



Create Tax Content for Non-Localized Countries in SAP Cloud Applications Studio

Table of Contents

1.	Summary.....	1
2.	Expected Result.....	2
3.	Prerequisites.....	3
4.	Limitations.....	4
5.	Steps.....	5
5.1	Configure Tax Types.....	5
5.2	Configure Tax Calculation Procedure (Optional).....	8
5.3	Configure Tax Events	13
5.4	Accounting Attributes for Tax Events (Optional).....	15
5.5	Configure Tax Codes	18
5.6	Configure Tax Rate Schedules.....	20
5.7	Configure Tax Decision Tree.....	21
5.8	Configure Account Determination Product Tax Event Group.....	22
5.9	Configure Product Tax Event Type Account Determination Product Tax Event Type Group	24
6.	Appendix I: SAP Delivered Standard Tax Calculation Procedures	26

1. Summary

In the business configuration of the SAP Business ByDesign system, you can configure the taxation parameters for SAP country versions in the fine-tuning activity, *Tax on Goods and Services*. You can configure the taxation parameters for SAP country versions only. This document describes how to use the SAP Cloud Applications Studio to configure tax types, tax events and tax codes based on the specific requirements for a country. Please note that the country should be available in the list of tax countries delivered by SAP. For the list of delivered tax countries, see [Tax Basic Countries](#).

2. Expected Result

When you deploy the add-on that you create, you will be able to use the specific tax codes that you have configured for the non-localized country.

3. Prerequisites

- You have installed the latest PDI release for creating the tax content.
- The country you want to configure is available in the tax country table already delivered by SAP.
For the list of delivered tax countries, see [Tax Basic Countries](#).

Note: You can only create tax content for the countries included in this list. If a country is not listed here, please contact SAP Business ByDesign Globalization team through [Customer Influence](#) and mark the area as 'Globalization' in the idea.

- You can view the list of available standard tax calculation procedures in [Appendix I](#).

4. Limitations

- Through PDI you can either create your own tax calculation procedures (see section [5.2 Configure Tax Calculation Procedure](#)) or use tax calculation procedures marked as standard .
For more information, you can view the list of available standard tax calculation procedures in [Appendix I](#).
- You cannot create tax deductibility codes for the tax through the PDI system; however, you can create them in the fine-tuning activity, *Tax Setting and Purchasing*, in the SAP Business ByDesign system. You must manually redo the entire process in the customer system.
- You cannot configure tax codes for purchasing using PDI tax type, because a deductibility code is mandatory for a purchasing tax code and deductibility codes cannot be created through PDI yet.
- Assume tax content is created using SAP Cloud Application Studio, the tax type description is shortened with the first two characters of the solution key in the pricing view. However, SAP delivered tax types display the right descriptions in the pricing view.

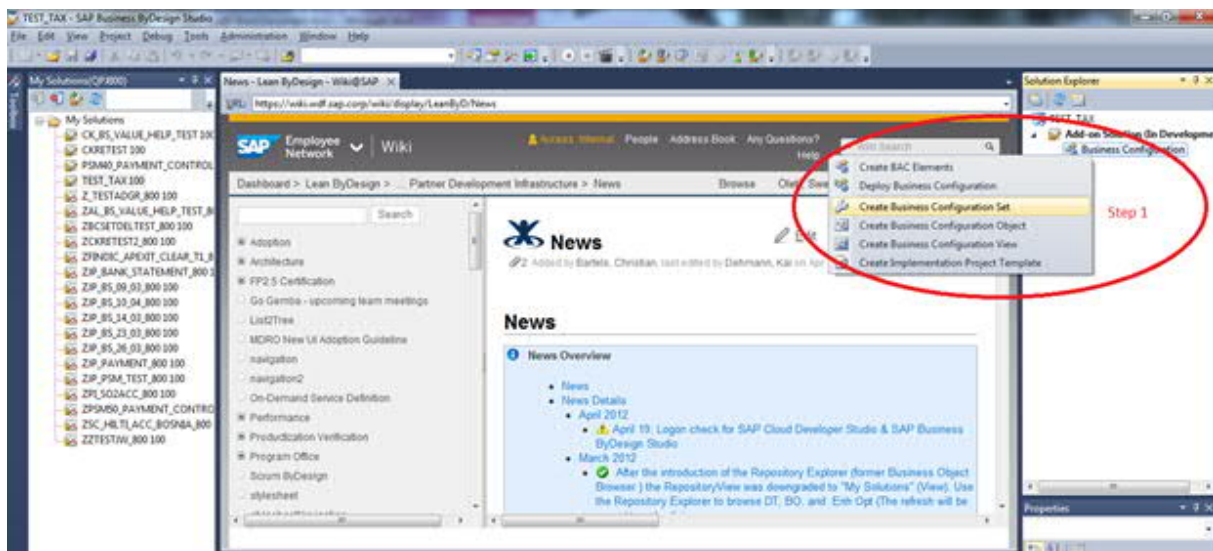
5. Steps

5.1 Configure Tax Types

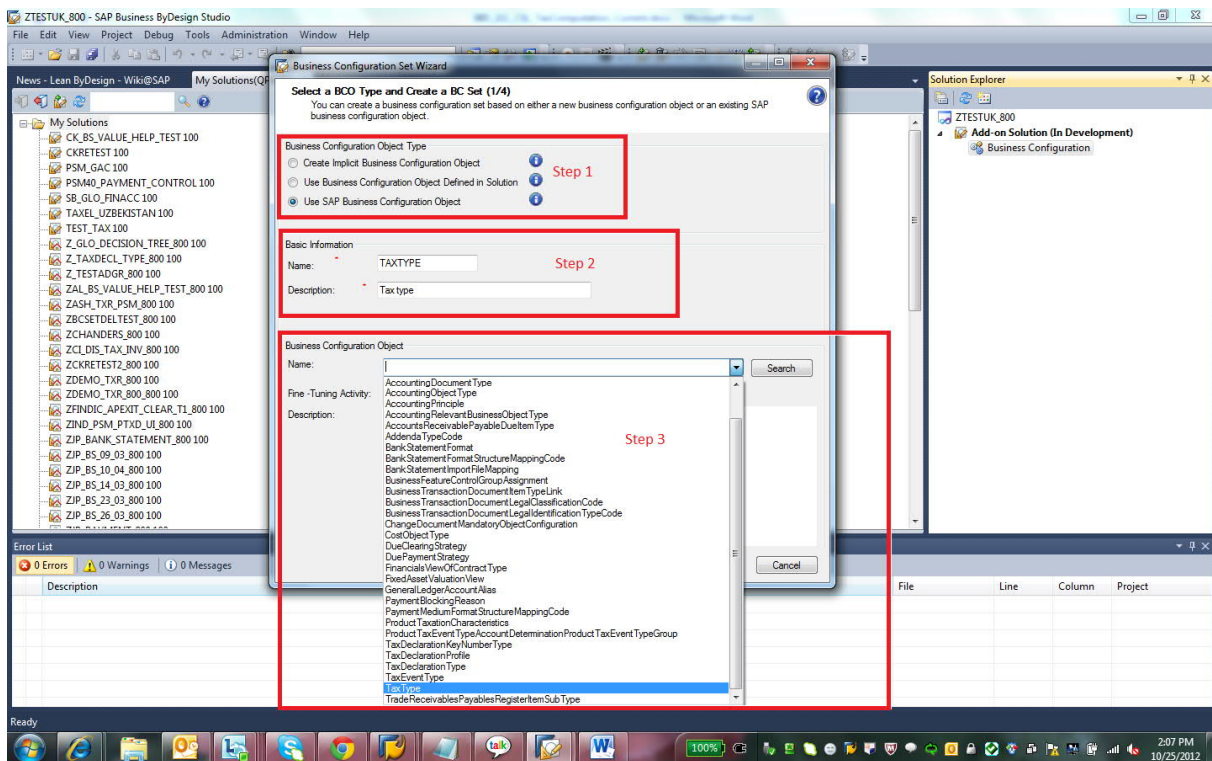
In the tax engine, a tax type represents the type of tax a particular transaction attracts, such as VAT or Service tax. Each country will have a set of tax types and each tax type will have set of rate types assigned to it, such as VAT standard rate, VAT reduced rate, and so on.

You can create Tax Types in the SAP Cloud Applications studio by following the steps below:

1. In the Solution Explorer, right-click the **Business Configuration** node and select **Create Business Configuration Set**. The **Business Configuration Set Wizard** opens.



- Under **Business Configuration Object Type**, select **Use SAP Business Configuration Object**.
- Enter a name and a description.
- Under **Business Configuration Object -> Name**, select **Tax Type** from the list.
- Click **Next** to continue. The *Define the Values of Your Business Configuration Set (2/3)* window opens.



