SAP Ariba

Feature at a Glance
Enhanced third-party tax calculation for invoices

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THE BEST RUN **SAP**

Feature at a Glance
Introducing: **Enhanced third-party tax calculation for invoices**

Customer challenge

For customers using a 3rd party tax engine for calculation of taxes on invoices, the calculated tax details tend to be much more granular than the tax on the invoice. This leads to unnecessary invoice reconciliation exceptions when processing invoices, with subsequent difficulties for Accounts Payable to reconcile the discrepancies.

Meet that challenge with
SAP Ariba

When using a 3rd party tax engine, the interface now allows the engine to return the tax at a granularity level that matches that of the invoice, as well as more detailed tax. This allows for efficient exception handling while also maintaining the benefits of capturing more granular tax detail.

The granular taxes are visible on the IR document for the user to view if desired. Once the the IR document has been approved, the tax calculation engine sends the granular tax details necessary for posting payment to the ERP system. The details include tax accrual information such as accruals for taxes the buyer pays directly to tax authorities.

Experience key benefits

This feature may greatly improve invoice processing time when managing tax through 3rd party tax providers as well as allowing to capture more granular tax detail.

Solution area

SAP Ariba Buying and Invoicing

Implementation information

This feature is ready for immediate use for all customers with the applicable solutions but requires **customer enablement**.

Prerequisites and Restrictions

- This capability applies to SAP Ariba Buying and Invoicing sites integrated with a 3rd-party tax solution.

- SAP Ariba Cloud Integration Gateway does not support this feature at this time. This feature requires custom data mappings between SAP Ariba Buying and Invoicing and your ERP system.

Feature at a Glance
Overview: **Enhanced third-party tax calculation for invoices**

For some time now, SAP Ariba Buying and Invoicing has had the capability to integrate with and leverage 3rd party tax engines to calculate taxes for requisitions and invoice processing.

This feature enhances this capability in following areas:

1. The API request includes additional details to enable the tax engine to calculate tax at appropriate level of detail to expedite invoice processing.

2. The tax engine returns both a tax summary and tax breakdown details.

3. The same API is called to request posting details. The tax engine recalculates tax and returns correct posting details.

4. The tax posting details are sent to the ERP together with the approved invoice. For non-SAP customers, a new export called "Export Payment Requests with Advance Payments and Taxes" includes the tax detail.

Ariba Network

Invoice [Submitted]

SAP Ariba Buying and Invoicing

SOAP web service API

Invoice processing

IR created

3rd Party Tax Engine

1 Calculate tax breakdown

2 IR exception handling

Tax details

ERP

IR approval

3 Calculate tax payment detail

4 Payment with tax posting

IR updated

Posting details