



Portugal

SAF-T Portugal

2014

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Agenda



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- SAF-T in Portugal
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- Data transformation
- Data output
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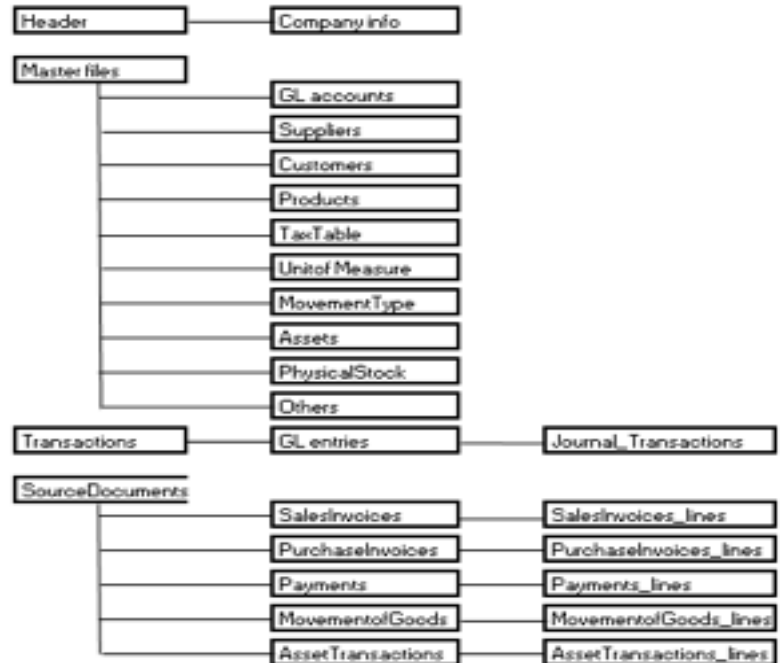
Historical overview

- Published by OECD:
 - May 2005 : version 1.0
 - April 2010: version 2.0
- Specific lay-out for submitting data to revenue for tax audits
- Applicable for corporate income tax and VAT
- Objectives:
 - Reliable accounting data
 - Exportable from accounting system
 - Specific time period
 - Easily readable (standard layout and format)
 - Used by Revenue for compliance checking
- Developed in cooperation with governments, accountancy and audit profession and software developers

Historical overview: SAF-T



- OECD SAF-T
- Overview of data types to be provided
- Published by OECD:
 1. May 2005 : Version 1.0
 2. April 2010: Version 2.0



SAF-T in Portugal



- In 2008, mandatory for supplying data for periodic audit, the following data
 - 1 – Header
 - 2.1 – GeneralLedger [Table showing the accounts codes]
 - 2.2 – Customer [table showing the customers]
 - 2.3 – Supplier [Table showing the suppliers]
 - 2.4 – Product [table showing products and services]
 - 2.5 – TaxTable [table showing the taxes]
 - 3 - GeneralLedgerEntries [Transactions entries]
 - 4 – SourceDocuments [table showing commercial documents]
- In 2013, with mandatory monthly supply of all sales, only the following data
 - 1 – Header
 - 2.2 – Customer [table showing the customers]
 - 2.5 – TaxTable [table showing the taxes]
 - 4 – SourceDocuments [table showing commercial documents]

SAF-T in Portugal



- Monthly reporting requirement since 2013
- XML output based on SAF-T from OECD but many country specific adjustment
- Very specific and mandatory requirements regarding the data that had to be provided:
 - Invoice number with prefix: type invoice FT = invoice, NC = credit note
 - Tax number is mandatory, for local PT customers without country code prefix but for non-EU customers a tax number had to be included as well
 - 1 Billing address and 1 Shipping address per customer? How to deal with multiple ship to destinations=
 - Shipping address is required on sales invoice header level but is maintained in SAP at item level
 - Mandatory electronic signature, also for paper invoices