- Open the **Tax Type** node and enter the values as below:

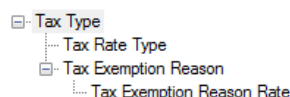
- CountryCode:** Specify the country code for which you need to configure the tax type.

Note: The country you want to configure must be available in the tax country table already delivered by SAP. For the list of delivered tax countries, see [Tax Basic Countries](#). Before specifying the country code, please see [Prerequisites](#).

- Code/Content:** Specify a numerical code for the new tax type.
- TaxCategoryCode:** Specify the category of tax, in this case Product Tax.

Note: Due to technical constraints, the Withholding Tax tax category is currently not supported even though it is displayed in the drop-down list.

- Name/Content:** Enter a description for the newly-created tax type code.



	CountryCode*	Code/content*	TaxCategoryCode	Name/content*
	Serbia	1	Product Tax	VAT
*				


- Select the **Tax Rate Type** node and enter the values as below:

- **CountryCode:** Specify the country code as outlined above.
- **TaxTypeCode/Content:** Enter the tax type code of the tax to which the new tax rate type belongs.
- **Code/Content:** Specify a new tax rate type code for the country you want to configure. This value must not exceed four characters. The tax rate type usually specifies if the tax rate is standard, reduced, or zero. The tax rate percentage can be assigned to tax rate types in business configuration under the fine-tuning activity, **Tax on Goods and Services -> Define Rate Schedules**.
- **Standard:** Select the checkbox to specify that the tax rate type is Standard. Note that only one tax rate type can be defined as Standard.
- **Name/Content:** Enter a description for the newly-created tax rate type.

<div> <div>Tax Type</div> <div> <div>Tax Rate Type</div> <div> <div>Tax Exemption Reason</div> <div>Tax Exemption Reason Rate</div> </div> </div> </div>					
	CountryCode*	txTypeCode/content	Code/content*	Standard	Name/content*
	Serbia	1	1	<input checked="" type="checkbox"/>	Standard
	 Serbia	1	2	<input type="checkbox"/>	Zero
	*			<input type="checkbox"/>	

8. Select the **Tax Exemption Reason** node and enter the values as below:

- Enter the **Country Code** and **TaxTypeCode/Content** as above.
- **Code/Content:** Specify a new **Tax Exemption Reason Code** according to your requirements. An exemption reason code usually specifies if the exemption is due to the business partner, or a particular sales/purchase, and so on.
- **BusinessPartnerRelevant/ProductRelevant/TaxEventRelevant/ExemptionCertificate Relevant:** Select the relevant checkbox to define at what entity you wish to use the exemption reason code. For example, you can assign a given exemption reason code to a business partner only if the *Business Partner Relevant* checkbox is marked.
- **Name/Content:** Enter a description for the newly-created exemption reason code.

<div> <div>Tax Type</div> <div> <div>Tax Rate Type</div> <div> <div>Tax Exemption Reason</div> <div>Tax Exemption Reason Rate</div> </div> </div> </div>								
	CountryCode*	txTypeCode/content	Code/content*	BusinessPartnerRelevant	ProductRelevant	TaxEventRelevant	ExemptionCertificateRelevant	Name/content*
	Serbia	1	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Exempted Business Partner
	Serbia	1	2	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Exempted Product
	 Serbia	1	3	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Exempted sale
	*			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

9. Open the **Tax Exemption Reason Rate** and enter the values as below:

- Enter the **CountryCode** and **TaxTypeCode/Content** as above.
- **ExemptionReasonCode/Content:** Enter the newly-created tax exemption reason code for which you need to configure the rate.
- **TaxRateTypeCode/Content:** Select the **Tax Rate Type** for the exemption reason code. When processing a business document with an assigned exemption reason code, the tax engine automatically applies the selected tax rate type and the respective tax rate percentage for calculating the tax. The tax rate percentage for the tax rate types can be specified in the business configuration fine-tuning activity, **Tax on Goods and Services**

-> **Define Rate Schedules.**

<div> <div>Tax Type</div> <div> <div>Tax Rate Type</div> <div> <div>Tax Exemption Reason</div> <div>Tax Exemption Reason Rate</div> </div> </div> </div>				
	CountryCode*	ixTypeCode/content	ptionReasonCode/i	TaxRateTypeCode/content
	Serbia	1	1	Reduced
	Serbia	1	2	Zero
	Serbia	1	3	Zero
	*			

10. Verify the values in the **Review your Business Configuration Set** view. If you want to make any changes or corrections, click **Back** to proceed. If all the values are correct and you want to save the content, click **Finish**.
11. Right-click the BC set that you created in the *Solution Explorer* view and select *Activate* to activate it.
12. Right-click the **Business Configuration** node and click **Deploy Business Configuration**. The content is deployed to the SAP Business ByDesign system and you can access the information through the fine-tuning activity, **Tax on Goods and Services**.

5.2 Configure Tax Calculation Procedure (Optional)

Note: Please check whether the tax procedures delivered by SAP meet your requirements.

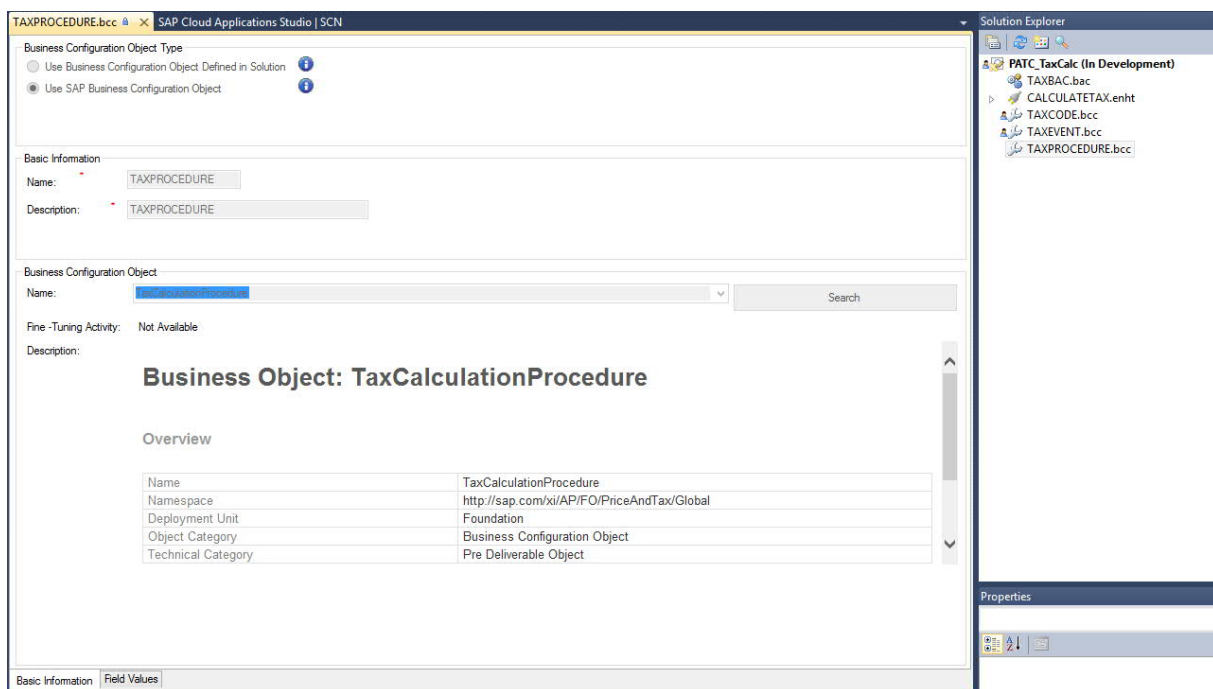
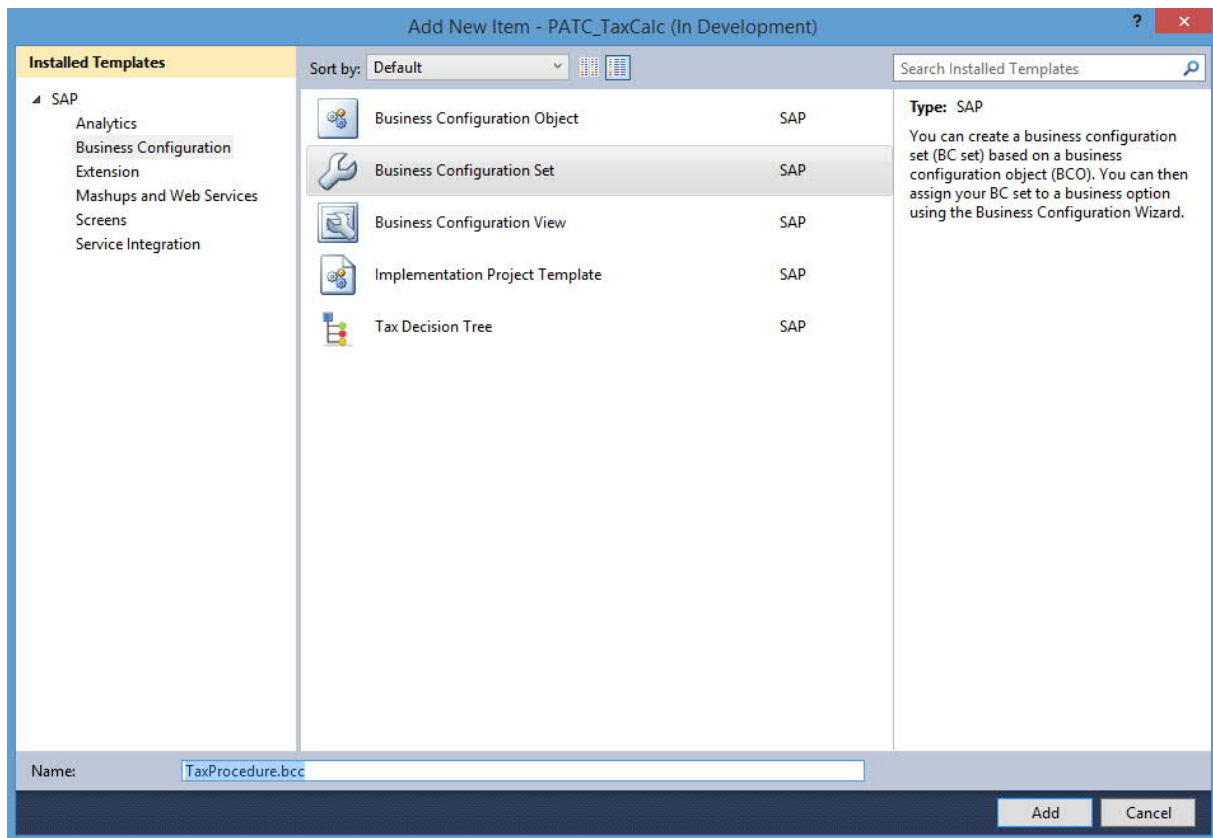
Tax calculation procedure is an element of tax calculation which defines how the tax calculation occurs. You can use one of the Tax calculation procedures delivered by SAP or define a new one and implement the same via ABSL scripts.

