SAP Ariba

Feature at a Glance

Tax calculation in external systems in partnership with Vertex

Johan Holm, SAP Ariba
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SAP Run Simple

Feature at a Glance

Ease of implementation High-touch
Geographic relevance Global

Introducing: **Tax calculation in external systems in partnership with Vertex**

Customer challenge

Buyers procure a wide variety of goods and services from Suppliers spread across the globe. To ensure that Buyers meet budgeting and compliance requirements, Buyers need to have an accurate idea of the taxation requirements of each transaction that they undertake. In order for a company to accurately reclaim tax for VAT and GST, it is also crucial to keep up to date with current local regulations in each country the buyer is tax registered.

Meet that challenge with SAP Ariba

This feature enables integration between the SAP Ariba solution and Vertex, or alternative 3rd party tax provider (Open API), in addition to the integration with OneSource from Thomson Reuters. Buyers can choose either or both requisitions and invoice reconciliation documents as the approvable types for which taxes should be calculated using the external tax solution during following actions:

- Manually initiate tax calculation for a document
- Submit a document for approval
- Approve a document

Experience key benefits

Now, SAP Ariba to provides easy integration with Vertex, in addition to OneSource from Thomson Reuters. The interface is an open API, enabling integration to any 3rd party tax data providers of Buyer's choice where they can leverage it for accurate tax information for all transactions.

Solution area

- SAP Ariba Buying
- SAP Ariba Buying and Invoicing
- SAP Ariba Invoice Management

Implementation information

This functionality is “Off” by default.
To enable, please contact support to toggle following parameter:

- **Application.Procure.EnableTaxCalculationInExternalSystems**

Prerequisites and Limitations

Buyer must have an agreement with the third-party tax provider organization to integrate with their systems to calculate taxes for requisitions and invoice reconciliation documents.

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Feature at a Glance

Summary: **Tax calculation in external systems in partnership with Vertex**

This feature introduces an Open API to integrate with 3rd party tax solutions. The feature has been developed in collaboration with Vertex. The SAP Ariba solution sends the data on requisitions and invoice reconciliation documents to the tax solution using SAP Ariba web services when buyers perform the following actions/hooks:

- Manually initiate tax calculation for a document before submitting or approving the document
- Submit a document for approval
- Approve a document

The integration is available for following documents;

- Requisition
- Invoice Reconciliation

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Feature at a Glance

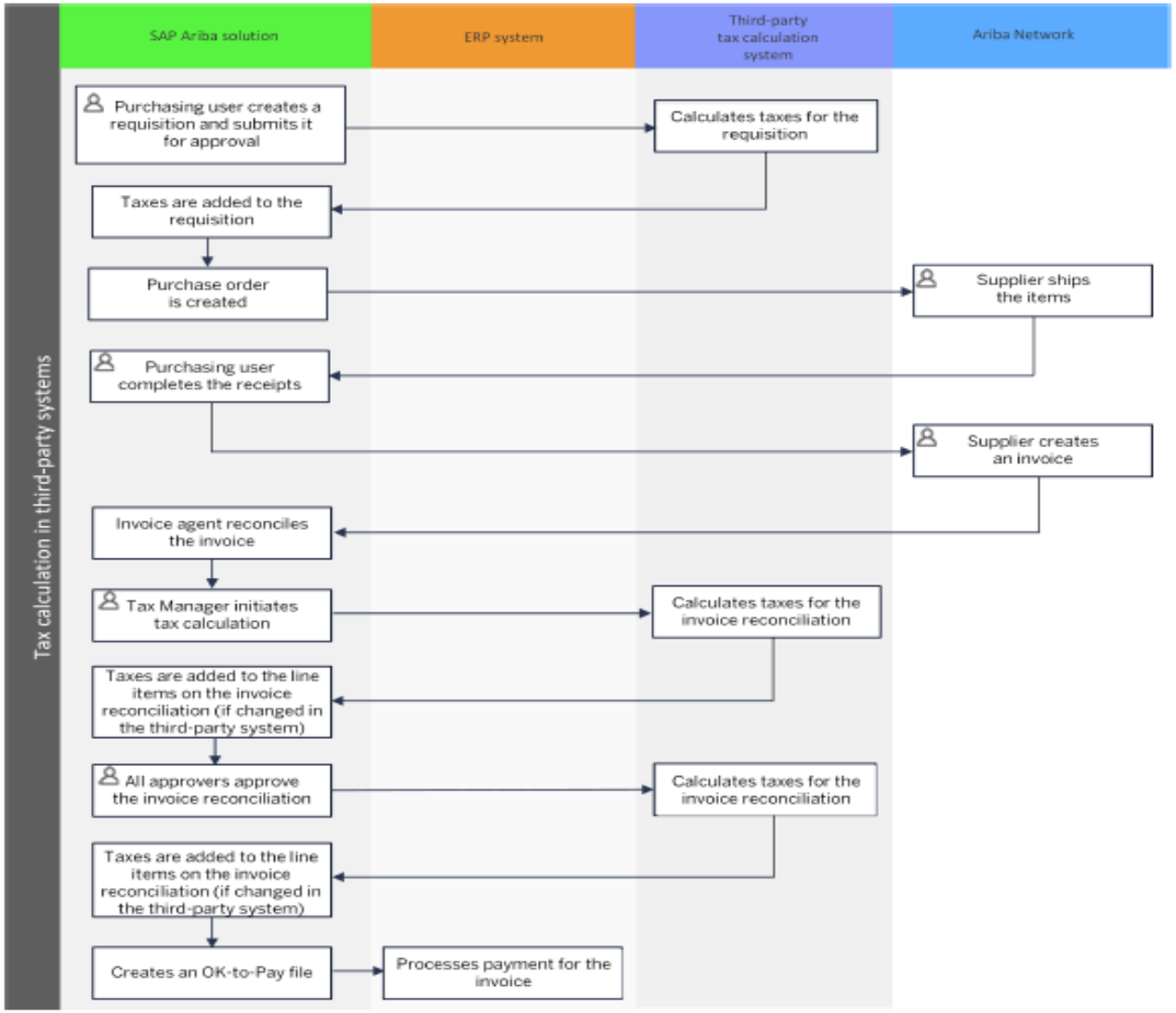
Process: **Requisition and Invoice Reconciliation workflow**

