Hello and welcome to the E-Learning ‘Highlights of SAP Country Version Norway - FI and HCM’.
Objectives

At the end of this lesson, you will be able to:

- Explain the main highlights of country version Norway
- Have a general idea of the complexity of HCM and FI for Norway
This presentation will introduce you to the subject and guide you through the highlights of financials, including accounting, value-added tax and tax reporting, bank transactions, export and import, and assets. It will also guide you through the highlights of human capital management, including payroll and reporting, and will discuss public sector solutions, local sector adjustments, and travel management.
Introduction
Country Complexity

**FI for Norway**
- Medium complexity and low frequency of changes
- Laws are EU compliant
- Tax and VAT are areas of highest complexity

**HCM for Norway**
- High complexity and high frequency of changes
- Government reporting is challenging

- Financials for Norway has medium complexity and a low frequency of changes.
- Even though Norway is not part of the European Union, laws are EU-compliant and most laws and regulations decided within the European Union will be implemented in Norway as well. Areas including the most change and complexity are tax issues and value-added tax.
- Human capital management and payroll, in particular, have high complexity and high frequency of change. Government reporting is challenging, complex, and constantly changing, with low predictability and short deadlines.
Extended general ledger is available for Norway
Reports for transaction overview have been localized according to law to accommodate extended general ledger.

Norwegian standard chart of accounts is available
Some sectors use industry or government standards for charts of accounts.

Norwegian rules for storing documents and report output

Reports localized
Balance report, accounts specified, vendor transactions

- New General Ledger Accounting is available for Norway so that the full functionality of SAP can be utilized. This also includes reports for transaction overviews that have been localized to accommodate the new general ledger.
- The solution is delivered with a Norwegian standard for the chart of accounts, but is fully customizable to your needs.
- The solution follows Norwegian rules for storing documents and report outputs, and supports printing of the necessary reports.
- Localized reports include balance report, accounts specified, vendor transactions, and tax overviews by account.
Due to Norwegian requirements, most government reporting is localized. There are special requirements for organizational numbers and VAT numbers, with validity checks. The check digit (last single digit) is calculated using either MODULO 10 or MODULO 11. A government portal, called Altinn, is mainly used for all electronic reporting.

You can find more information at www.skatteetaten.no.
Bank Transactions

**KID number**
In Norway, a customer identification number (KID) is used to identify each specific payment and to simplify matching of claim and payment. Localization is available for validation and handling of KIDs.

**Payment formats**
- In Norway, one common clearing house (Nets) is used for most bank transactions. Two main formats for bank transactions are used, and reports are localized.
- Electronic invoicing (contract accounting) for Norway is localized together with standing payment orders, using Nets.

**Other**
It is a government requirement that all invoices to government organizations be electronic by summer 2012.
(There are already partner solutions available for public sector customers to receive electronic invoices.)
Export/Import

With SAP Global Trade Services, we address our customers’ requirements within the areas of import and export regulations and customs communication. So far, SAP BusinessObjects Global Trade Services has been localized for 12 countries.

We are now gathering requirements for a localization for Norway to integrate SAP BusinessObjects Global Trade Services with TVINN and TET (Norwegian Customs solutions for electronic customs declarations and transits). Until now, such integration has only been available through third-party tools. When SAP BusinessObjects Global Trade Services is localized for Norway, efficient customs procedures will be available on one common global platform supporting Norway and 12 other countries.

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Norwegian-specific rules for assets handling are handled through standard SAP functionality. No localization is needed.

Depreciation
Norwegian-specific rules for tax and account depreciation, and for reevaluation of assets, are handled through standard SAP functionality. No localization is needed.

Norwegian-specific rules for assets handling are handled through standard SAP functionality. Pay attention to depreciation, because there are specific Norwegian rules for tax and account depreciation.
HCM for Norway

HCM for Norway
Payroll
General

Payroll engine
- A Norwegian payroll schema has been localized.
- Concurrent employment is not localized for Norway.
- Only monthly payroll is supported.
- New G/L adjustments are planned.

Employee tax
- Updated tax calculation delivered by SAP every year

Employer’s Contribution (Arbeidsgiveravgift)
- Payroll calculates employer’s contribution based on the location of the company.
- This is a complex area of localization.

The payroll engine
- As for most countries, a specific Norwegian payroll schema has been localized.
- Concurrent employment is not localized for Norway, but there is a local solution for multiple positions for government and local government.
- Adjustments to the new general ledger are on the way.

Employee tax
- An updated tax calculation is delivered every year, and there is Norwegian functionality for electronic exchange of tax information for employees. However, employee taxation is a very complex area of localization and includes vacation pay, periods of lower taxation, special areas such as Svalbard, and a variety of different rules and regulations.

