

Brexit Help and Information

SAP
March 2020

PUBLIC



Globalization Services

Local solutions. Global success.

THE BEST RUN **SAP**

Political Update

31st January 2020

- The UK formally left the European Union (EU) on the 31st January 2020.
 - As agreed in the Withdrawal Agreement the UK entered a transition period. This is due to last until 31st December 2020.
 - During the 11-month period the UK will continue to follow all of the EU's rules and its trading relationship will remain the same.
 - During this time both the UK and EU will negotiate a new free trade agreement.
- A new free trade agreement is required because:
 - The UK will leave the single market and customs union at the end of the transition period.
 - A free trade agreement will allow goods to move around the EU without checks and extra charges.
- If a new free trade cannot be agreed during the transition period then the UK faces the prospect of having to trade with no deal in place.
 - The prospect of a “No Deal” scenario

Political Update

31st January 2020

- Under the deal agreed between Boris Johnson and EU was an agreement about the Northern Ireland backstop.
- The key change is
 - To effectively create a customs border between Northern Ireland and Great Britain.
 - Some goods entering Northern Ireland from Great Britain will be subject to checks and will have to pay EU import taxes (tariffs).
 - These would be refunded if the goods remain in Northern Ireland and not moved to the Republic of Ireland

How customs might work

What might happen when a firm in Northern Ireland orders goods from the rest of the UK deemed “at risk” of then entering the EU?

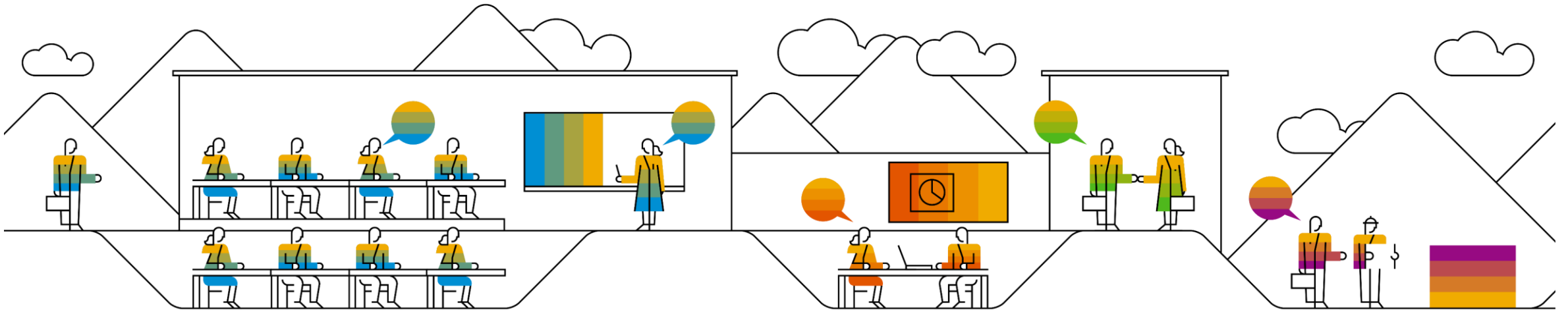


Reference: <https://www.bbc.co.uk/news/uk-politics-32810887>

THE BEST RUN

Our Mission

Empower all businesses to run compliant locally and compete globally



Product Standard Globalisation is...



Internationalization

- Multilanguage support
- Code pages / Unicode
- Time zones
- Multiple currencies
- Calendars



Functional Localization

- Local business best practices
- Legal requirements and statutory reporting
- Business to Government information exchange



Languages

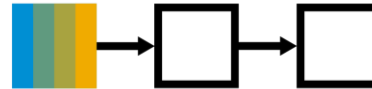
- Product (User Interface)
- Documentation and collaterals
- Customer communication

...the Foundation for Globalized, Localized and Functioning Solutions.

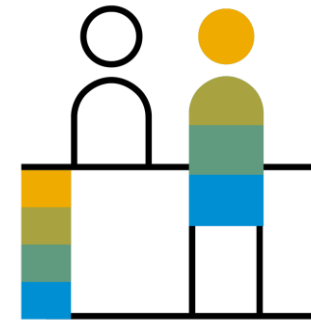
Our Localisation Expertise



40+
Languages
supported



1000+
Legal changes
across solutions
annually



180+
Countries where
our customers are
based in

Examples of Areas Affected by Localisation



Payments

Country formats used to collect incoming and outgoing payment data



Master data

Legally required information, VAT numbers, ID numbers, currencies, calendar



Invoices

Country-specific invoicing, process extensions



Languages

Country official language(s)



Validations

Country-specific format for address, IDs, bank accounts



Taxes

Tax codes based on conditions or formulas for mandatory tax computation, taxation processes, exemptions



Statutory Reporting

Financial statements, tax declarations, EC sales list, document numbering



Asset Accounting

Asset handling, country-specific depreciation rules



UIX

Fiori Apps
Country-specific fields and features

Announcement of Legal Change

The Need



- Customers need to comply to legal regulations



- For on premise customers, every legal change is a project which needs to be planned accordingly



