



# **BHP**

## **New Feature - Withholding Tax Determination**

### **Supplier QRG**

This document gives a complete information about the new feature of Withholding Tax determination.

## Requirement

The standard SAP system currently lacks the capability to determine withholding tax (WHT) applicability based on the location where services are physically performed. It relies solely on the master data settings and does not factor in the country of service delivery.

To address this gap, a custom solution has been developed to ensure accurate WHT determination. The solution introduces logic that exempts WHT for services performed outside the PO issuing entity's country.

For example, if a Canadian entity issues a PO and the services are performed in Canada, WHT applies. However, if the services are performed outside Canada, WHT should be exempted.


- ❖ **Ariba Customization**
- ❖ **Payment proposal enhancement to capture Withholding tax**
- ❖ **Remittance Advice enhancement to capture Withholding tax**

## ❖ Ariba Network Customization

To support accurate withholding tax (WHT) calculation based on the physical location of service delivery, enhancements have been made to the Ariba Network interface for suppliers during Invoice and Service Entry Sheet (SES) creation.

### **New Feature: Service Location Field**

A mandatory drop-down field titled “**Services Location**” has been introduced, accompanied by a warning message. This field allows suppliers to specify where the services were physically performed. The selection made here directly influences WHT applicability in SAP.

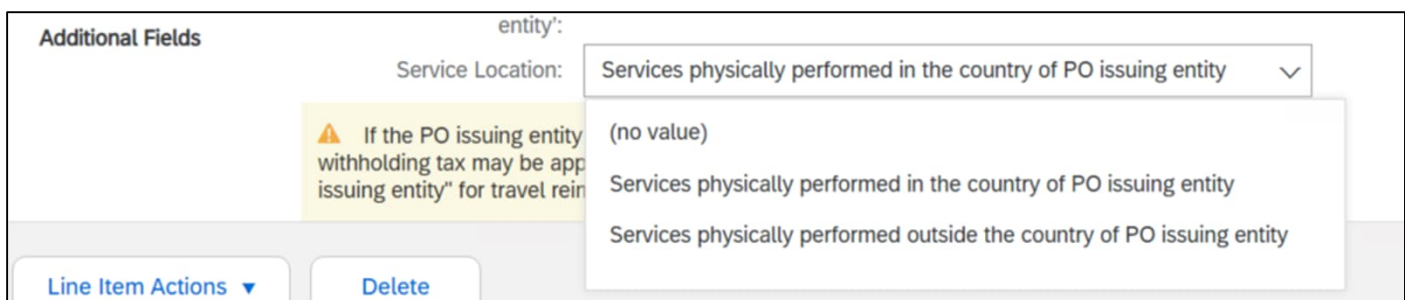
 If the PO issuing entity and the supplier location are based in different countries, then withholding tax may be applicable. Please select "Services physically performed outside of PO issuing entity" for travel reimbursements or if waiver applicable on withholding tax

#### **1. Services physically performed in the country of PO issuing entity (Default Value)**

By selecting this option it means that withholding tax is applicable for that particular line item while invoice posting. Please select this value if the services are physically performed in the country of the PO issuing entity. This value will applicable withholding tax from invoice.

#### **2. Service physically performed outside the country of PO issuing entity**


By selecting this option it means that withholding tax is exempted for that particular line item while invoice posting. Please select this option if the services are physically performed outside the country of the PO issuing entity or if waiver applicable on withholding tax. This value will exempted withholding tax from invoice.



Additional Fields

entity:

Service Location:

 If the PO issuing entity withholding tax may be applicable. Please select "Services physically performed outside of PO issuing entity" for travel reimbursements or if waiver applicable on withholding tax

(no value)

Services physically performed in the country of PO issuing entity

Services physically performed outside the country of PO issuing entity

Line Item Actions ▾

Delete

❖ Payment proposal enhancement to capture WHT :

When an invoice is subject to withholding tax, the amount in payment proposal should capture accordingly as below.

**Total Invoice amount:** total gross amount of the invoice including the withholding tax amount

**Total Settlement amount:** Net amount of the invoice excluding the withholding tax amount

**Tax category:** should capture “WHT” as category

**Tax Location:** Tax jurisdiction code from the PO

**Tax amount:** the actual withholding tax amount

**Invoice amount & settlement amount:** these amounts should carry the amount accordingly as mentioned above in the header.

Payment has been paid.					
Expected settlement date	Total invoice amount	Status	Early payment status	Total settlement amount	
Oct 31, 2025	\$100.00 CAD	Paid	Not Eligible	\$85.00 CAD	
<a href="#">Details</a>   <a href="#">Payment timeline and history</a>   <a href="#">History</a>					
Payment details				Total tax adjustment	N/A
				Tax category	Tax location
				WHT	7002100000
				Tax amount	\$-15.00 CAD
				Tax adjustment	N/A
Supplier	Invoice	Scheduled payment	Invoice amount	Settlement amount	
BHP- SPOTLESS TEST	4518308899N4	40000273462026001D100EH1	\$100.00 CAD	\$85.00 CAD	
Additional information					

❖ Remittance Advice to capture WHT :

Withholding tax is now included in the remittance advice sent to suppliers. For any invoice subject to WHT, the remittance advice will reflect the correct gross amount, which is the sum of the net payable amount and the withheld tax. This ensures transparency in payment details and allowing suppliers to clearly see the tax withheld during settlement.

From		To		REMITTANCE ADVICE		
BHP Group Operations - TEST		BHP- SPOTLESS TEST		Z.20250904.1500051931 (Paid)		
PAYEE - BHP Canada Inc.		(Show Payee Details)		Gross Amount: \$100.00 CAD		
(Show Payee Details)				Withholding Tax: \$15.00 CAD		
				Amount Paid: \$85.00 CAD		
				Estimated Settlement on 4 Sep 2025		
Payment Detail						
Payment Method: Other (unknown)		Routing Status: Sent				
Reference Number: 1500051931		Transaction Date: 4 Sep 2025				
Related Payment: Z.20250904.1500051931						
Identified Differences: None						
ADDITIONAL INFORMATION						
Line Items (1)						
Line #	Payable Reference	Gross Amount	Discount	Withholding Tax	Net Amount Paid	Scheduled Payment
1	Invoice: 4518308899N4	\$100.00 CAD	\$0.00 CAD	\$15.00 CAD	\$85.00 CAD	40000273462026001D100EH1
ADDITIONAL INFORMATION						
buyInvoiceID: 4000027349						
OriginalInvoiceID: 4518308899N4						
Company Code: 0100						
FiscalYear: 2025						
buyOrderID: 4518308899						
				Gross Amount: \$100.00 CAD		
				Withholding Tax: \$15.00 CAD		
				Adjustment: \$0.00 CAD		
				Amount Paid: \$85.00 CAD		