SAF-T in Portugal



- Primarily billing data
- Due to these specific requirements the structure of the administration will be partially prescribed:
 - TransactionId: the key must be built in such a way that it is the only one that corresponds to the number of the accounting document, which is used to detect the physical document in the archive
So it shall result from linking together, separated by spaces, the following elements: TransactionDate, JournalID and DocArchivalNumber
- In 2013 the required XML output has been changed 2 times
- Very complicated to implement the required output in global SAP systems, often separate projects of 6+ months

SAFT-PT in SAP: basic design



- SAP design for data archiving and retention
- SAP added for creating a SAF-T PT support functionality via the use of DART.
- The final SAP code, included the 60+ OSS notes, was quite big (30,000+ lines) and thus difficult to implement and maintain changes
- In principle based on the legal requirement for all SAF-T PT data but also adjusted to accommodate the monthly Sales SAF-T PT data
- Complicated process and not designed to be executed periodically
- On february 2014 new SAP OSS notes where published 1929229 - SAFT-PT: RPFIEU_SAF-T solution to replace RSAFT_XML_PT but:
 - When tax authorities change the reports/data a complex change management process has to be followed (impact IT time needed, testing, etc.)
 - Not possible to combine data from different sources or even from different SAP systems (i.e. business line running of multiple SAP systems but 1 legal entity).

Different solutions

1. Use standard SAP solution
2. Managed services (outsourcing)
3. In-house SAF-T PT solution using MS Access
 - Demo
4. In-house generic OECD SAF-T solution using MS Access
 - Offers flexibility to deal on ongoing basis with country specific requirements in case required

Why our solution?



- Certain companies consider our solution still a better fit as it is expected that the Portuguese requirements might change regularly
- We have been able to amend our solution to new requirements including testing within a week
- The extra advantage is reducing scarce IT resource time and continue to meet requirements going forward

High level work process

- Data selection: selecting relevant data
- Data extraction*: download data from SAP tables (SE16/SE16N or SQ01 (SAP query))
- XML generation: import data in software tool ACL and run script (=program) with XML output as output
 - *Possible to import data from different source and to combine these data and create a single SAFT XML file

Optional:

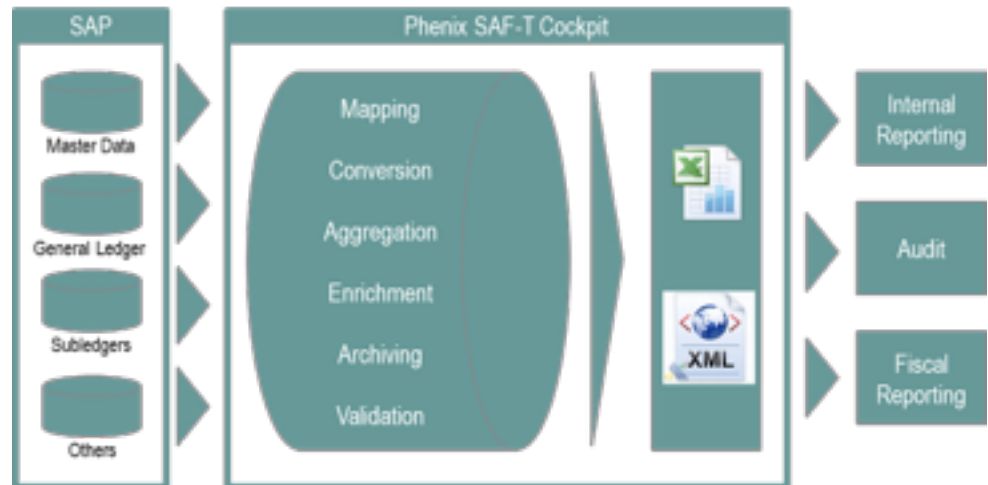
- Control reports are possible: i.e. reconciliation report SAF-T and VAT return
- Scope beyond PT: easy to use SAP data extraction tool for OECD SAF-T standard. Data output is in XML format or in a database format that meets the country specific requirements (via our joint venture Phenix Consulting)

