Welcome to the e-book for the localization highlights for Ireland.
After completing this lesson, you will be able to:

- Explain the highlights of the SAP Country Version for Ireland
- Define the local requirements for Ireland from an FI perspective

After completing this lesson, you will be able to:

- Explain the highlights of the SAP country version for Ireland
- Define the local and legal requirements for Ireland from a Financial Accounting perspective
Introduction
The complexity of Ireland’s localization is low as the country is well established in the SAP solution and the localization can be achieved via configuration.

Highlights in Financial Accounting (FI):
- General Ledger
- Taxation
- Withholding Tax
- Accounts Payable
SAP delivers the financial statement version, which is based on the international chart of accounts INT.

Chart of accounts: There is no legally prescribed chart of accounts for Ireland. As a subsidiary of an international company, it is possible to have a local chart of accounts and:

- Have a mapping to the group chart of accounts
- Have additional accounts to be used for group reporting

With the use of parallel ledgers in General Ledger, it is possible to have two ledgers:
- Local GAAP
- IFRS

Alternatively, the chart of accounts can be extended to report IFRS as well as local GAAP.

In the General Ledger, SAP delivers a financial statement that is based on the international chart of accounts INT as there is no legally prescribed chart of accounts for Ireland. If an Irish company is a subsidiary of an international company, it does have the option to have a local chart of accounts and map this to a group chart of accounts, or define additional accounts in its local chart of accounts that can be used for group reporting.

With the use of parallel ledgers in New General Ledger, it is possible to have two ledgers allowing the Irish company to report in local GAAP and in IFRS if required. Alternatively, if parallel ledgers are not used, the Irish company has the option to extend its chart of accounts to include additional accounts for IFRS reporting.
Euro is the local currency.
A company should do its legal reporting in this currency.
No other hard or index currency reporting is required.
A company may trade (buy and sell) in any currency but all VAT accounts and amounts in foreign currencies must be converted to EURO for reporting purposes.
Invoices must show EURO figures for net totals and VAT.
The latest selling rate recorded by the Central Bank at the time the VAT becomes due should be used to convert foreign currency invoices. The Central Bank rates for most major currencies appear on a daily basis in the newspapers.
With the agreement of the Irish Revenue, an alternative method of determining the change rate can be used, for example, a rate determined on a calendar month basis.
Main language is English. If multiple languages are required, then these would need to be installed.
SAP delivers a customized tax calculation procedure TAXIE for Ireland. This procedure contains all the necessary tax conditions types for European VAT calculation.

The advance return for Tax on Sales and Purchases report (RFUMSV00) is used for reporting output and input VAT.

SAP will validate the VAT registration number. The number consists of the country code IE followed by 8 characters, for example 1234567X or 1X23456X.
VAT invoice numbers should be from a series that is unique and sequential for all document types. There is no prescribed format for a VAT Invoice, however, there is a certain amount of information that must be shown:


The two-thirds rule applies in Ireland for VAT. Where the provision of a service also involves the supply of goods or, alternatively, the supply of goods also involves the supply of a service, the rate of VAT applicable to the service can be used provided that the value of the goods does not exceed two-thirds of the total charge.

OSS note 88004 documents the relevant Customizing required for this rule.
Financial Accounting
EC Sales List (VIES) and Intrastat

VIES only applies to exports within the EU. VAT-registered traders in Ireland supplying goods to VAT-registered traders in other EU member states without charging Irish VAT must complete a VIES return for the Revenue.

SAP supports the EC sales list for IE in the VAT Information Exchange System format. OSS note 863759 documents the official file layout to produce an electronic EC sales list in an XML format that can be sent to the Irish Tax Authority.

What also needs to be considered is the EC Directive 2008/8 on the supply of services and the impact on the VIES reporting for Ireland. OSS note 1404951 documents the changes required to the file format for this legal change.

INTRASTAT applies to all imports and exports within the EU. All VAT-registered traders must complete Boxes E1 and E2 on the VAT3 return. SAP enables you to prepare the INTRASTAT declaration (paper format) as required in Ireland.

- VIES only applies to exports within the EU. VAT-registered traders in Ireland supplying goods to VAT-registered traders in the EU member states, without charging Irish VAT must complete a VIES return to the Revenue. SAP supports the EC sales list for Ireland in the VAT Information Exchange System format. OSS note number 863759 documents the official layout required to produce an electronic EC sales list in the XML format that can be sent to the Irish Tax Authority.

- Also, please consider OSS Note number 1404951, which documents the legal requirement to include the supply of services under the EU Directive 2008/8 and the impact on the VIES reporting.

- Intrastat applies to all imports and exports within the EU. All VAT-registered traders must complete Boxes E1 and E2 on the VAT3 return. SAP delivers the Intrastat declaration in the format required by the Revenue in Ireland.
Financial Accounting
Withholding Tax

In Ireland a special withholding tax, known as relevant contracts tax (RCT) applies to subcontractors working in the construction, forestry, or meat processing industries.

The RCT applies to payments made by a principal contractor to a subcontractor under a relevant contract. This is a contract to carry out or supply labour for the performance of relevant operation in the aforementioned industries.

RCT is a tax deduction system whereby the principal contractor will:

- Notify the Revenue when entering into a contract with a particular subcontractor (contract notification)
- Notify the Revenue anytime a payment is due to be made to the subcontractor (payment notification)
- Receive a deduction authorization from the Revenue detailing the withholding tax code to be applied and the amount of the deduction
- Receive a deduction summary that lists all the payment notification and the amount of tax to be paid to the Revenue

These are the new RCT scheme rules that are applicable from 01 January 2012.

For further information, please refer to:
SAP supports the following payment methods as used by companies in Ireland:

- Checks: The generic report RFFOUS_C can be used to print cheques.
- The standard program RFFOGB_T is used to process automatic bank direct debits and bank collections. For Ireland the following formats are supported:
  - IE_AIB (Allied Irish bank format)
  - IE_BOI (Bank of Ireland format)
  - IE_ULSTER BANK format is also available. Please refer to OSS Note number 1587556.
  - Payment formats are based on the DME tool.
  - Foreign bank transfer: No standard format exists for IE.
  - Use generic formats MT100 and MT103.

SAP supports the following payment methods in Ireland:

- Checks. There is a generic report, RFFOUS_C, that can be used to print checks.
- The standard program RFFOGB_T is used to process automatic bank direct debits and bank collections. For Ireland the formats for the Allied Irish Bank, Bank of Ireland and the Ulster Bank are supported.
- The payment formats are based on the DME tool.
- There is no standard format in Ireland for foreign bank transfers, however, Irish companies can use the generic formats MT100 and MT103.
You should now be able to:

- Configure the system to be compliant from an FI perspective for Ireland in the areas of:
  - General Ledger
  - Taxation
  - VIES and Intrastat
  - Withholding Tax
  - Accounts Payable

You should now be able to configure your FI system to be compliant with the rules and regulations of the Ireland in the following areas:

- General Ledger
- Taxation
- VIES and Intrastat
- Withholding Tax and
- Accounts Payable
Related Information

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

- Important SAP Notes for Ireland, availability information for Country Version for Ireland at service.sap.com/GKB
- Local consulting
- http://www.sap.com/uk/services/consulting/index.epx

- The related information slide is used to provide extra information to the user, perhaps linking more trainings, the SAP global website, or a whitepaper.
- The content should be stable and not likely to change in the near future. Do not include reference to external web sites.
- For more information on topics discussed in this lesson, see the references listed here.
Thank You!

Contact information

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