SAP Local Version: Colombia
Finance and Logistic- an overview

Liliana Cruz, SAP
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Agenda

- Local Version for Colombia: Quick Facts

- Requirements
  - Master Data
  - Taxes
  - Electronic Invoicing
  - General financial topics

- Additional Country Highlights
  - Support
  - Customer Collaboration: ASUG
  - Recommendations
Now let me walk you through the Colombian financial topics. We will look into the Master Data, Taxes and ERP financial requirements in general.
Master Data

- Company Code
  - Tax Identification Number
  - Official Chart of accounts
  - Address

- Vendors / Customers
  - Tax Identification Number
  - Tax Identification Number Type
  - Natural / Legal Person
  - Withholding tax information
Taxes

Value Added Tax
- Goods and Services taxable, exempt and exclude
- General rate: 19%
- Differential rate 5%
- Payment
  - Bi-monthly and Four-monthly

Consumption Tax
- Specific goods and services
- Different rates: 4% - 8% - 16%
- Payment
  - Bimonthly
Taxes

**Withholding Tax**

- 3 Types, in sales and purchase process:
  - **Income**
  - **VAT**
  - **Industry and Commerce**

- Each one of these types with their corresponding rates, taxable bases and conditions

- Withholding at invoice time. With option for self-withholding and assumed withholding

- Payment
  - Monthly, according with the last digit of the Tax identification Number
Electronic Invoicing

- During 2019 and 2020, all Colombian companies should emit e-documents
- The obligation includes emission and electronic transmission of the XML files for: Invoices, Debit Notes and Credit Notes.
- Electronic documents in XML format should be sent to tax authority (DIAN) for the previous validation. After that, these should be sent to customers.
- Companies forced by the tax authority (DIAN) to enter in the electronic invoicing system should satisfactorily fulfill the technological tests established, aimed to demonstrate compliance with technical conditions of emission (generation - delivery), receipt, rejection, and other technological and operational conditions.
Solution Landscape – Document Compliance Scenarios

SAP ECC or S/4HANA

- Document – Type 1
- Document – Type 2

  SAP APPL 6.05
  SAP Netweaver 7.02

Communication Platform
  e.g. SAP Cloud Platform Integration

Integration flow

Recipient

- Country A
- Country B

- Country Format Mapping
- Business Monitoring

- Communication
- Authentication/Digital Signature

- Validation
- Approval/Registration
Solution Architecture – SAP Document Compliance
on-premise edition + SAP Cloud Platform Integration

Recipient

SII ← SUNAT ← FACe ← SII ← NAV ← ...

SAP Cloud Platform Integration

SAP Cloud Platform

DTE ← Peruvian UBL ← Facturae ← Fattura PA ← EKAER ← ...

SAP Document Compliance, on-premise edition

Chile ← Peru ← Spain ← Italy ← Hungary ← ...

Suite

Legal Reports ← SD Del GI ← SD Bill ← FI ← IS-U ← Real Estate ← MM returned invoice
Scope

- **Emission and Transmission** of Single Invoice/Debit Note/Credit Note
- **Contingency process** when the electronic transmission is not possible
- **Receipt** of incoming Invoice/Debit Note/Credit Note
Solution

As a general rule, SAP recommends that you implement the Support Package specified for your release. However, if you need instruction, you can find more information about the SAP Note Assistant in SAP Support Portal, under SAP Note Assistant.

After installing the eDocument Framework, you install the following SAP Notes with specific features for Colombia:

1. 2348846 - eDocument Colombia - eInvoicing: Prerequisite Objects for note 2287487
2. 2417857 - eDocument Framework - S/4HANA improvements
3. 2502511 - eDocument Format of Columns in Cockpit according to DDIC (e.g., Currency, Quantity)
4. 2597257 - eDocument Colombia - eInvoicing
5. 2592299 - eDocument Colombia - eInvoicing: Configuration and Customizing
6. 2338117 - eDocument Colombia: ADAP Interfaces for Send Documents V1.0
7. 2477399 - eDocument Colombia: Prerequisites for SAP Note 2370466
8. 2370466 - eDocument Colombia: Implementation of API
9. 2426588 - eDocument Colombia: API Customizing
10. 240627 - eDocument Colombia: API Setup
11. 2405957 - eDocument Colombia: eInvoicing: Additional Information to Full Solution
12. 2502511 - eDocument Colombia: eInvoicing: Additional Information to Full Solution
General financial topics

- Official Chart of Accounts
- IFRS - Mandatory application from 2015
- Reporting
  - Withholding Taxes Certificates
  - Magnetic Media Reports - Advanced Compliance Reporting
  - Official books
What is ACR

It is SAP's next generation legal reporting solution to manage all statutory reporting needs worldwide. This means that if there is a legal reporting requirement i.e. a legal report which needs to be sent to a Government authority for compliance purposes then ACR is envisioned as the solution to solve it.

On the left hand side, you see examples of legal reports like VAT, GST, Audit files like SAF-T etc. There are more varieties of legal reports needed across the world.

On the right hand side, you see example of few countries that require legal reporting.

So ACR is a true global solution for legal reporting.

As it is a strategic solution from SAP, it is in line with SAP’s flagship innovation product which is S/4HANA. ACR is available in all deployment options of S/4HANA i.e. public cloud, private cloud and OP. It is also compatible as a tool with Central Finance. Few reporting scenarios of ACR are also available on SCP for critical legal changes.

Depending on what path you are taking in S/4HANA Journey, you can choose different approaches:
- SAP HEC (HANA Enterprise cloud)
- Central Finance
- S/4HANA Cloud
- S/4HANA OP

ACR has two aspects – run time and design time.
Run time which is used by business users like tax accountant etc. to do legal reporting and design time which is used by technical users to build legal reports. These will be explained in the later slides.
Local Version Colombia
Support

- Full support on Legal changes throughout the year delivered through SAP Notes
- Proactive Analysis backed up with Legal Experts.
- Country Page @ SAP Service Market Place: https://support.sap.com/globalization
Customer Collaboration: ASUG Colombia (Colombian User Group)

ASUG Colombia consists of SAP and Customer representations in Colombia.
Collaboration and feedback channel, a platform for sharing Best Practices and information exchange.
Web Access: www.asugcolombia.com

Customer focus has always been a key to SAP Success. ASUG Colombia (The Colombian User Group) takes it to the next level, by providing customers a platform to collaborate with SAP Development process. Additionally this serves as a channel for Colombian team to have strong collaboration with customers. There are focused influence programs for Colombian Localization topics where Customers and SAP shares the knowledge and Best Practices.
Local Version Colombia
Recommendations

- Not a “Do It Yourself” System
- Expert knowledge required
- User Training
- Maintain the system updated with SAP Notes relevant for localization issues

Lastly, definitely not the least, here are some recommendations for the ones new to Country Version for Colombia:

- First and foremost, as you may agree, there is not a “Do it Yourself” System. With the level of complexity involved, it is recommended to have the experts and experienced on Board, right from the beginning.
- There is definitely some expert knowledge required on Global Templates as it has been observed by many global customers to avoid late surprises.
- It is recommended heavily to the customer to please upgrade to minimum Support Pack level to get the relevant Legal changes in Future.
- Lastly User training is a critical part to a successful implementation, which I think all of us do agree.
Thank you.

Contact information:
Liliana Cruz Cubillos - Globalization Product Management
Globalization Services
Email : l.cruz@sap.com
SAP Globalization Services:
globalization@sap.com