You can do the following using the tax calculation procedure:

- Influence the tax base amount (to achieve Tax on Tax scenarios).
- Influence the sequence of which tax type is calculated first.

You can create a new tax calculation procedure in the studio following the steps below:

1. Under **Business Configuration Object-> Name**, select **TaxCalculationProcedure**



- Click **Next** to continue.
- Select the Tax Procedure Node and enter the values as mentioned below:
 - Tax Calculation Procedure:** Specify the new tax calculation procedure based on your requirement.

Preferably start with the prefix 'Y' or 'Z'.

- **Standard Tax Calculation Procedure:** Indicates whether this calculation procedure is a standard procedure or not. **Do not mark this.**
- **Description:** Enter a description explaining your tax calculation procedure.

4. Select the **Tax Procedure Country Assignment** node, and enter the details as below:

- **Tax Calculation Procedure:** Enter the defined tax calculation procedure.
- **Country:** Enter the Country for which this tax calculation procedure is to be assigned.

TAXPROCEDURE.bcc SAP Cloud Applications Studio | SCN

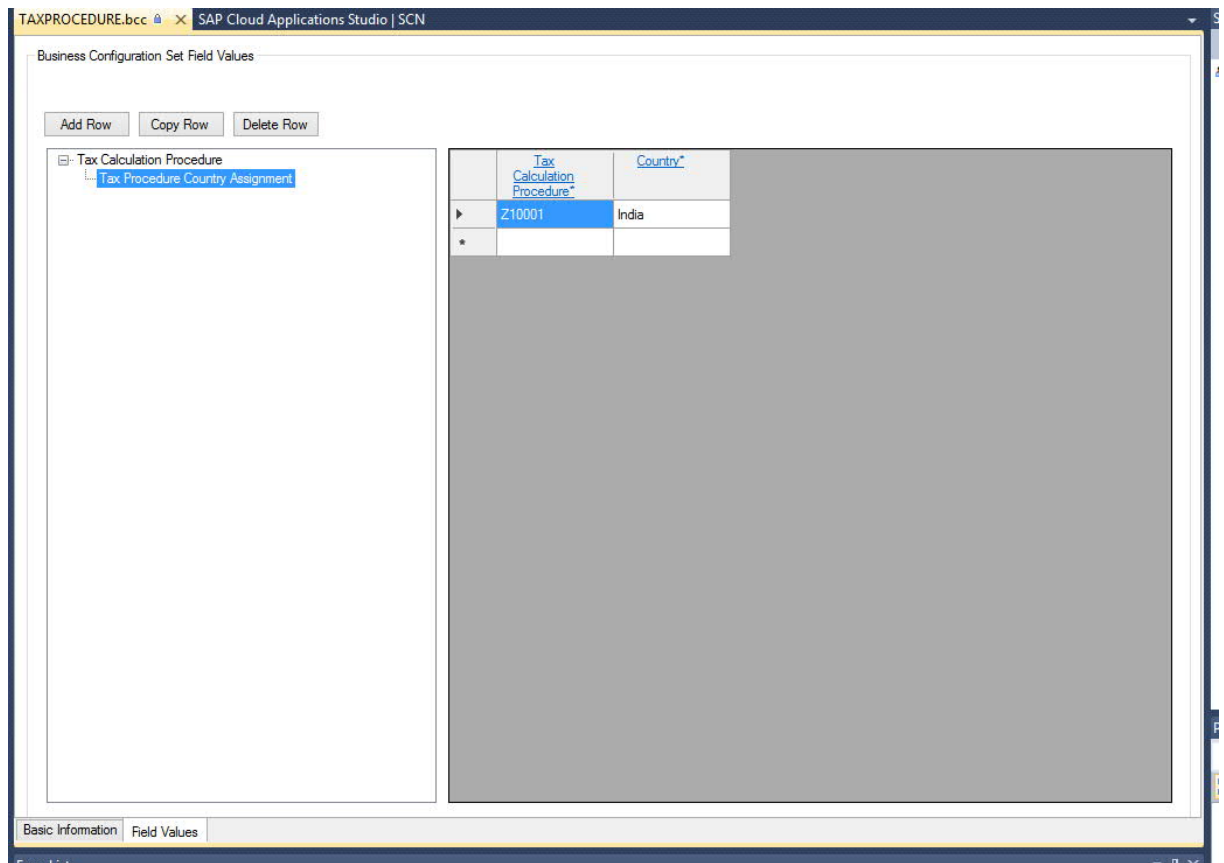
Business Configuration Set Field Values

Add Row Copy Row Delete Row

[-] Tax Calculation Procedure
 [-] Tax Procedure Country Assignment

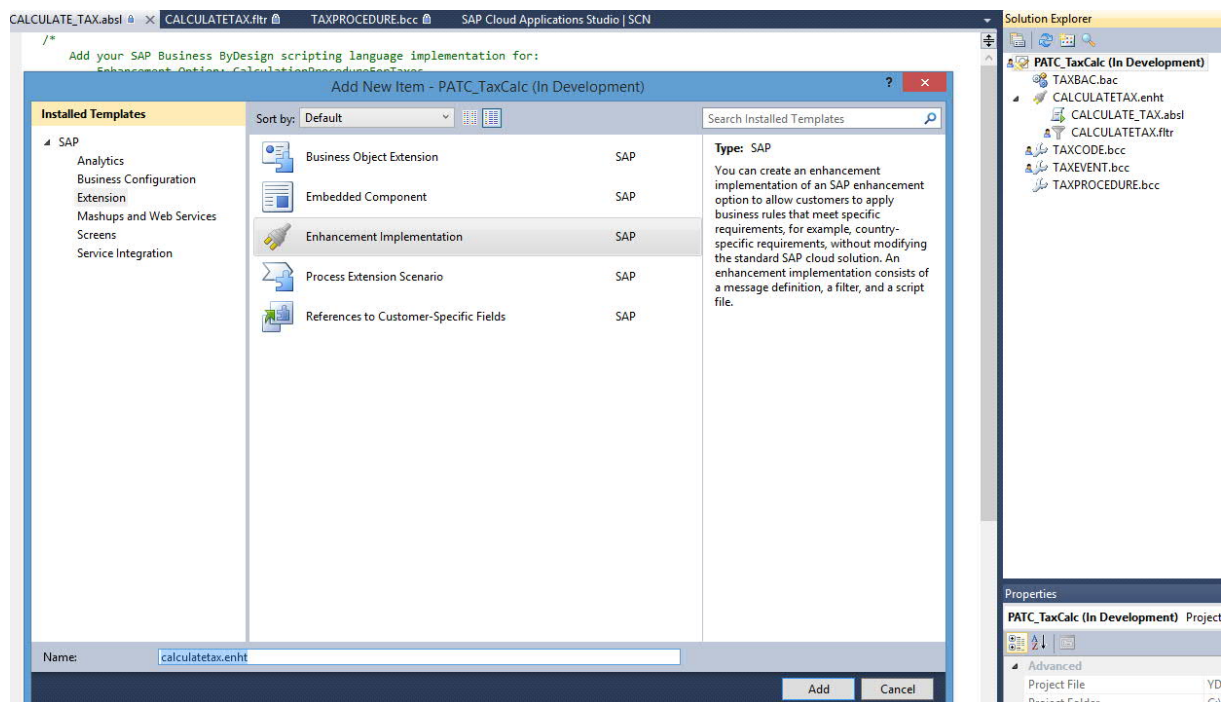
	Tax Calculation Procedure*	CalculationProcedure	Description*
▶	Z10001	<input type="checkbox"/>	Partner procedure
*		<input type="checkbox"/>	

Basic Information Field Values



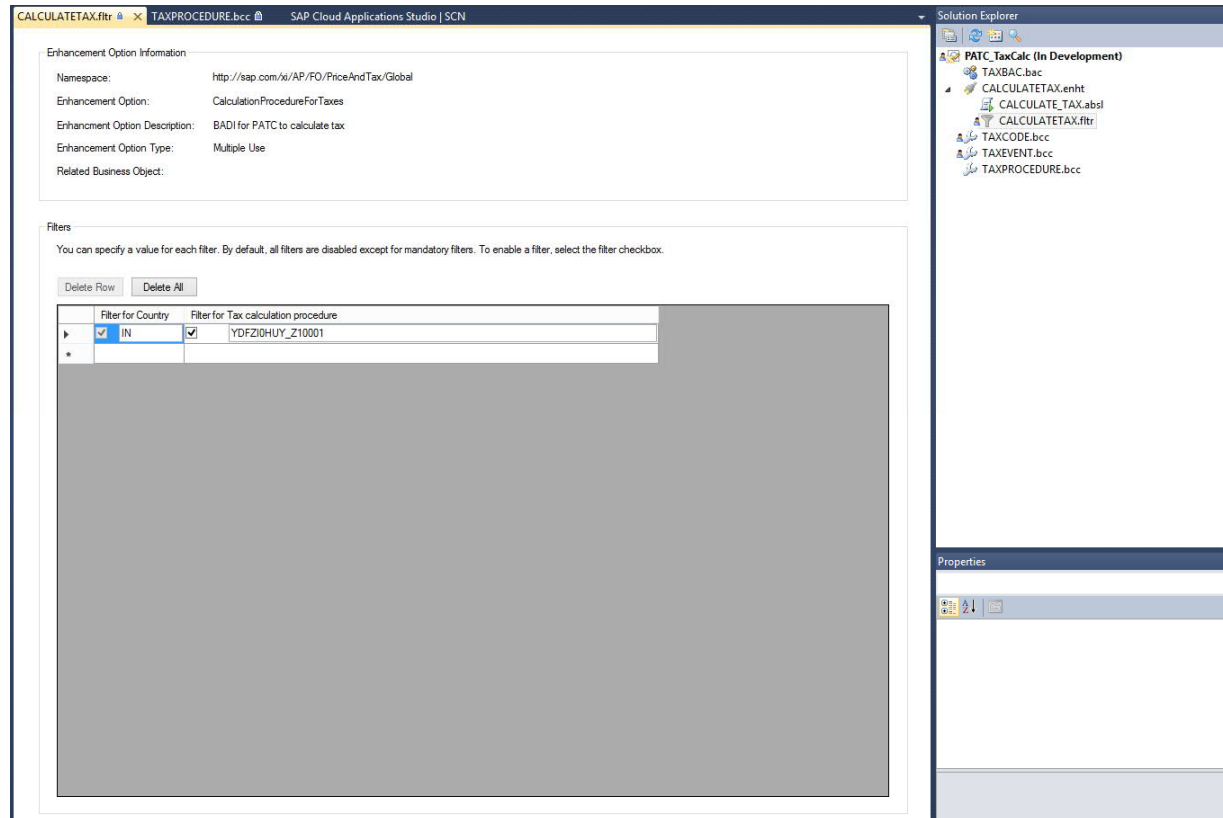
Now that the creation of the tax calculation procedure is done, the next step is to define this tax calculation procedure:

5. Add a new **Enhancement Implementation**.

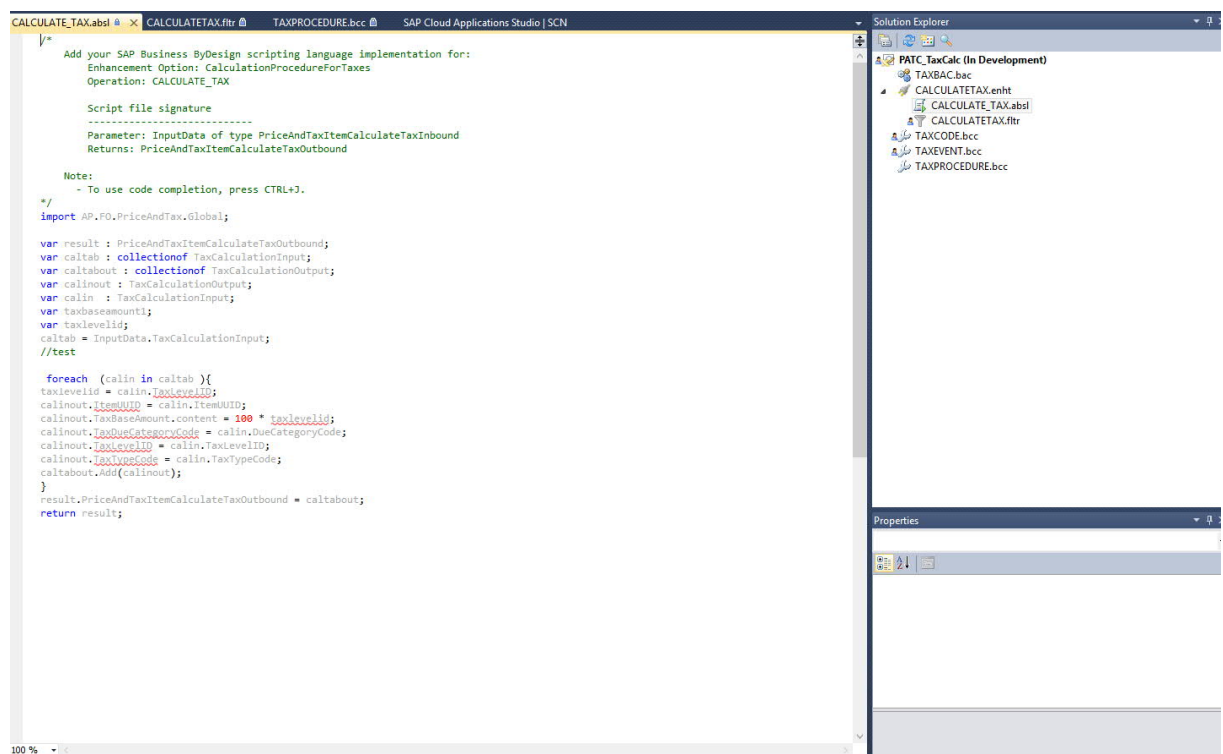


6. Under the **Filter** tab enter the following details:

- **Filter for Country:** Enter the Country you which you created the tax calculation procedure.
- **Filter for Tax Calculation Procedure:** Enter the tax calculation procedure created in the previous step.