Employer’s contribution
- In addition to tax on employees, employers are also required to pay an “Employer’s Contribution” to the authorities. The payroll function includes special functionality and reporting for employer taxes, including bi-monthly reporting and payments. There is a fully integrated solution for reporting electronically to Altinn that requires both SAP ERP and SAP NetWeaver PI. There are no license costs for the use of SAP NetWeaver PI as part of this solution.
Reimbursement of sick pay
- In Norway, the government compensates employees when they are sick. In many cases, the employer pays the employee, then claims the amount reimbursed by the government. In all cases, the employer pays for the first 16 days of sickness.
- Norwegian functionality for handling all aspects of the reimbursement process is localized (claims, reports, received pay, reconciliation, follow-up).

Follow-up of sickness
There are specific rules for employers’ follow-up of absences, but system support for this exists only in third-party systems and customer development.

- This might be the most complex area of calculation and reporting.
- In Norway, the government pays compensation to employees when they are sick. This is based on a very complex set of rules and regulations. In many cases, the employer pays the employee, then claims the amount reimbursed from the government. In most cases, the employer is required to pay for the first 16 days of sickness without reimbursement. The entire process—including absence, claim, reports, received pay, reconciliation, and follow-up—is localized in Norway.
- There are also rules for following up with employees who are sick. These rules include predefined intervals between follow-up meetings with the employee, and predefined intervals for reporting to the government. Third-party solutions exist to accommodate this.
Payroll
Reporting

**Reporting**
- There are localized government reporting for absence statistics, reimbursement of sick pay, employee register (AA report), pensions, salary statistics, annual tax reporting (year end), individual tax level code, deductions, unions, overtime, employer contribution, and tax.
- Local expertise of Norwegian payroll reporting is highly recommended.
- Reporting is complex and needs to be compliant with several different laws and regulations.

**Reporting types**
Reporting is done on paper, electronically, or through a government portal (Altinn), depending on the report. SAP NetWeaver PI is used for integrated reporting with the government portal (Altinn); there are no requirements for an SAP NetWeaver PI license for this specific reporting.

- There are localized reports for government reporting of absences, reimbursement of sick pay, pensions, statistics, year end, employment, taxes, deductions, unions, and overtime.
- Because reporting is so complex, local expertise of Norwegian payroll is highly recommended. Reporting needs to be compliant with several different laws and regulations.
- Some reporting is done on paper and mailed to the government. Other reporting is electronic and is sent either on CD or DVD, or uploaded to Altinn through XML or a flat-file format. The reporting format and method of delivery depend on the government agency that requires the report. The same goes for the frequency of reporting.
Additional Country Highlights
Travel Management

Norwegian travel regulations
In Norway, government travel policies and regulations are supported with localized handling. Tax-free limit rates are supplied when changed in compliance with tax authority rates.

Travel Management
In Norway, travel is usually seen as part of payroll, and follows the government travel policy. Since travel reimbursement in many cases involves tax on the paid amount and requires annual reporting with payroll, the necessary information is transferred to payroll.

- Special Norwegian travel regulations are supported by localized functionality. Rates are delivered for import into SAP on a regular basis, based on the rate changes from tax authorities.
- In Norway, travel is usually seen as part of human capital management, and reporting is done through the annual tax statement. This requires travel to be integrated with payroll, and data for traveling must be transferred to special tables in payroll for annual tax reporting. Payment to employees is also usually done through payroll.
Additional HCM Functionality for Specific Industry Requirements

**HCM for Central Government/State Sector**
The solution for the public sector supports special public sector requirements, such as public pay scales and pension rules. This solution supports employees with two positions (jobs): a main position and one additional position.

**HCM for Local Government**
The solution for local government allows for multiple-position functionality in the required areas.

**HCM for Oil & Gas**
The solution for recalculation from net to gross salary exists through partner Sariba: [www.sariba.com](http://www.sariba.com).

**HCM Hosted Solutions**
Hosted solutions are provided by partners such as Zalaris ([www.zalaris.no](http://www.zalaris.no)) and EVRY ([www.evry.com](http://www.evry.com)).

- A special solution for public sector covers areas such as multiple positions and reporting.
- For local government, partners can develop a custom solution for the local government organization’s special needs. A partner solution from EVRY exists.
- For the oil and gas industry, partners have developed a solution for net salary. Hosted solutions are provided by partners such as Zalaris and EVRY.
Lesson Summary

You should now be able to:

- Explain the main highlights of country version Norway
- Have a general idea of the complexity of HCM and FI for Norway

You should now be able to understand the main highlights for the Norwegian country version and should have a general idea of the complexity of financials and human capital management for Norway.
For more information on topics discussed in this lesson, see the following references:

- Important SAP Notes for Norway: service.sap.com/GKB

For more information on topics discussed in this lesson, see the following references.
Thank You!

Contact information

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Thank you for attending this E-Learning session.