- Cloud customers need to know when a legal change will go live and eventually decide on activation date if possible

About the Service

- Provides information and updated on the actual and upcoming legal changes for S/4Hana, On-Premise, ByD, Business One

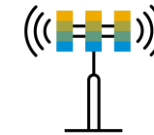
- Customers can:



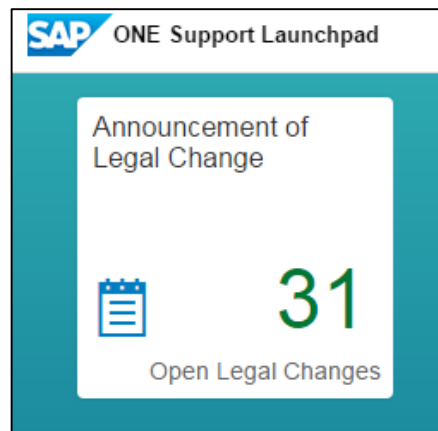
Register to it



Receive news



Receive delta notification



Announcement of Legal Change

Standard

Country: Components (Start with): Components (Exact): Excluded Components(Start with):

Excluded Components(Exact): Implementation Status: Keywords: Planned Release Date From:

Planned Release Date To: Published Date From: Published Date To:

Item Found(987)

Country	Components (Exact)	Legal Information	Implementation Status	SAP Note	Planned Release Date	Published Date	Complexity
Argentina (AR)	PY-AR	General Resolution (Adm. Nac. Seguridad Social) 28/2016	Implemented	Available	26.02.2016	15.04.2016	Low
Argentina (AR)	PY-AR	AFIP Decree 394/2016 and RG 3831/2016 - Income Tax	Implemented	Available	16.03.2016	08.04.2016	Medium
Argentina (AR)	PY-AR	AFIP General Resolution 3839/2016	In Process	Available	31.05.2016	31.03.2016	Medium
Argentina (AR)	PY-AR	Decree 921/2016 - Poder Ejecutivo Nacional	Not Relevant	Available	17.08.2016	23.08.2016	Low
Argentina (AR)	PY-AR	AFIP General Resolution 3919/2016 - Income Tax	Open	Available	02.09.2016	22.08.2016	Low
Argentina (AR)	PY-AR	General Resolution (Adm. Nac. Seguridad Social) 298/2016	Open	Available	09.09.2016	05.09.2016	Low

SAP Resources Available to All Customers

SAP ONE Support Launchpad

Knowledge... 🔍

UK ▾

Country/Region: ▾

Component: ▾

Completion Status: ▾

Keywords: ▾

Product: ▾

Planned Delivery Date: ▾

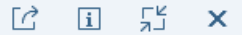
Customer System: ▾

Items (23) | Standard ▾

Country/Region	Component	Legal Information	Completion Status	SAP Note	Planned Delivery...	Publication Date
	PY-GB	RTI reporting changes 2019/20	Open ▾	Available	31.01.2019	09.10.2018
	PY-GB	Minimum Pension Contributions Phasing April 2019	Open ▾	Available	31.03.2019	04.02.2019
	PY-GB	P11D e-filing changes for 2018/19	Open ▾	Available	31.03.2019	26.09.2018
	PY-GB	Pensions Auto Enrolment Thresholds 2019/20	Open ▾	Planned	31.01.2019	10.12.2018
	IS-HER-CM-GB	Student Lifecycle Management UCAS Criminal Record Decl...	Open ▾	Planned	31.03.2019	12.12.2018
	PY-GB	Company Car Diesel Supplement exemption for RDE2 cars	Open ▾	Available	31.12.2018	26.01.2018
	PY-GB	Welsh Rates of Income Tax from April 2019	Open ▾	Available	28.02.2019	24.01.2018
	PY-GB	Scottish Court Order threshold changes from April 2019	Open ▾	Available	28.02.2019	03.12.2018
	PY-GB	HESA Reporting changes 2018/19	Open ▾	Planned	28.02.2019	19.11.2018
	PY-GB	Postgraduate Loans	Open ▾	Available	31.01.2019	22.08.2018
	PY-GB	Attachment of Earnings, Enforcement of Fines (Northern Irel...	Open ▾	Planned	31.03.2019	06.02.2019
	PY-GB	HESA Subject Reporting Changes 2019/20	Open ▾	Planned	30.11.2019	20.09.2017
	PY-GB	P60 Forms for tax year 2019/20	Open ▾	Planned	31.12.2019	19.02.2019
	PY-GB	Termination Payments Employers NIC from April 2020	Open ▾	Planned	31.12.2019	13.09.2017
	XX-CSC-GB	UK Withdrawal from the European Union (Brexit)	Open ▾	In Analysis		30.01.2019
	PY-GB	End of Staging Dates: October 1st 2017	Open ▾	Available	31.03.2018	29.08.2017

[SAP ONE Support Launchpad](#)

UK Withdrawal from the European Union (Brexit)



Country/Region: **United Kingdom (GB)**

Planned Delivery Date:

Completion Status: **Open**

Component: **XX-CSC-GB**

SAP Note: [In Analysis](#)

Manual Activity:

Complexity:

BASIC

PREREQUISITE NOTES

Introduction

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In a referendum held on June 23, 2016, the majority of people voted in favour of the United Kingdom leaving the European Union (EU, a union of 28 European member countries).

