



# Feature at a Glance

## Japan Legal Change NG-6319

Integration between SAP Business Network and SAP Ariba Buying and Invoicing to Support New Invoice Method for Japan

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Target GA: August, 2023

# Introducing: **Japan Legal change**

## Feature Description

The tax authority in Japan will be introducing a new invoice format, Effective 1 October 2023.

This requires supplier organizations to register to the tax authority and then the tax authority issues a unique ID for each supplier - a Tax Registration Number.

During invoice creation, the tax summarization of the taxes captured at the line level are displayed at the header level. Individual items in the invoice are grouped based on the tax type and rate

**This feature allows the buyer to process the invoices generated on SAP Business Network and address gaps in ERS invoices generated on SAP Ariba Buying and Invoicing system.**

## Key Benefits

**Improved accuracy and compliance:** The addition of header tax summary and tax rounding per tax rate and type per invoice ensures that tax calculations are more precise, reducing the risk of errors while entering taxes at header manually and ensuring better compliance with tax regulations.

**Streamlined invoice processing:** By integrating the processing of invoices routed from the SAP Business Network, businesses can benefit from a more seamless and efficient invoicing process, reducing manual intervention and the potential for human errors

**Compliance with Japanese Tax Laws:** The creation of a header tax summary and rounding requirements ensures that businesses adhere to Japan's consumption tax laws, mitigating potential legal issues and fostering a smooth business environment.

Audience:

Buyer and Supplier

Enablement Model:

Commercial Request

Applicable Solutions:

- SAP Ariba Buying and Invoicing
- SAP Business Network



# Enablement Steps & Notes

## For SAP Ariba Buying and Invoicing (B&I)

- The parameter to Enable Japan Consumption Tax feature on B&I (Application.Procure.EnableJapanConsumptionTax) must be set to **Yes**. This parameter is self-service.

## SAP Business Network

### •Buyer Prerequisite

- You must enable the rule **Require suppliers to send tax invoice documents** under **Manage Profile> Configuration > Country-based Invoice Rules > General Invoice Rules** section in your SAP Business Network buyer account. This rule enables supplier to send invoices as per the new invoicing method.
- Enable - **Require suppliers to choose from your list of valid tax values**. (you must configure valid tax types and rates in your SAP Business Network account to match the ones created on SAP Ariba Buying and Invoicing, example Sales\_8 or SalesTax\_10).

### •Supplier Prerequisite

- You must setup a Legal Profile in your SAP Business Network supplier account. For more information, see [Setting Up Legal Profile for Suppliers in Japan](#).





# Prerequisites, Restrictions, Cautions

## Prerequisites & Restrictions

- Please follow the complete guide to feature - [Legal Change Japan](#)

## Cautions

- SAP Business Network
  - Legal Profile creation is only for domestic suppliers with registered addresses in Japan.
- SAP Ariba Buying and Invoicing
  - SAP Ariba restricts adding different tax rates for the same tax type at the header level by default. Review the prerequisites to configure tax type and rate for header level usage.

# Feature Details – SAP Ariba Buying and Invoicing



## Create Non-Catalog Item

Print

Add to Cart

Cancel

Purch Org: ZJP1 (Pur. Org ZJP1)

Full Description: \* Enter a description for this item.

Commodity Code: \* (no value)

Material Group: (no value)

Item Category: (no value)

Account Type: \* (no value)

Quantity: 1

Unit of Measure: each

Price: \* ¥0 JPY

[Additional Pricing Details](#)

Amount: ¥0 JPY

[Update Amount](#)

## Supplier Information

Vendor: (No Preference)

Contact: (no value) [select]

SellerTaxRegistrationNumber:

1

1. With parameter Application.Procure.EnableJapanConsumptionTax enabled this is out of the box field visible to enter the Tax ID manually at the Purchase Requisition screen, if supplier master data is updated.
2. Upon selecting the supplier this field will be auto populated with Tax ID value.

