally in Translation,
- The entire User Interface of the SAP solution as well as reports and forms are translated into Arabic and are Right to Left is enabled, too.
- This is important since many government departments require reports and forms to be provided in Arabic.
- All Local Product Managers are Arabic speakers, thus customer communication about latest features or roll-in of customer needs can be handled smoothly.
Let us have a look at the United Arab Emirates requirements. We will dive deeper in the financial part of the United Arab Emirates Country Version.
In the United Arab Emirates (UAE), there are no accounting regulatory bodies that govern the financial results. However, on January 25, 1999, the United Arab Emirates Central Bank required banks, financial institutions and investment companies in the United Arab Emirates to prepare their financial results in accordance with the IAS. Since January 1, 1999 United Arab Emirates are in the third stage of the adoption process, requiring only certain entities to report under IFRS.

- The Gregorian calendar from January to December is commonly used in the United Arab Emirates.
- The reporting to the government is performed in Arabic language, however it can also be submitted in English.
Accounts Receivable / Payable

Postdated Checks “PDC”

- Post-dated check is a check that contains a maturity date in the future.

- Unlike bills of exchange or promissory notes, postdated checks normally cannot be endorsed. Typically, companies keep them until the maturity date.

- In SAP systems, postdated checks are processed using the bill of exchange functions.

- SAP Note 1683781

- In the United Arab Emirates, postdated checks are a common way of payment. Post-dated checks are checks that contain a maturity date in the future. Unlike bills of exchange or promissory notes, postdated checks normally cannot be endorsed. Typically, companies keep them until the maturity date.

- In order to process checks, you can use the Bills of Exchange solution originally developed for Turkey.

- The companies in the United Arab Emirates (UAE) must use this solution instead of the generic Checks solution or the generic Bills of Exchange solution. The generic Checks solution, for example, cannot handle postdated checks. The generic Bills of Exchange solution, on the other hand, does not allow you to record preprinted check numbers, and does not allow you to process multiple postdated checks simultaneously.

- For more information please refer to SAP Note 1683781
As per directive from United Arab Emirates Central Bank, all inter bank local transfers denominated in AED have been routed through UAEFTS since 14th April 2012.

UAEFTS (United Arab Emirates Fund Transfer System) is a funds transfer mechanism in the United Arab Emirates wherein transfer of money takes place from one Bank to another through the United Arab Emirates Central Bank system.

All customers using UAEFTS are required to provide files with payment orders with valid transaction type codes and conditional formatting text allowing banks to accept and process payment instructions.

For more information please refer to the SAP Notes shown.
United Arab Emirates Requirements: Insights

HCM Details Snapshot

- Now let us move to the localization part related to HR and Payroll
We will start talking about localization in the Personal Administration area.

The localization in this area is covering mainly the following two categories - country specific fields and Personal Action:

Country specific fields have been added for different info types as follows:
- **Persona Data** like Full Arabic Name, Sponsor ID, Legal Profession, Home Airport
- **Personal IDs** like Emirates ID, Unified Number, Entry Visa, Residence Visa, Work Permit
- **Leave Passage** like Tickets Class and No. of Tickets for Employee and Dependents
- **Social Insurance** like Contribution Start Date, Social Insurance Authority (GPSSA/ADRPBF), Social Insurance Number
- **Others** like IBAN generation in Bank Info and Address details

Personal Actions templates are also available for Hiring, Termination, Organization Re-Assignment, Rehiring, Promotion.

Please note that all activities are now available as HR processes based on roadmap forms (in order to learn more about this topic, please check out documentation for HR Renewal 2.0).
The second area that has been localized is the payroll with the following features:

- Standard wage types defined as per United Arab Emirates norms such as: Basic pay, Housing allowance, Transportation allowance
- Payroll rounding and rounding recovery
- End of service calculation per United Arab Emirates labor law including provisioning calculation
- Overtime calculation
- Net deductions and Arrears
- Social insurance (GPSSA or ADRPBF) deduction calculation for United Arab Emirates and GCC nationals
- Off-cycle payroll, including for advance leave payments, including all recovery options and scenarios
- WPS, SIF file generation based on MOL/CB format

- To comply with Wage Protection System, an SIF file can be generated based on MOL/CB format
Now let us move to the third area: Time Management. Regarding absences, we have focused on localizing 3 main types of leaves, which are Annual, Sick and Maternity; however SAP has delivered other absence types as well like Hijri Leave, Work Accident, etc..