On the **Requisition**, the Tax call to third party tax engine will be made:

- Upon clicking on the ‘Submit’ button during Initial Requisition Submission.
- Upon Clicking the ‘Update Tax Info’ button (which has to be newly introduced) in the Requisition irrespective of the Requisition status
- Upon clicking on the ‘Save’ button for requisitions.
- Upon Clicking on the ‘Approve’ button during subsequent Requisition Approval process.
- Essentially all positive actions on a Requisition

On the **Invoice Reconciliation**, the Tax Call to third party tax engine will be made:

- As soon as IR document is created upon Invoice Approval the Tax API will have to be called.
- Tax API will have to be called whenever a re-reconciliation is triggered.
- Upon user clicking on the Recalculate Tax Button.



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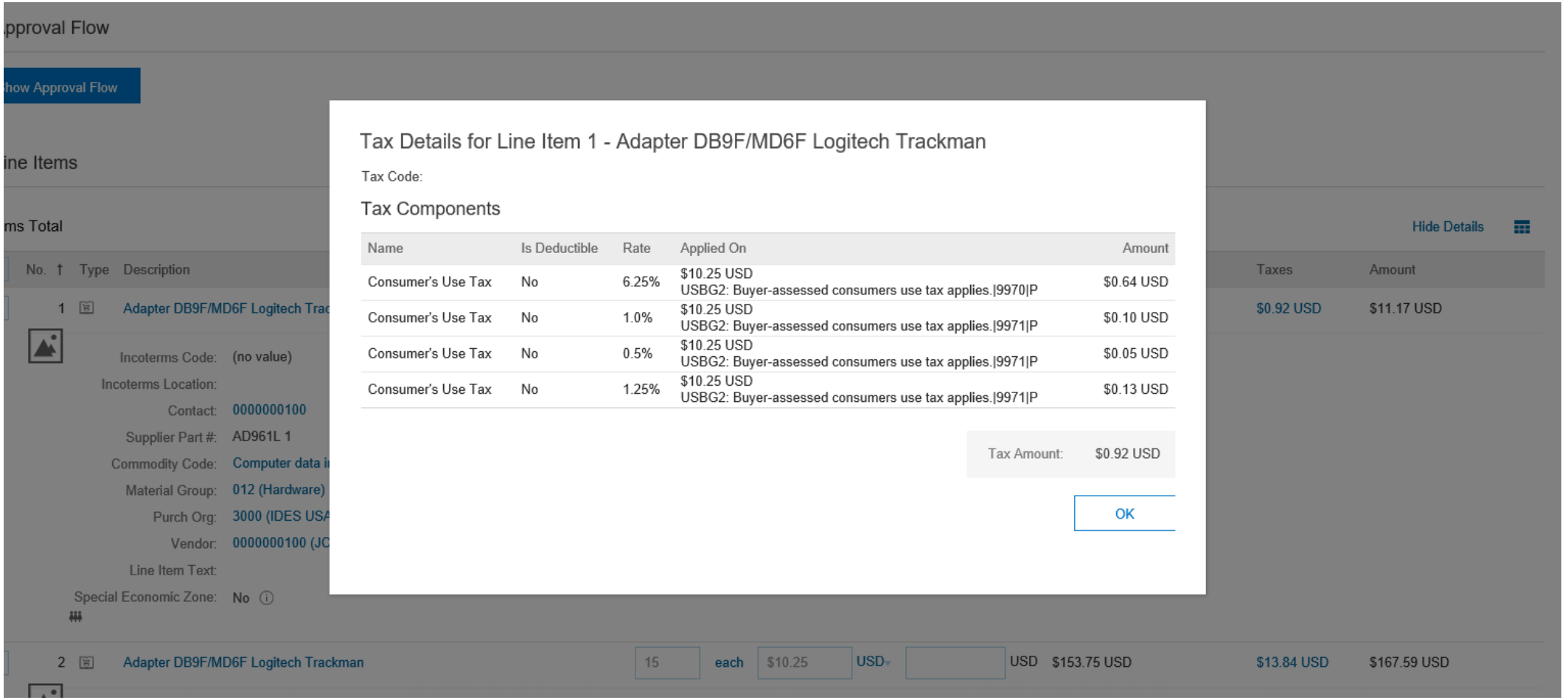
Feature at a Glance

Using: **US to US tax**



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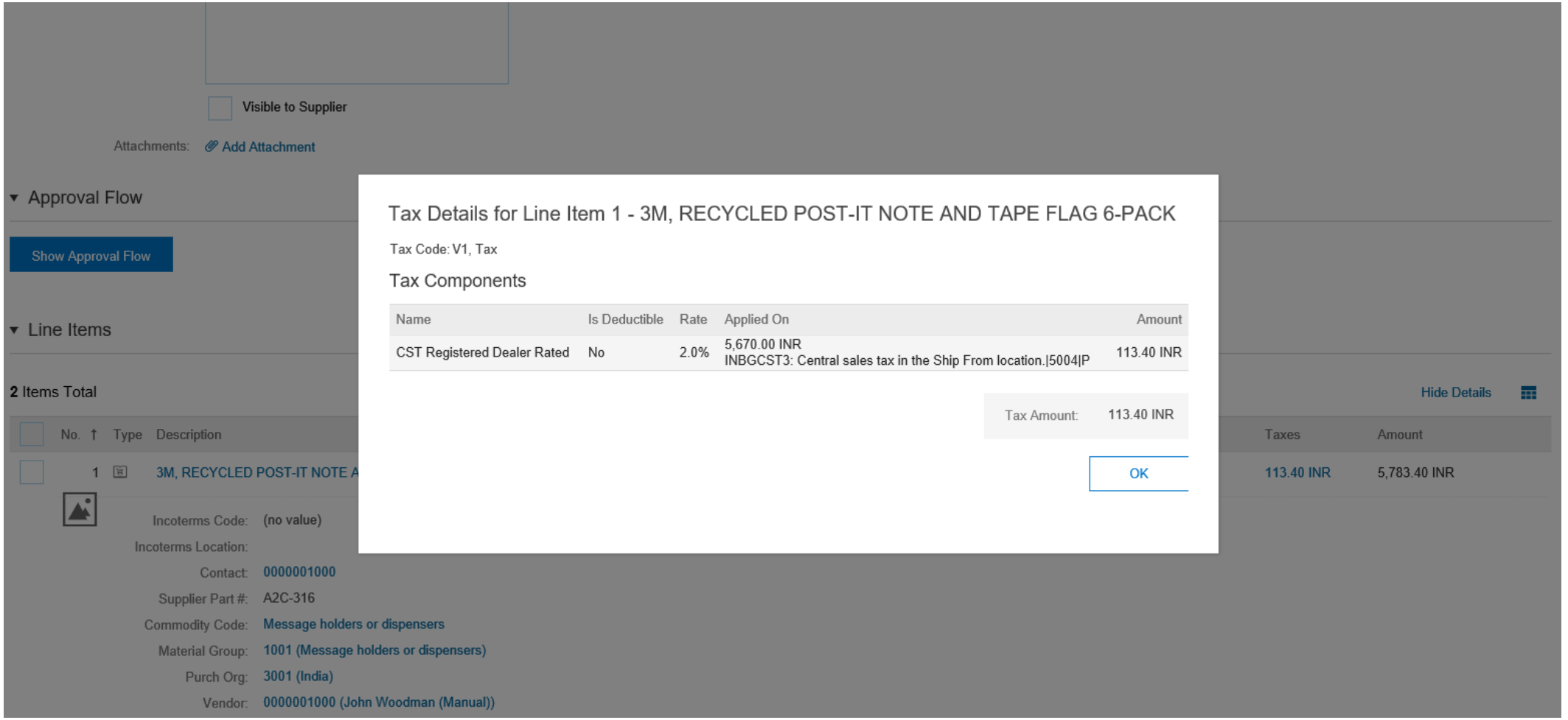
Feature at a Glance