7. Under the ABSL section you can now influence the tax base amount and the tax percent.



8. To deploy the BC set please follow the steps as outlined in section [5.1 Configure Tax Types](#) .

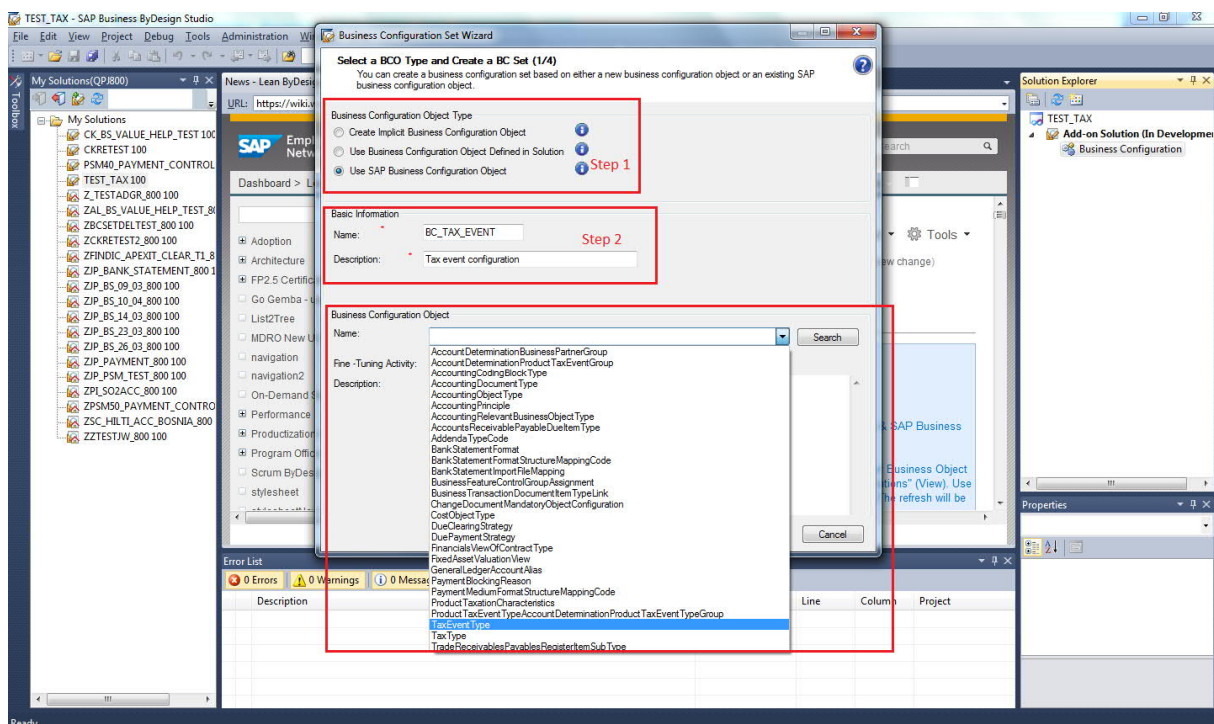
5.3 Configure Tax Events

Tax Event is a central element in tax calculation that represents the particular tax scenario. Tax event is the first level of determination in the tax process, for example, domestic sales in Serbia.

Tax events classify business situations or business processes from the point of view of the applicable tax law. As each country defines different business situations or business processes as taxable in a certain way, a different set of tax events for product tax is needed to implement local tax requirements in each country.

You can create tax events in the studio by following the steps below:

1. Follow steps 1 and 2 as outlined in section [5.1 Configure Tax Types](#) above and continue with the below steps.
2. Under **Business Configuration Object -> Name**, select **Tax Event Type**.



3. Click **Next** to continue.
4. Select the **Tax Event** node and enter the values as below:
 - **Country:** Specify the country for which you need to configure the tax event.

Note: The country you want to configure must be available in the tax country table already delivered by SAP. For the list of delivered tax countries, see [Tax Basic Countries](#).

Note: You can only create tax content for the countries included in this list. If a country is not listed here, please contact SAP Business ByDesign Globalization team through [Customer Influence](#) and mark the area as 'Globalization' in the idea.

- **Tax Category:** Specify the category of tax, in this case Product Tax.
- **Tax Event:** Specify a new tax event code according to your requirements.
- **Valid From:** Specify the date on which the validity of the tax event starts. If you do not know the exact date on which the tax event became valid, it is sufficient to specify a date that is earlier than the tax date of the business transactions that will be processed in your system.
- **Valid To:** Specify the date on which the validity of the tax event ends. In case the tax event does not have a defined end of validity, enter 31.12.9999.
- **Non-Taxable Event:** If the event is valid for non-taxable scenarios, select this checkbox.
- **Tax Event Direction:** Select *Incoming* or *Outgoing* depending on whether the tax event applies to incoming scenarios, such as like supplier invoice/purchase order scenarios or outgoing scenarios, such as customer invoice/sales order scenarios.
- **Description:** Enter a description explaining the tax event.

<div> <div>Tax Event</div> <div> <div>Tax Type Determination</div> <div>Tax Calculation Procedure Determination</div> </div> </div>	Country*	Tax Category*	Tax Event*	Valid From (YYYYMMDD)	Valid To (YYYYMMDD)	Non-Taxable Event	Tax Event Direction	Description*
	► Serbia	Product Tax	13	20000101	99990101	<input type="checkbox"/>	Incoming	Domestic purchase
	Serbia	Product Tax	14	20000101	99990101	<input type="checkbox"/>	Incoming	Exempted Purchase
	Serbia	Product Tax	313	20000101	99990101	<input type="checkbox"/>	Outgoing	Domestic sale
	Serbia	Product Tax	314	20000101	99990101	<input type="checkbox"/>	Outgoing	Exempted sale
	*					<input type="checkbox"/>		

5. Select the **Tax Type Determination** node and enter the values as below:

- Enter the **Country**, **Tax Category**, and **Tax Event** as above
- **Tax Type:** Specify a tax type. If there are any tax types created as part of an activated PDI BC set, you can also view those tax types here.
- **Due Category:** Specify if the tax amount is payable or receivable. This entry must be in sync with the direction indicator of the tax event: for outgoing, choose payable; for incoming, choose receivable.
- **Statistical Indicator:** This field is no longer used.
- **Sequence Number(Optional):** Specify the sequence number in which the tax types will be evaluated. In case this has been left blank, then the default sequence would be used. If maintained, the tax types are evaluated in the sequence defined. If only one tax type per tax event is available, you can leave this field empty. For example, if you use an SAP delivered standard tax calculation procedure, then you can leave this field empty.
- **Tax Exemption Reason:** Select the reason for which the exemption is applied. This is an optional field. New exemptions can be created as outlined in section [5.1](#)

[Configure Tax Types](#) above. In the **Tax Exemption Reason** drop-down list, you can see the exemptions which are defined as relevant for **Tax Event**.

<div> Tax Event <ul style="list-style-type: none"> Tax Type Determination Tax Calculation Procedure Determination </div>	Country*	Tax Category*	Tax Event*	Tax Type*	Due Category	Statistical Indicator	Tax Exemption Reason
	▶ Serbia	Product Tax	13	Value Added Tax	Receivable	<input type="checkbox"/>	
	Serbia	Product Tax	14	Value Added Tax	Receivable	<input type="checkbox"/>	
	Serbia	Product Tax	313	Value Added Tax	Payable	<input type="checkbox"/>	
	Serbia	Product Tax	314	Value Added Tax	Payable	<input type="checkbox"/>	
	*					<input type="checkbox"/>	

6. Open the **Tax Calculation Procedure Determination** node and enter the values as below:

- Enter the **Country**, **Tax Category**, and **Tax Event** as above.
- **Valid From:** Specify the date on which the validity of the assignment of the tax procedure to the tax event starts.
- **Tax Calculation Procedure:** Specify if the taxes are to be calculated as Non-taxable, Input VAT, Output VAT, Reverse Charge VAT, or Import VAT.

For more information on the standard tax calculation procedures for the different methods of calculation, see **Appendix I**.

Note: SAP supports both net and gross calculation for all SAP delivered standard tax procedures available in the drop-down list.

<div> Tax Event <ul style="list-style-type: none"> Tax Type Determination Tax Calculation Procedure Determination </div>	Country*	Tax Category*	Tax Event*	Valid From [YYYYMMDD]*	Tax Calculation Procedure
	▶ Serbia	Product Tax	13	20000101	Input VAT
	Serbia	Product Tax	14	20000101	Input VAT
	Serbia	Product Tax	313	20000101	Output VAT
	Serbia	Product Tax	314	20000101	Output VAT
	*				

7. To deploy the new BC set, follow steps as outlined in section [5.1 Configure Tax Types](#) above.

5.4 Accounting Attributes for Tax Events (Optional)

Follow the steps detailed in this section to configure reverse charge tax events or direct VAT (or Import VAT) tax events. For more information on the standard tax calculation procedures for the different methods of calculation, see [Appendix I](#).

If a tax event was configured for reverse charge or direct VAT, it is required to create the BC set described below.