The subsequent process of withdrawal of the UK from the EU is commonly referred to as Brexit. The process of separation was started by the UK government invoking Article 50 of the Treaty on the European Union on March 29, 2017. The details of the new relationship between the UK and the EU are currently under discussion and so are subject to complex negotiations. According to Article 50, the process of Brexit is scheduled to conclude at the end of March 2019.

Changes resulting from Brexit, with potential impacts on SAP, can be expected in the areas of tax, reporting, employment rights and goods movement among many others. SAP recognizes these potential changes and is closely monitoring the situation and analyzing the impact for SAP customers and partners, primarily those using the current United Kingdom / Ireland localizations.

SAP will continue to monitor the governments negotiations and will deliver patches only for selected updates and releases at its own discretion, based on the business impact and the complexity of the implementation.

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Reference

Updates that are to be supported related to Brexit will be notified using the [Announcement of Legal Changes Service](#) via the SAP Support Portal in the normal way.

Further updates will be shared under the "[United Kingdom](#)" option of the website for [Globalization news and documents](#). For any further questions, please visit the [SAP Support Portal](#).

[2749671 - BREXIT: Guidelines in case of "no deal"](#)

[2546068 - GB_UK Withdrawal from the European Union \(Brexit\)](#)

Component: XX-CSC-XX

Category: Legal change

Corrections: 0

SAP Note/KBA Number




Manual Activities: 0

Priority: Recommendations / Additional Info

Release Status: Released for Customer

Prerequisites: 0

[Description](#) [Software Components](#) [References](#)  [Attributes](#) [Languages](#)

Symptom

The UK triggered Article 50 of the Treaty of the European Union on 29 March 2017. As set out under that treaty, the UK had two years to negotiate a Withdrawal Agreement and framework for a future relationship with the EU before the point of the UK's exit from the EU at 11pm GMT on 29 March 2019.

If the Withdrawal Agreement is ratified, the deadline for agreeing the terms of the UK's future relationship with the EU will move to 31 December 2020.

A no deal scenario, also called "hard" Brexit, is one where the UK leaves the EU and becomes a third country at 11pm GMT on 29 March 2019 without a Withdrawal Agreement and framework for a future relationship in place between the UK and the EU.

Other Terms

BREXIT, no-deal, "hard" Brexit, EU, EU leave

Reason and Prerequisites

The UK leaving the EU will affect several processes and will have an impact on reporting.

Solution

This note provides general guidelines about the impact of a no deal scenario on SAP standard functionality. Customers specific developments cannot be considered.

This note will be supplemented with more specific notes, in terms of different areas and/or products, that are listed in the "References" section of this note. Please refer to SAP note 2768412 for more details about a list of technical action items and time of execution. **Please also check for regular updates of this note.**

The impact of Brexit could occur in the following areas:

1. Changes in configuration

- a. Deactivation of EU-flag for UK in table T005 (=definition of countries)
- b. Maintenance of VAT registration numbers

i. Based on the current information from HMRC, no changes are expected in the format of the VAT registration numbers for UK (starting with GB). This would mean that no particular changes are necessary in the maintenance of domestic and foreign VAT registration numbers

Component: XX-CSC-GB

Category: Consulting

Corrections: 0

Manual Activities: 0

Prerequisites: 0

SAP Note/KBA Number



Priority: Recommendations / Additional Info

Release Status: Released for Customer

Description Software Components References Attributes Languages

Symptom

The UK triggered Article 50 of the Treaty of the European Union on 29 March 2017. As set out under that treaty, the UK had two years to negotiate a Withdrawal Agreement and framework for a future relationship with the EU.

The Withdrawal Bill was passed by the UK Parliament, has received Royal Ascent and became law on the 23rd January. On the 24th of January it was also ratified by the EU leaders. This means that Article 50 can no longer be revoked and the UK will leave the EU on 31st January 2020 with the withdrawal agreement.

But that will not be the end of the Brexit story.

The UK will enter a transition period until 31 December 2020.

The purpose of the transition period is to enable a new wave of UK-EU negotiations to take place. These talks will determine what the future relationship will eventually look like.

Other Terms

Brexit, Withdrawal Bill, EU, UK Leave

Reason and Prerequisites

The UK leaving the EU on the 31st January 2020 with the Withdrawal Bill

Solution

During this transition period, although the UK will cease to be an EU member, the trading relationship **will remain the same and it will continue to follow the EU's rules.**

SAP will continually monitor the political and economical landscape and if required, provide the relevant guidelines and notes.



Thank you