Using: **India to India Tax**



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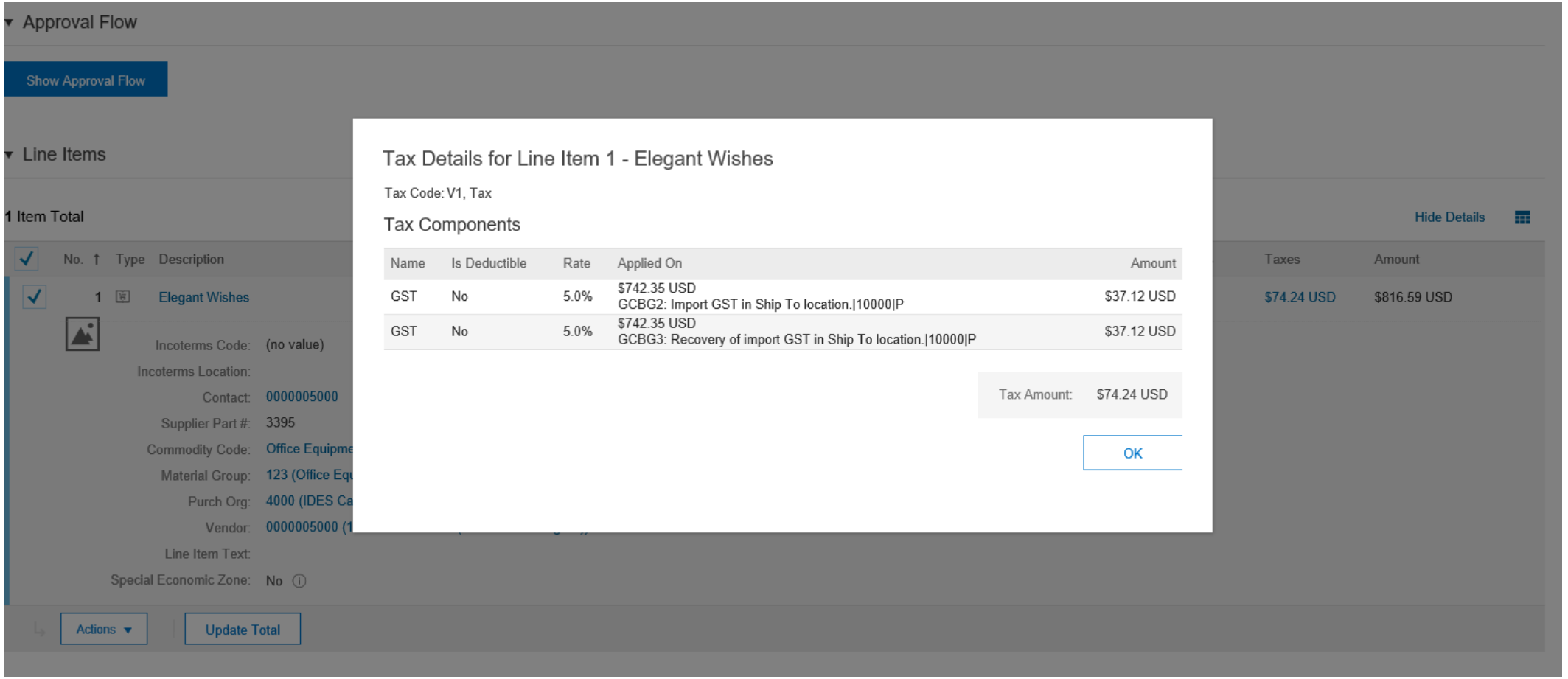
Feature at a Glance