You can create entries for mapping tax event/ tax type with accounting tax type in the SAP Cloud Applications Studio by following the steps below:

1. In the Solution Explorer, right-click the **Business Configuration** node and select **Create Business Configuration Set**. This opens the *Business Configuration Set Wizard*.
2. Under **Business Configuration Object Type**, select **Use SAP Business Configuration Object**.
3. Enter a name and a description.
4. Under **Business Configuration Object -> Name**, select **AttributesforTaxEventTaxType** from the list.
5. Click **Next** to continue. The *Define the Values of Your Business Configuration Set (2/3)* window opens.

Select a BCO Type and Create a BC Set (1/3)
You can create a business configuration set based on either a new business configuration object or an existing SAP business configuration object.

Business Configuration Object Type

☐ Use Business Configuration Object Defined in Solution

☒ Use SAP Business Configuration Object

Basic Information

Name: TAXAATR

Description: Accounting tax type

Business Configuration Object

Name: AttributesforTaxEventTaxType

Fine-Tuning Activity: Not Available

Description:

Business Object: AttributesforTaxEventTaxType

Overview

Name	AttributesforTaxEventTaxType
Namespace	http://sap.com/xi/API/FO/PriceAndTax/Global
Deployment Unit	Foundation
Object Category	Business Configuration Object
Technical Category	Pre Deliverable Object

Public Solution Model

Store

< Back Next >

6. Open the **AttributesforTaxEventTaxType** node and enter the values as below:
 - **CountryCode:** Specify the country code for which you need to map the accounting tax type
 - **TaxTypeCode/Content:** Enter the tax type for the tax event you created following the steps outlined in section [5.1 Configure Tax Types](#).
 - **TaxCategoryCode:** Specify the category of tax, in this case Product Tax.
 - **TaxEvent:** Specify the tax event you created, following the steps outlined in section [5.3 Configure Tax Events](#).
 - **AccountingTaxType:** The accounting tax type is the corresponding tax type on financial side, mapped to the tax type used for tax calculation.

Note :

You must ensure that your entries are in sync with the tax procedure entries configured in section [5.3 Configure Tax Events](#):

- For the tax events which were marked as non-taxable and have the non-taxable procedure assigned, it is not required to create entries in this BC set.
- For the tax events which have input or output VAT procedure assigned, the value **1** - VAT (value added tax) from the value help should be assigned in this BC set.
- For the tax events which have reverse charge procedure assigned, the value **5** - Self-assessed VAT from the value help should be assigned in this BC set.
- For the tax events which have direct VAT procedure assigned, the value **6** - Direct VAT from the value help should be assigned in this BC set.

Note: The other values in the value help are not available to be used in a PDI solution.

Business Configuration Set Field Values

Add Row Copy Row Delete Row

	CountryCode*	TaxCategoryCode*	ProductTaxEventTypeCode/content*	TaxTypeCode/content*	AccountingTaxTypeCode
»	Serbia	Product Tax	ZReverse Charge	Value Added Tax	Self-assessed VAT

7. Verify the values in the **Review your Business Configuration Set** view. If you want to make any changes or corrections, click **Back** to proceed. If all the values are correct and you want to save the content, click **Finish**.
8. Right-click the BC set that you created in the *Solution Explorer* view and select **Activate** to activate it.
9. Right-click the **Business Configuration** node and click **Deploy Business Configuration**. The content is deployed to the SAP Business ByDesign system

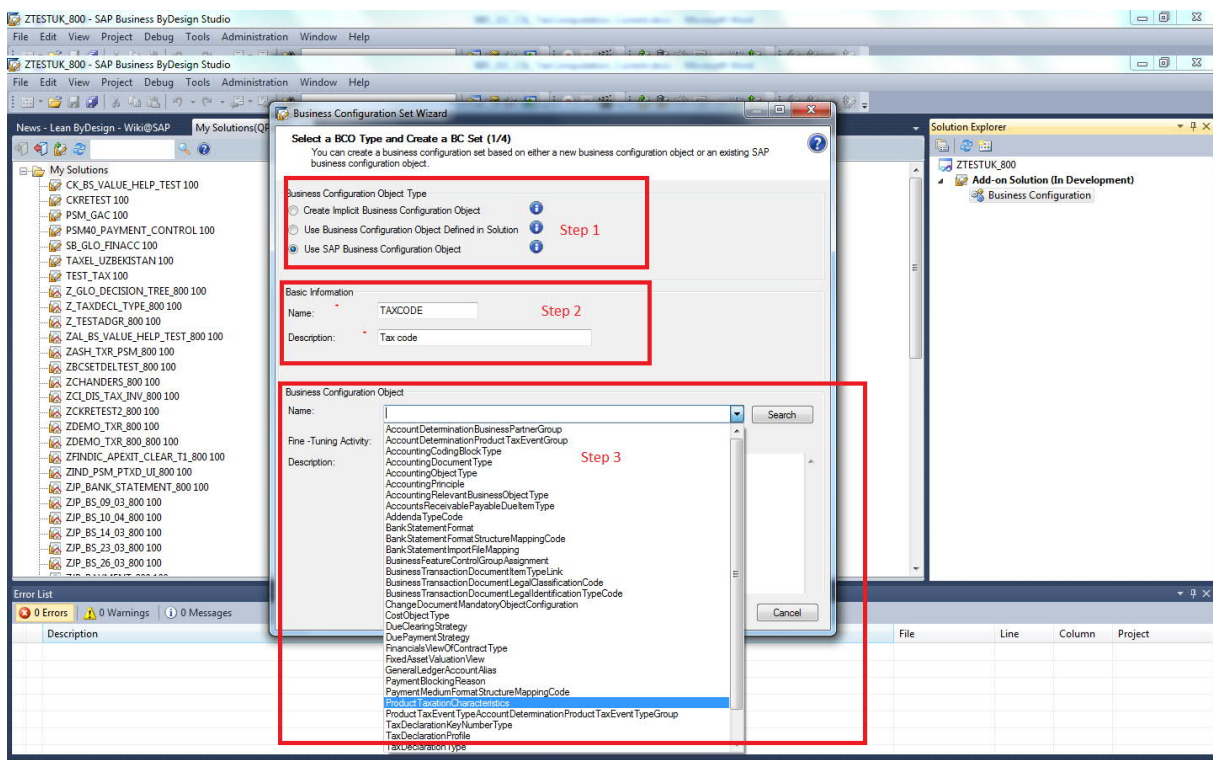
5.5 Configure Tax Codes

Tax Code is the unique combination of Tax Event, Tax Type, and Rate Type codes for a particular country, for example, domestic sale of goods in Serbia, VAT charged at Standard rate.

The technical name of the tax code in the ByDesign System is *Taxation Characteristics Code*.

You can create Tax Codes in the SAP Cloud Applications studio following the steps below:

1. Follow steps 1 and 2 as outlined in section [5.1 Configure Tax Types](#) above and continue with the below steps.
2. Under **Business Configuration Object -> Name**, select **Product Taxation Characteristics** from the drop-down list.



3. Click **Next** to continue.
4. Under **Define the Values of Your Business Configuration Set**, select the checkboxes to define whether you can add or delete values during fine tuning.
5. Select the **A1S_CRM_TAX_008_TTEC_AP_TAXCOD** node and enter the values as below:
 - **CountryCode:** Specify the country for which you need to configure the tax codes.

Note: The country you want to configure must be available in the tax country table already delivered by SAP. For the list of delivered tax countries, see [Tax Basic Countries](#). Before specifying the country code, please see [Prerequisites](#).

- **Code/Content:** Specify the new tax code according to your requirements.
- **Tax Event Type Code:** Specify the *Tax Event Type Code* according to your requirements. For example, domestic purchase.
- **Valid From:** Specify the *Tax Code* validity start date. If you do not know the exact date on which the tax code became valid, it is sufficient to specify a date that is earlier than the tax date of business transactions that will be processed in your system.
- **Valid To:** Specify the validity end date for the tax code. If the tax code does not have a defined end of validity, enter 31.12.9999.
- **Obsolete Indicator:** Select this checkbox if you want to indicate that the tax code should not be selected anymore for any business transaction.
- **Taxation Characteristics Name:** Enter a description for the new tax code. Tax codes usually specify the complete combination of tax attributes. For example, **Domestic Sale, Standard Rate**.