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# Feature Details – SAP Buying and Invoicing



Type:  Non-PO  
 PO-Based  
 Contract-Based

Supplier: \*

Supplier Contact: (no value) [ select ]

Supplier Invoice #:

Invoice Date: \* Fri, 30 Jun, 2023

Purchase Orders: \*

On Behalf Of:

Company Code:

WHT Base Amount:  JPY

Payment Terms: (no value) [ select ]

Ship From: (no value)

Plant: ZJP1 (JP Tokyo Plant - IS-Auto)

Aomi, 1-2-3  
Koto-ku 13 1350064  
Japan

Remit To Address: (no value)

Deliver To: \* Chad Noll

My Labels: [Apply Label...](#)

**GST Details**

Buyer GST ID:

Tax Invoice Number:

Supplier GST ID:

Header Taxes, Charges, and Discount

Name ↑	Type	Tax Rate	Amount	Accounting	Details
No items					

Delete Add Update

With parameter Application.Procure.EnableJapanConsumptionTax enabled on Create Invoice screen these field will be displayed Out of the Box.

Recommended to hide Buyer GST ID and Tax Invoice number as they are not needed for Japan and relabel the “Supplier GST ID” field – this field will be used to send information to SAP Business Network

# Feature Details – Sample PDF Files (SAP Ariba Buying and Invoicing)



6/30/23, 11:08 AM PR383: TestDemo

TESTDEMO  
**REQUISITION NO. PR383** ORDERING  
 Issued: Tuesday, June 20, 2023 IST, Created: Tuesday, June 20, 2023 IST by Chad Noll

---

**LINE ITEMS**

---

**SUPPLIER:** Vendor 01  
 Aomi, 5-2-3  
 , 1302031  
 Japan  
 Contact: Koto-ku

**TOTAL AMOUNT**  
 ¥11 JPY

**PLANT:** Ariba  
 Aomi, 1-2-3  
 Koto-ku, 13 1350064  
 Japan

**BILL TO:** Ariba  
 Aomi, 1-2-3  
 Koto-ku, 13 1350064  
 Japan

**DELIVER TO:** Arnold Davis  
 GL Account:  
 General Ledger Name: Other operating expenses  
 ID: 0000889000  
 Cost Center:  
 Cost Center Name: Cost center 1000  
 ID: 000001000  
 Asset Class:  
 Project/WBS:  
 Asset Number:  
 Internal Order:

SellerTaxRegistrationNumber: TZJPVEND100000  
 Order No.: 4500008004  
 Qualified Supplier: Yes

**LINE ITEM DETAILS (1 LINE ITEM)**

NO.	DESCRIPTION	PART NUMBER	QTY	NEED-BY DATE	UNIT PRICE	DISCOUNT	NET AMOUNT	CHARGES	TAXES	AMOUNT
1	Enter a description for this item.		1	-	each	¥10	¥10 JPY		¥1 JPY	¥11 JPY

Full Description: Enter a description for this item.

TAX CODE	TAXES	RATE	TAX AMOUNT	AMOUNT
VY	SalesTax_8	8.0%	¥1 JPY	¥1 JPY

**TOTAL AMOUNT**  
 ¥11 JPY

<https://svogp1es01ss.lab-us.gcpint.ariba.com/Buyer/render/N/4.9/07.JR6TY8>

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6/30/23, 11:09 AM Order 4500008004

**ORDER NO. 4500008004**  
 Issued on 金曜日, 6月 30, 2023 IST  
 Created on 金曜日, 6月 30, 2023 IST by Chad Noll

---

**SUPPLIER:** Vendor 01  
 Aomi, 5-2-3  
 , 1302031  
 Japan  
 Contact: Koto-ku

**TOTAL AMOUNT**  
 ¥11 JPY

**PLANT:** Ariba  
 Aomi, 1-2-3  
 Koto-ku, 13 1350064  
 Japan

**BILL TO:** Ariba  
 Aomi, 1-2-3  
 Koto-ku, 13 1350064  
 Japan

**DELIVER TO:** Arnold Davis  
 GL Account:  
 General Ledger Name: Other operating expenses  
 ID: 0000889000  
 Cost Center:  
 Cost Center Name: Cost center 1000  
 ID: 000001000  
 Asset Class:  
 Project/WBS:  
 Asset Number:  
 Internal Order:

Requester: Chad Noll  
 PR No.: PR383  
 SellerTaxRegistrationNumber: TZJPVEND100000  
 Qualified Supplier: Yes

**LINE ITEM DETAILS (1 LINE ITEM)**

NO.	DESCRIPTION	PART NUMBER	QTY	NEED-BY DATE	UNIT PRICE	DISCOUNT	NET AMOUNT	CHARGES	TAXES	AMOUNT
1	Enter a description for this item.		1	-	each	¥10	¥10 JPY		¥1 JPY	¥11 JPY

Full Description: Enter a description for this item.