Using: **US to Canada tax**



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Feature at a Glance

Configuration: **Pre-requisites**

- Buyers must have an **agreement with Vertex, or any third-party tax provider** organization to integrate with their systems to calculate taxes for requisitions and invoice reconciliation documents.
- The SAP Ariba solution uses web services to export data on requisitions and invoice reconciliation documents to third-party systems for calculation of taxes. The API has been developed in partnership with Vertex.
- Any *other* **third-party tax providers must build their own integration to consume web services-based requests and responses.**
- A member of the SAP Ariba solution Integration Admin group should refer to the Data Dictionary and use the integration migration management utility in Ariba Administrator (Integration Manager>Data Definition workspace) to review and accept the data definition changes for this feature.
- You must have membership of the Tax Manager or the Tax Editor group to be able to manually initiate tax calculation on requisitions and invoice reconciliation documents.

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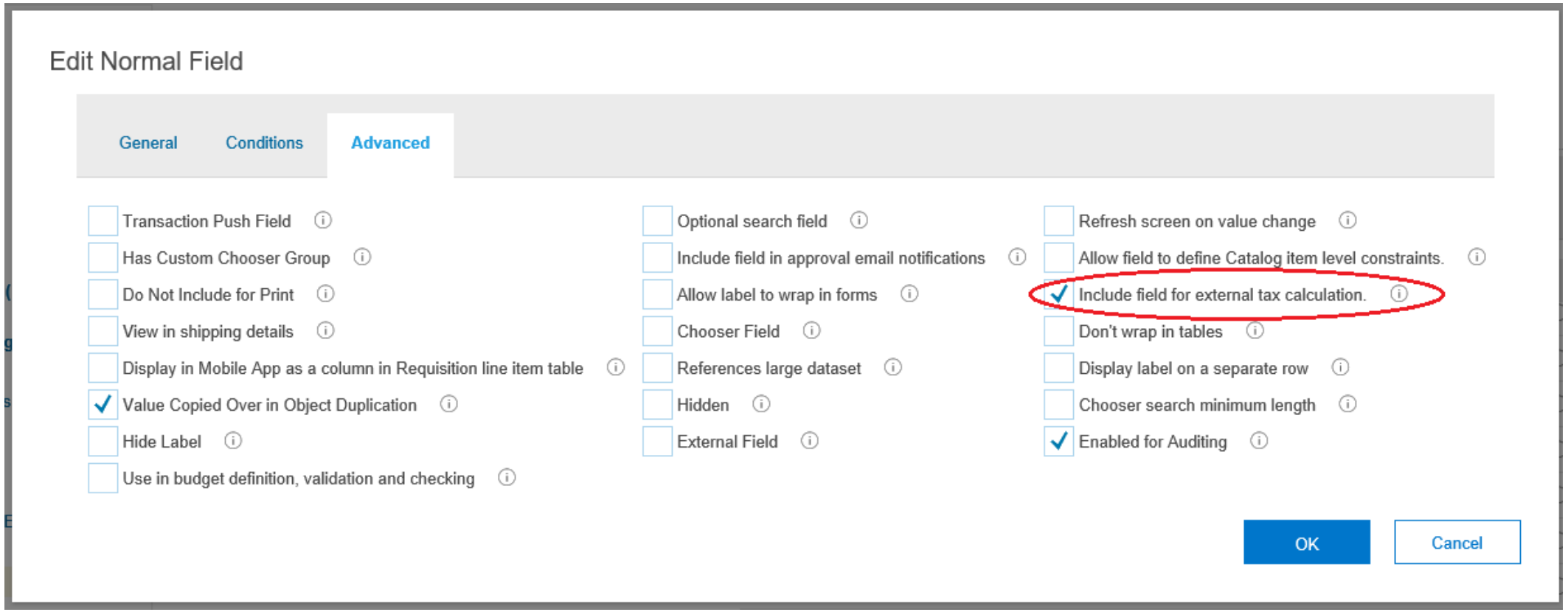
Feature at a Glance

Configuration: **Extending the interface**



SAP Ariba Support can select this option in the 'Advanced' tab of any custom field to ensure that these fields are marked as *Tax Influencers* and be included in the interface to the 3rd party tax solution.

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