Tax Code		CountryCode*	Code/content*	TaxEventTypeCode	ValidityStartDate [YYYYMMDD]	ValidityEndDate [YYYYMMDD]	ObsoleteIndicator	TaxationCharacteristicsName/c
Tax Code - Assign Tax Types		Serbia	13	ZHGI2R6V_13	20000101	99990101	<input type="checkbox"/>	Domestic Purchase
		Serbia	14	ZHGI2R6V_14	20000101	99990101	<input type="checkbox"/>	Exempted purchase
		Serbia	313	ZHGI2R6V_313	20000101	99990101	<input type="checkbox"/>	Domestic Sale
		Serbia	314	ZHGI2R6V_314	20000101	99990101	<input type="checkbox"/>	Exempted sale
		*					<input type="checkbox"/>	

6. Select the A1S_CRM_TAX_008_TTEC_AP_TAXC_2 node and enter the values as below:

- **Product Taxation Characteristic Code:** Enter the new tax code.
- **Tax Type:** Specify the tax type relevant for the tax code. These tax types must be in sync with the tax types of the tax event used in the tax code.
- **Tax Rate Type Code/Content:** Specify the applicable tax rate type for the entered tax code. This field must be empty if the corresponding tax event of the tax code is non-taxable.
- **Tax Deductibility Code/Content:** This field must be empty if the corresponding tax event of the tax code is non-taxable.

For the tax codes created for sales, this field must be empty. For tax codes created for purchasing, you must specify if the tax amount is fully deductible, not deductible and so on. Tax deductibility codes cannot be currently configured through PDI, they have to be configured in the fine-tuning activity **Tax Settings and Purchasing**.

The tax codes for purchasing must be configured in fine tuning activity, **Tax on Goods and Services -> Define Tax Codes** to assign the deductibility codes defined.

Tax Code Tax Code - Assign Tax Types	CountryCode*	ionCharacteristicsC	ixTypeCode/conten	RateTypeCode/con	eductibilityCode/coi
	Serbia	13	Value Added Tax	Standard	
	Serbia	14	Value Added Tax	Zero	
	Serbia	313	Value Added Tax	Standard	
	Serbia	314	Value Added Tax	Zero	
	*				

7. To deploy the new BC set, follow steps as outlined in section [5.1 Configure Tax Types](#) above.

Once you configure and deploy the new BC set, you can also access the new tax types, tax events, and tax codes you defined using the fine-tuning activity **Tax on Goods and Services** for non-localized countries.

5.6 Configure Tax Rate Schedules

For information on how to configure new tax rate types, see section [5.1 Configure Tax Types](#) above.

You can assign tax rate percentages to tax rate types by following the steps below:

1. Follow steps 1 and 2 as outlined in section [5.1 Configure Tax Types](#) above and continue with the below steps.
2. Under **Business Configuration Object -> Name**, select **Tax Rate** from the drop-down list.
3. Click **Next**. A new window opens.
4. Enter the values as below:

- **Country:** Specify the country for which you need to configure tax rate percentages.

Note: The country you want to configure must be available in the tax country table already delivered by SAP. For the list of delivered tax countries, see [Tax Basic Countries](#). You can only create tax content for the countries included in this list.

- **Tax Type & Tax Rate Type:** Enter the tax type code and the tax rate type code for which you need to configure the new tax rate percentages.
- **Valid From Date:** Specify the tax rate schedule validity start date. If you do not know the exact date on which the tax rate percentage has become valid, it is sufficient to specify a date that is earlier than the tax date of business transactions that will be processed in your system.
- **Rate in %:** Specify the percentage with which the tax needs to be calculated when the above Tax Type and Tax Rate Type combinations are used.

	Country*	Tax Type*	Tax Rate Type*	Valid From Date [YYYYMMDD]*	Rate in %
✎	Serbia	Value Added Tax	Standard	20000101	10
*					

- To deploy the new BC set, follow steps as outlined in section [5.1 Configure Tax Types](#) above.

5.7 Configure Tax Decision Tree

In order to determine the product taxes automatically, you need to create a decision tree.

For more information, see: [Create a Tax Decision Tree](#).

The following sections, [5.8 Configure Account Determination Product Tax Event Group](#) and [5.9 Configure Product Tax Event Type Account Determination Product Tax Event Type Group](#) are only relevant if you have a G/L account that is a tax subledger account.

If you create a new G/L account for the tax subledger for your chart of account, you can also create an account determination profile for this G/L account and link it to the tax event.

5.8 Configure Account Determination Product Tax Event Group

You create **Account Determination Product Tax Event Group** in the SAP Cloud Applications studio as follows:

1. Follow steps 1 and 2 outlined in section [5.1 Configure Tax Types](#) above and then continue with the below steps.
2. Under **Business Configuration Object -> Name**, select **Account Determination Product Tax Event Group**.

Business Configuration Set Wizard

Select a BCO Type and Create a BC Set (1/4)

You can create a business configuration set based on either a new business configuration object or an existing SAP business configuration object.

Business Configuration Object Type

- ☐ Create Implicit Business Configuration Object
- ☐ Use Business Configuration Object Defined in Solution
- ☒ Use SAP Business Configuration Object

Basic Information

Name: ADTAXEVENT

Description: Acc Deter Product Tax Event

Business Configuration Object

Name: [Dropdown]

Fine-Tuning Activity: [Dropdown]

Description: [Dropdown]

Account Determination Business Partner Group

Account Determination Product Tax Event Group

Accounting Coding Block Type

Accounting Document Type

Accounting Object Type

Accounting Principle

Accounting Relevant Business Object Type

Accounts Receivable Payable Dual Item Type

Addenda Type Code

Bank Statement Format

Bank Statement Format Structure Mapping Code

Bank Statement Import File Mapping

Business Feature Control Group Assignment

Business Transaction Document Item Type Link

Business Transaction Document Legal Classification Code

Business Transaction Document Identification Type Code

Change Document Mandatory Object Configuration

Cost Object Type

Due Clearing Strategy

Due Payment Strategy

Financials View of Contract Type

Fixed Asset Valuation View

General Ledger Account Alias

Payment Blocking Reason

Payment Medium Format Structure Mapping Code

Product Taxation Characteristics

Product Tax Event Type Account Determination Product Tax Event Type Group

Tax Event Type

Tax Type

Trade Receivables Payables Register Item Sub Type

Field Values

Search

Cancel

3. Click **Next** to continue.
4. On the **Define the Values of Your Business Configuration Set (2/3)** screen, enter the values as follows:

- **Group ID:** Specify the account determination group ID.
- **Description:** Enter a description for the account determination group.

Business Configuration Set Field Values

☐ Values can be added in Fine Tuning ☐ Values can be deleted in Fine Tuning

	<u>Group ID*</u>	<u>Description*</u>
▶	Z999	CSL demo - standard tax
*		

5. To deploy the new BC set, follow steps as outlined in section [5.1 Configure Tax Types](#) above.

5.9 Configure Product Tax Event Type Account Determination Product Tax Event Type Group

You create **Product Tax Event Type Account Determination Product Tax Event Type Group** in the SAP Cloud Applications studio as follows:

1. Follow steps 1 and 2 as outlined in section [5.1 Configure Tax Types](#) above and then continue with the below steps.
2. Under **Business Configuration Object** -> **Name**, select **Product Tax Event Type Account Determination Product Tax Event Type Group**.

Business Configuration Set Wizard

Select a BCO Type and Create a BC Set (1/3)
You can create a business configuration set based on either a new business configuration object or an existing SAP business cont

Business Configuration Object Type

- ☐ Use Business Configuration Object Defined in Solution
- ☒ Use SAP Business Configuration Object

Basic Information

Name: PDTAXADG

Description: Product Tax Event Acc Deter Grp

Business Configuration Object

Name:

Fine -Tuning Activity:

Description:

- Account Determination Business Partner Group
- Account Determination Product Tax Event Group
- Accounting Coding Block Type
- Accounting Document Type
- Accounting Object Type
- Accounting Principle
- Accounting Relevant Business Object Type
- Accounts Receivable Payable Due Item Type
- Addenda Type Code
- Bank Statement Format
- Bank Statement Format Structure Mapping Code
- Bank Statement Import File Mapping
- Business Feature Control Group Assignment
- Business Transaction Document Item Type Link
- Business Transaction Document Legal Classification Code
- Business Transaction Document Legal Identification Type Code
- Change Document Mandatory Object Configuration
- Cost Object Type
- Deferred Tax Configuration
- Due Clearing Strategy
- Due Payment Strategy
- Financials View Of Contract Type
- Fixed Asset Valuation View
- General Ledger Account Alias
- Payment Blocking Reason
- Payment Medium Format Structure Mapping Code
- Product Taxation Characteristics
- Product Tax Event Type Account Determination Product Tax Event Type Group**
- Tax Adjustment Profile
- Tax Declaration Key Number Type

4. Click **Next** to continue.
5. On the **Define the Values of Your Business Configuration Set (2/3)** screen, enter the values as follows:
 - **Country:** Specify the country.
 - **VAT/Sales Tax Event:** Specify the tax event type, which you have created as outlined in section [5.3 Configure Tax Events](#) above.
 - **Acc Det Grp for Tax Events:** Specify the account determination group for product tax event types.