TAX CODE	TAXES	RATE	TAX AMOUNT	AMOUNT
VY	SalesTax_8	8.0%	¥1 JPY	¥1 JPY

Req. Line No.: 1

**TOTAL AMOUNT**  
 ¥11 JPY

**TERMS AND CONDITIONS OF PURCHASE**

All purchases made by Ariba are subject to Ariba's Terms and Conditions of Purchase in effect at the date this purchase order ("Order") is issued to you, which can be found at the following uniform resource locator: [http://www.ariba.com/online\\_PO\\_TOU.cfm](http://www.ariba.com/online_PO_TOU.cfm).

<https://svogp1es01ss.lab-us.gcpint.ariba.com/Buyer/render/ML8HBADANSQV>

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Note: These are sample only.  
 Please click on the PDF Icon to open the file

# Feature Details – Sample cXML



```
<Money alternateCurrency="" alternateAmount="" currency="JPY">10</Money>

</UnitPrice>
<Description xml:lang="en">Enter a description for this item.</Description>
<UnitOfMeasure>EA</UnitOfMeasure>

<LeadTime>0</LeadTime>
<Extrinsic name="Req. Line No.">1</Extrinsic>
<Extrinsic name="Requester">Chad Noll</Extrinsic>
<Extrinsic name="PR No.">PR383</Extrinsic>
<Extrinsic name="SellerTaxRegistrationNumber">TZJPVEND100000</Extrinsic>
<Extrinsic name="Qualified Supplier">Yes</Extrinsic>

<Extrinsic name="QuoteReference"></Extrinsic>
<Extrinsic name="QuoteLineReference"></Extrinsic>
```

cXML extract



# Feature Details – Enabling Tax invoicing on SAP Business Network



Allow suppliers to create line item credit memo that exceed the invoiced amount. ⓘ	<input checked="" type="checkbox"/>
Allow suppliers to create line-item credit memo without reference to an existing invoice in Ariba Network ⓘ	<input type="checkbox"/>
Allow suppliers to create line-item debit memo without reference to an existing invoice in Ariba Network ⓘ	<input type="checkbox"/>
Require suppliers to send tax invoice documents. ⓘ	<input checked="" type="checkbox"/>
Require suppliers to provide a reason for each tax invoice document. ⓘ	<input type="checkbox"/>
Allow suppliers to cancel invoices they create. ⓘ	<input checked="" type="checkbox"/>
Allow invoices for information purpose. ⓘ	<input type="checkbox"/>
Allow suppliers to reuse invoice numbers. ⓘ	<input type="checkbox"/>
Allow suppliers to reuse invoice numbers from past calendar years. ⓘ	<input type="checkbox"/>
Allow suppliers to create line-item credit memo and line-item debit memo against service invoices.	<input checked="" type="checkbox"/>
Do not allow suppliers to change line item descriptions when creating invoices.	<input type="checkbox"/>

Enable this rule to receive tax invoice documents from suppliers for Japan

# Feature Details – Enabling Tax invoicing on SAP Business Network



PO and Non-PO Invoice Field Rules

Require suppliers to choose from your list of valid tax values.

Yes [Configure](#)

No

Apply this rule to electronic invoices. ⓘ

Select Configure

* Tax Category	* Rate	Tax Description	Is Withholding Tax
<input type="radio"/> Other <input type="text" value="SalesTax_8"/>	8 %	Reduced rate	<input type="checkbox"/>
<input type="radio"/> Other <input type="text" value="SalesTax_10"/>	10 %	Standard rate	<input type="checkbox"/>

↳  |

Tax Category and Type above are for sample only please match the names with ones created for SAP Ariba Buying and Invoicing

# Feature Details – Japan Specific fields on SAP Business Network UI



## Invoice Screen

**Additional Japan Specific Information**

Supplier Tax Registration Number:

0 Line Items, 0 Included, 0 Previously Fully Invoiced

**Line Items**

**Insert Line Item Options**

Tax Category:   Discount

<input type="checkbox"/>	No.	No.	No.	Include	Type	Part #	Description	Customer Part #	Quantity	Unit	Unit	Unit Price	Subtotal
No item selected													

### Condition for showing Japan specific information field

1. If the invoice is Domestic ( all the addresses are Japan)
2. If the legal profile is created then the information is auto populated.

