



SAP Ariba 

# Feature at a Glance

## Enhancements to taxable amounts on allowances in invoices

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CONFIDENTIAL

# Feature at a Glance

Ease of implementation  Low touch / simple  
Geographic relevance  Global

## Introducing: Enhancements to taxable amounts on allowances in invoices

### Customer challenge

- Ariba Network would treat taxes on allowances as positive by default. This default behavior causes mismatch issues at the buyer's system
- The taxes should be negative and hence deducted from the invoice gross amount
- Customers could receive a Line Item Credit Memo for an amount more than the invoiced amount, thereby causing mismatch errors in ERPs

### Meet that challenge with SAP Ariba

- Buyers now can setup rules to enforce negative taxes on allowances
- If the rule for enforcing negative taxes on allowances is enabled, the supplier will not be able to submit invoices with positive taxes in allowances

### Experience key benefits

- The feature will eliminate the mismatches of invoices arising due to positive taxes on allowances
- Reduction in efforts wasted on follow ups and correction - thus leading to reducing invoice processing cycle time

### Solution area

- Ariba Network
- Commerce Automation

### Implementation information

- This feature is automatically on for all customers with the applicable solutions but requires customer configuration.

### Prerequisites and Restrictions

- Buyers need to configure the respective business rule in the Default Transaction rules setting
- Prior testing on –T test accounts before usage in production is recommended

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### Enable the business rule

- In the *Administration/Default Transaction Rules*, enable the new check box for “*Require Suppliers to provide Negative tax on allowances on invoices*”

Allow suppliers to add allowances and charges to invoices. ⓘ		<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	Require suppliers to provide negative tax on allowances on invoices. ⓘ
<a href="#">Configure list of allowances and charges</a>			

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### Calculation example

	Invoice	Before the change	After the change
<b>Scenario I</b>	Header Allowance	\$100	\$100
	Tax on Allowances	\$10	→ -\$10
	Line item	\$500	✓ \$500
	Invoice Total	✗ $\$500 + 10 - 100 = \$410$	✓ $\$500 - 10 - 100 = \$390$
<b>Scenario II</b>	Line item	\$500	\$500
	Line Item Allowance	\$100	\$100
	Tax on Line Item Allowances	\$10	→ -\$10
	Invoice Total	✗ $\$500 + 10 - 100 = \$410$	✓ $\$500 - 10 - 100 = \$390$

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#### Error message if a positive allowance is used (here on header level)

- If the supplier provides positive tax on allowances; he is shown an error message

Allowances and Charges	
Service Code:*	Volume Discount
Start Date:	17 Sep 2018
End Date:	30 Sep 2018
Allowance:	Rate (%) 2
Description:	Volume discount threshold above 10000 uni
	Add Tax
	Remove

  

Tax	
Category:*	Sales Tax
Location:	California
Description:	General Sales Tax
Regime:	
Taxable Amount: ⓘ	\$100.00 USD
Tax Rate Type:	Standard
Rate(%):	2
Tax Amount:	\$2.00 USD
	! Value cannot be positive