Business Configuration Set Field Values

☐ Values can be added in Fine Tuning ☐ Values can be deleted in Fine Tuning

	Country*	VAT / Sales Tax Event*	Acc Det Grp for Tax Events
▶	Serbia	YRY59DDEY_313	CSL demo - standard tax
	Serbia	YRY59DDEY_13	CSL demo - standard tax
*			

6. To deploy the new BC set, follow steps as outlined in section [5.1 Configure Tax Types](#) above.

6. Appendix I: SAP Delivered Standard Tax Calculation Procedures

The five standard tax calculation procedures delivered by SAP are listed below. You can use these calculation procedures in business scenarios where you only need a calculation for a single tax type for a line item. The Output VAT, Input VAT and Reverse Charge VAT tax procedures support both net and gross calculations. The examples given below show the net calculation.

- **Non-taxable:** You can use this tax procedure in both sales and purchase scenarios for non-taxable transactions.
- **Output VAT:** You can select the tax procedure *Output VAT* for the scenarios where the net amount works as the base amount for tax calculation. The calculation works as follows:

Net Value of the Transaction: 100

Rate Type: Standard, the assigned percentage rate is for example 16%.

Then, Output VAT: net price * rate = $100 * 16 / 100 = 16$

Total Gross Price: $100 + 16 = 116$

Posting Scheme:

General Ledger Account	Debit	Credit
Accounts Receivable	116	
Output Tax		16
Material Consumption		100

- **Input VAT:** You can select the tax procedure *Input VAT* for the scenarios where the net amount is used as the base amount for tax calculation. The calculation works as follows:

Net Value of the Transaction: 100

Rate Type: Standard, the assigned percentage rate is for example 16%.

Then, Input VAT: net price * rate = $100 * 16 / 100 = 16$

Total Gross Value of the Transaction: $100 + 16 = 116$

Posting Scheme:

General Ledger Account	Debit	Credit
Accounts Payable		116
Input Tax	16	
Material Consumption	100	

- **Reverse Charge VAT:** You can select the tax procedure *Reverse Charge VAT* for scenarios such as self-assessed taxes where the company can take the credit of the tax and at the same time be liable to pay the tax, such as is the case in certain SRM scenarios. Therefore, in accounting, tax lines are created for both payables and receivables. This is applicable only in SRM scenarios. The tax calculation works as follows:

Net Value of the Transaction: 100

Rate Type: Standard, the assigned percentage rate is for example 16%.

Then,

VAT Payable: net Value * rate = $100 * 16/100 = 16$

VAT Receivable: net Value * rate = $100 * 16/100 = 16$

Total Gross Value: 100.

Posting Scheme:

General Ledger Account	Debit	Credit
Accounts Receivable		100
Output Tax		16
Input Tax	16	
Material Consumption	100	

- **Import VAT:** The assumption in calculating Import VAT is that the input amount entered is the tax amount. The calculation works as below to identify the actual base amount and this base amount is stored in the processing document.

If TaxRate = 0 .

TaxBaseAmount = TaxAmount

Else.

TaxBaseAmount = TaxAmount * 100 / rate

Endif.

Therefore, if the tax amount entered in the document is 100 and if the rate is 0%, then the calculated tax base amount is equal to 100 or, if the tax rate is 10%, then the base amount will be $100 \times 100 / 10 = 1000$.

Posting Scheme:

General Ledger Account	Debit	Credit
Accounts Payable		100
Input Tax	100	

© Copyright 2020 SAP AG. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP AG. The information contained herein may be changed without prior notice.

Some software products marketed by SAP AG and its distributors contain proprietary software components of other software vendors.

Microsoft, Windows, Excel, Outlook, PowerPoint, Silverlight, and Visual Studio are registered trademarks of Microsoft Corporation.

IBM, DB2, DB2 Universal Database, System i, System i5, System p, System p5, System x, System z, System z10, z10, z/VM, z/OS, OS/390, zEnterprise, PowerVM, Power Architecture, Power Systems, POWER7, POWER6+, POWER6, POWER, PowerHA, pureScale, PowerPC, BladeCenter, System Storage, Storwize, XIV, GPFS, HACMP, RETAIN, DB2 Connect, RACF, Redbooks, OS/2, AIX, Intelligent Miner, WebSphere, Tivoli, Informix, and Smarter Planet are trademarks or registered trademarks of IBM Corporation.

Linux is the registered trademark of Linus Torvalds in the United States and other countries.

Adobe, the Adobe logo, Acrobat, PostScript, and Reader are trademarks or registered trademarks of Adobe Systems Incorporated in the United States and other countries.

Oracle and Java are registered trademarks of Oracle and its affiliates. UNIX, X/Open, OSF/1, and Motif are registered trademarks of the Open Group.

Citrix, ICA, Program Neighborhood, MetaFrame, WinFrame, VideoFrame, and MultiWin are trademarks or registered trademarks of Citrix Systems Inc.

HTML, XML, XHTML, and W3C are trademarks or registered trademarks of W3C®, World Wide Web Consortium, Massachusetts Institute of Technology.

Apple, App Store, iBooks, iPad, iPhone, iPhoto, iPod, iTunes, Multi-Touch, Objective-C, Retina, Safari, Siri, and Xcode are trademarks or registered trademarks of Apple Inc.

IOS is a registered trademark of Cisco Systems Inc.

RIM, BlackBerry, BBM, BlackBerry Curve, BlackBerry Bold, BlackBerry Pearl, BlackBerry Torch, BlackBerry Storm, BlackBerry Storm2, BlackBerry PlayBook, and BlackBerry App World are trademarks or registered trademarks of Research in Motion Limited.

Google App Engine, Google Apps, Google Checkout, Google Data API, Google Maps, Google Mobile Ads, Google Mobile Updater, Google Mobile, Google Store, Google Sync, Google Updater, Google Voice, Google Mail, Gmail, YouTube, Dalvik and Android are trademarks or registered trademarks of Google Inc.

INTERMEC is a registered trademark of Intermec Technologies Corporation.

Wi-Fi is a registered trademark of Wi-Fi Alliance.

Bluetooth is a registered trademark of Bluetooth SIG Inc.

Business Objects and the Business Objects logo,

BusinessObjects, Crystal Reports, Crystal Decisions, Web Intelligence, Xcelsius, and other Business Objects products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of Business Objects Software Ltd. Business Objects is an SAP company.

Sybase and Adaptive Server, iAnywhere, Sybase 365, SQL Anywhere, and other Sybase products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of Sybase Inc. Sybase is an SAP company.

Crossgate, m@gic EDDY, B2B 360°, and B2B 360° Services are registered trademarks of Crossgate AG in Germany and other countries. Crossgate is an SAP company.

All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

These materials are provided "as is" without a warranty of any kind, either express or implied, including but not limited to, the implied warranties of merchantability, fitness for a particular purpose, or non-infringement.

SAP shall not be liable for damages of any kind including without limitation direct, special, indirect, or consequential damages that may result from the use of these materials.

SAP does not warrant the accuracy or completeness of the information, text, graphics, links or other items contained within these materials. SAP has no control over the information that you may access through the use of hot links contained in these materials and does not endorse your use of third party web pages nor provide any warranty whatsoever relating to third party web pages.

SAP NetWeaver "How-to" Guides are intended to simplify the product implementation. While specific product features and procedures typically are explained in a practical business context, it is not implied that those features and procedures are the only approach in solving a specific business problem using SAP NetWeaver. Should you wish to receive additional information, clarification or support, please refer to SAP Consulting.

Motorola is a registered trademark of Motorola Trademark Holdings LLC.

Computop is a registered trademark of Computop Wirtschaftsinformatik GmbH.

SAP, R/3, SAP NetWeaver, Duet, PartnerEdge, ByDesign, SAP BusinessObjects Explorer, StreamWork, SAP HANA, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and other countries.

Any software coding and/or code lines / strings ("Code") included in this documentation are only examples and are not intended to be used in a productive system environment. The Code is only intended better explain and visualize the syntax and phrasing rules of certain coding. SAP does not warrant the correctness and completeness of the Code given herein, and SAP shall not be liable for errors or damages caused by the usage of the Code, except if such damages were caused by SAP intentionally or grossly negligent.

Disclaimer:

Some components of this product are based on Java™. Any code change in these components may cause unpredictable and severe malfunctions and is therefore expressly prohibited, as is any decompilation of these components.

Any Java™ Source Code delivered with this product is only to be used by SAP's Support Services and may not be modified or altered in any way.