In general, the new functionality “Leave Conditions Check” will help in setting validation rules for any absence type in general

Regarding Annual Leave, by default accruals start from probation period end and provisioning gets calculated every month based on accruals and usage

For Sick Leave, absence distribution predefined rules are delivered like paid, half paid and unpaid

Maternity Leave customization is delivered in order to control payment based on seniority

Another functionality covers the contractual part related to tickets entitlement for the employee with the following features:

- Flight tickets provisioning based on ticket fare
- Ticket fare per class and destination to home airport
- Flight tickets value can be issued or encashed
Now we have reached to the last area that has been subject for localization: The reporting.

Some key reports and forms are delivered such as:

- Legal Forms used for reporting to General Pension and Social Security Authority
- Remuneration Statement used for payroll slip
- Nationalization Report used to monitor percentage of employed Emiratis in the organization
- Document expiry report to monitor critical documents before they may expire, like residence visa or labor card
Recommendations and Additional Information

- Now let's give us some recommendations and additional information.
Please keep in mind the following recommendations for the United Arab Emirates Country Version:

- First and most important, the United Arab Emirates Country Version is not a "do it yourself" - solution. With the level of complexity involved and the complex regulatory framework, it is recommended to have experts onboard 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 the United Arab Emirates Country Version.
- User training is critical for a successful United Arab Emirates Country Version implementation.
Customer Collaboration
Localization Special Interest Group (SIG) MENA

Localization Special Interest Group (SIG) MENA
SIG MENA is an independent organization under SUG MENA, it represents a community of up to 40 participants representing 30 customers in more than 6 countries in the MENA regions.

Features
• Local SIG consists of SAP and customer representations in several Middle Eastern countries
• Local SIG runs regular month meetings
• Local SIG is a SUGMENA member
• Face-to-face meetings in SAP forums in “Riyadh and Dubai”

- Also we recommend close contact with the SIG MENA User group.

- Customer focus has always been a key to SAP's success. The Special Interest Group for Middle East and North Africa, takes it to the next level by providing customers a platform to participate in the SAP development process.

- SUGMENA is a collaboration and feedback channel, and a platform for sharing best practices and information. In addition SUGMENA serves as a channel for the Middle East and North Africa team to collaborate closely with customers. There are focus influence programs form Middle East and North Africa localization topics where SAP customers share knowledge and best practices.
Additional Information

SAP standard documentation (SAP Library Documentation for United Arab Emirates)
help.sap.com

Country page in SAP Service Marketplace
https://service.sap.com/Globalization → Country Information → Middle East and Africa

Legal change planning information
https://service.sap.com/Globalization → Country Information → Legal Changes

Release supported
Standard in all releases in mainstream maintenance

Customer service
XX-CSC-AE for FI problems
PY-PA-AE for HR/Payroll problems
PA-PA-AE for HR/Personnel Administration problems

- You can also find additional information at the sites listed here.
You should now be able to
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• Outline United Arab Emirates localization features in SAP ERP
• Explain United Arab Emirates localization features in Finance
• Explain United Arab Emirates localization features in Human Capital Management
• Discuss solution support and the rollout strategy for United Arab Emirates
Related Information

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

- **Solution Requirements**
  - FIN solution is available under Software Component **SAP_APP** in package **SAPKH60022** or higher
  - HCM solution is available under Software Component **SAP_HRCAE** in package **SAPK-60807INSAPHRCAE** or higher and under Software Component **EA-HRCAE** in package **SAPK-60807INEAHRCaE** or higher

- **Solution Help**
  - For FIN **SAP ERP EHP7**
  - For HCM **HR Renewal 2.0**

- **Public Sector**
  - Additional functionality available and applicable for Federal, Abu Dhabi and RAK governments

- **Literature**

- Here is some extra information that may help with the implementation of the United Arab Emirates Country Version
Thank You!

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Thank you very much!

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