# Feature Details – Enabling Tax invoicing on SAP Business Network



Tax Summary

Tax Details:

Tax Category	Tax Rate	Tax Rate Type	Taxable Amount	Tax Amount	Tax Location	Description	Tax Regime	Exempt Detail
Sales Tax	8%		¥105 JPY	¥8 JPY		Reduced 8% Tax Rate		
Sales Tax	10%		¥205 JPY	¥20 JPY		Standard 10% Tax Rate		

Invoice Summary

Subtotal: ¥310 JPY  
Total Tax: ¥28 JPY  
Total Amount without Tax: ¥310 JPY  
Amount Due: ¥338 JPY

When tax invoicing is activated (subject to prerequisites), the feature will consolidate the taxes entered at the line level into the header summary based on tax type and rate during invoice creation.

Supplier can enter taxes at header level also but will need to calculate the Taxable amount manually for each tax type and rate

# Sample PDF Invoice generated on SAP Business Network



7/4/23, 5:05 PM Ariba Network Supplier  
 "Copy Invoice - This is not a TAX Invoice"  
 Standard Invoice

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Invoice Number: Feilturnatagance	<b>Original</b>	<b>Net Total</b>	<b>¥1,548,000</b>
Invoice Date: Tuesday 4 Jul 2023 5:05 PM GMT+05:30	Total Tax	Total Tax	¥95,000
Original Purchase Order: 4500007968	Total Amount without Tax	Total Amount without Tax	¥1,146,000
Origin: Supplier	<b>Amount Due</b>	<b>Amount Due</b>	<b>¥1,146,000</b>

**6. Customer Name**

<b>ISSUING TO:</b>	<b>BILL TO:</b>	<b>SUPPLIER:</b>
JapanSupplier1 - TEST	JP Tokyo Plant - IS-Auto	JapanSupplier1 - TEST
Postal Address: JUnIDummy Sunnyvale, CA 94089 United States	Postal Address (標準 (〒 + 州 + 市)): Japan 1350064 13 Koto-ku Aomi, 1-2-3 Address ID: ZJP1	Postal Address: Japan 1230912 AICHI KEN EBI_FLY NAGOYA

**1. Name of the issuer and registration number**

<b>BILL FROM:</b>	<b>DATE/ISSUE:</b>
JapanSupplier1 - TEST	JapanSoldTo
Postal Address: Japan 100-0001 JUnIDummy Tax ID: T1234567890000	Postal Address: Japan 100-0001 TOKYO TO CHYODA KU CHYODA CHYODA CHYODA Address ID: JapanSoldTo

SHIPPING INFORMATION:

<b>SHIP FROM:</b>	<b>SHIP TO:</b>
JapanSupplier1 - TEST	JapanBuyer - TEST
Postal Address: Japan 100-0001 TOKYO TO CHYODA KU CHYODA	Postal Address: Japan 100-0001 JUnIDummy

Net Term: 0 Days

Original Purchase Order: 4500007968

Line No.	Line Ref No.	Type	Part No. / Description	Qty / Unit	Unit Price	Sub Total
1	1	MATERIAL	Not Available Line 01_8	3 / (EA)	¥105.00 JPY	¥315 JPY

**DETAILS**

Auxiliary Part ID:  
 Manufacturer Part No.:  
 Manufacturer Name:  
 Country of Origin:  
 Accounting Reference ID: 0000001000  
 Accounting Description: ID  
 Accounting Reference ID: 000089000

<https://svogopanman05.tab-us.gcpint.ariba.com/Supplier.aw/113718083/gw?aw=10&awsk=Q9F6Ofch&awst=cv6e&awst=0&awst=0> 1/3

Condition of Qualified Invoice	
1	Name of issuer and registration number
2	Date of transaction
3	Asset transferred or service provided (specify reduced rate transaction)
4	Consideration for transaction by tax rate and applicable tax rate
5	Total consumption tax amount by tax rate
6	Name of customer

Please click the PDF Icon to review the Invoice generated by SAP business Network





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