SAP

FAQ Document

BREXIT

SAP Globalization Services
January 2021

Contents

General

SAP notes' availability and their implementation?

The central point of entry related to the Brexit topic is the central SAP note 2885225, which contains references to further notes or which is referenced to by other notes relevant for specific application areas (finance, sales, purchase,…) or products (SAP ECC, SAP S/4HANA, SAP Business ByDesign).

Any SAP note relevant for "Brexit" is made available as soon as possible, for all releases under standard maintenance.

In case of issues or questions related to notes' implementation, please create an incident.

What is the solution approach for the Northern Ireland Protocol?

The Northern Ireland Protocol is only applicable to the trading of goods and not services.

The technical setup for the Northern Ireland Protocol is based on the following:

- The approach is to use "country + region"; creating an "artificial" country code like 'XI' in table T005 is NOT intended.
- All applications will use a central class, which will identify Northern Ireland business by country + region (see SAP note 3000100 – technical details in class CL_UK_NI_UTIL_ABA, method CL_UK_NI_UTIL_ABA).
- There are two options for region setup: CHAR2 or CHAR3 (see SAP note 2885225). Even combinations of both would work.
- The field "Region" is a MUST for Northern Ireland master records, and can be blank for England, Wales and Scotland.

Can we use different region codes for Northern Ireland from those defined in the central class provided by SAP?

SAP note 3005939 is available for this purpose, delivering the option to configure own region codes for Northern Ireland.

Finance/Taxes

How and where are XI VAT registration numbers used?

Businesses with an existing GB VAT registration number additionally need to use an XI VAT registration number in case they are involved in a commercial trade (sale/purchase) transaction of goods between Northern Ireland and one of the 27 remaining EU Member States. It could thus be that 2 VAT registration numbers are used in parallel.

The XI VAT registration number consists of the prefix "XI" followed by the numeric digits of the existing GB VAT registration number.

The XI VAT registration numbers will be stored separately from other VAT IDs:

- In business partner master records the new tax category GB6 is introduced.
- In customers and vendors master records a new field STCD6 is used.
- In the selling company code, the new parameter "XIVATN" is made available in table T001Z (based on the corresponding parameter defined in table T001I).

Logistics (Sales & Purchases)

Can we use the existing tax codes for intracommunity sales and for export?

As from 1st January 2021, sales trade transactions falling under the Northern Ireland Protocol can be posted and reported with the same existing tax codes for intracommunity sales of goods as for any intracommunity supply of goods between EU Member States.

As from 1st January 2021, sales trade transactions between EU Member States and GB mainland (England+Scotland+Wales) can be posted and reported with the same existing tax code for export as for any export with a 3rd country.

Guidelines for review of logistics settings?

Please refer to the relevant SAP notes for sales and purchases, that are referenced in the central SAP note 2885225. For example:

- 3005574 related to SD-pricing, including a how-to guide
- 2999650 related to MM-IV

What are the recommendations for the creation of billing documents?

There should be a split in invoices for goods and services where the transaction comes under the Northern Ireland Protocol.

Local requirements

What does postponed accounting for import VAT in UK mean?

This topic is described in SAP note 2996657, including the definition of import VAT tax codes with reverse charge and the tax box mappings.

Postponed accounting for import VAT is available in UK for all UK VAT registered companies importing goods into the UK as of 1st January 2021.

This system of postponed accounting is already existing in some EU countries, i.e. Belgium, and, is being introduced in Ireland as of 1st January 2021.
For the other EU countries, check the local VAT requirements.

What are the changes required for the EU sales listings?

The EU sales listings for the EU 27 Member States including Northern Ireland will be adjusted to report as required by the local tax authorities after the last reporting period of 2020.

What are the changes required for the Intrastat declarations?

For S/4HANA on-premise, the following SAP notes must be implemented:

- 2753338
- 2874323
- 2875339
- 2976216, and,
- 3004215

For SAP ECC, the following SAP notes must be implemented:

- 2753338
- 2874323
- 2976216, and,
- 3004215.

The central SAP note 2885225 should be regularly checked for further updates, i.e. the adjustments for the declarations in the EU 27 Member States including Northern Ireland.

Others

Can plants abroad still be used?
SAP note 3000315 provides considerations on some of the main use cases to help you in deciding which scenarios to cover via "Plants Abroad" after the end of the transition period when locations in UK are involved.

What are the changes required for SAP Business ByDesign?
There is a separate central SAP note for SAP Business ByDesign: 2756341, detailing the changes. It is referenced to in the main central SAP note 2885225.

What are the changes required for S/4HANA Cloud?
There is a separate central SAP note for S/4HANA Cloud: 2999933, detailing the changes. It is referenced to in the main central SAP note 2885225.

Data protection?
In order to provide a legal basis for cross-border data flows and to support and supply services to customers in the UK both during and after transition, SAP has in place the Standard Contractual Clauses which are an approved transfer mechanism under GDPR and in line with published recommendations from the Information Commissioner's Office (the UK's Data Protection Agency).

As with any other area where regulations and guidance may change SAP will continue to review these mechanisms and assess any required customer updates.