High level overview SAF-T PT solution

To comply with the SAF-T PT reporting requirements Phenix provides a lean and flexible solution which extracts relevant data from any SAP system automatically and transforms it into the country specific required XML format

- The cockpit can be installed locally on a personal computer
- No adjustments are necessary within the accounting system SAP
- Special characteristics of posting data (e.g. usage of document types) can be added manually within the cockpit
- The data extraction is saved locally and can be forwarded independently by business department

Phenix SAF-T Cockpit architecture



High level work process

The SAF-T Cockpit provides **one single** easy-to-use input screen which can be used intuitively. The user can generate monthly or annual SAF-T reports on a **fully automated** basis

Data selection

Select options

Company Code	<input type="text"/>	to	<input type="text"/>
Ledger	<input type="text"/>	to	<input type="text"/>
Fiscal year	<input type="text"/>	to	<input type="text"/>
Fiscal period	<input type="text"/>	to	<input type="text"/>
Posting date	<input type="text"/>	to	<input type="text"/>
Document type	<input type="text"/>	to	<input type="text"/>
Document No.	<input type="text"/>	to	<input type="text"/>
Customer	<input type="text"/>	to	<input type="text"/>
Billing document	<input type="text"/>	to	<input type="text"/>

Get Data

Edit Data

Process Data

Selecting relevant data via easy-to-use search function

Data extraction

Status Monitor

BKPF Data selected ✓
BSEG Data selected ✓
Retrieving FAGLFLEXT data
ANLA table created
ANLB table created
KNA1 table created
KNB1 table created
LFA1 waiting . . .

Automatic data extraction from SAP via Remote Function Call (RFC)

XML generation

```
<?xml version="1.0" encoding="UTF-8" standalone="yes" ?>
<!DOCTYPE [soap:envelope] [xmlns="http://schemas.xmlsoap.org/soap/envelope/"]>
<Header>
  <!DOCTYPE [soap:envelope] [xmlns="http://schemas.xmlsoap.org/soap/envelope/"]>
  <CompanyID>123456789</CompanyID>
  <TaxRegistrationNumber>333333333</TaxRegistrationNumber>
  <TaxAccountingBasis>F</TaxAccountingBasis>
  <CompanyName>COMPANY PORTUGUESA S.A.</CompanyName>
  <BusinessName>Company Portuguesa S.A. branch</BusinessName>
  <CompanyAddress>
    <AddressDetail>
      <Street>123</Street>
      <City>415034</City>
      <PostalCode>3706-123</PostalCode>
      <Country>PT</Country>
    </AddressDetail>
  </CompanyAddress>
  <FiscalYear>2014</FiscalYear>
  <StartDate>2014-03-01</StartDate>
  <EndDate>2014-03-31</EndDate>
  <CurrencyCode>EUR</CurrencyCode>
  <DataCreated>2014-03-13</DataCreated>
  <TaxEntry>SEDE</TaxEntry>
  <ProductCompanyTaxID>S45694567</ProductCompanyTaxID>
  <SoftwareCertificateNumber>631</SoftwareCertificateNumber>
  <ProductID>SAP ERP/SAP AG</ProductID>
  <ProductVersion>SAP_APL-60</ProductVersion>
</Header>
<Customer>
  <CustomerID>35164999</CustomerID>
```

Generating SAF-T report in XML-format using country's specific legal requirements

System requirements needed

MSAccess based

- Phenix SAF-T PT Cockpit is delivered as Microsoft Database Executable (MDE). It is an integrated application whose working logic cannot be disturbed or manipulated by the user
- To use this product Windows MS Access 2003 is required
- SAP GUI has to be available on the personal computer
- A background SAP user is required who has a RFC authorization

Outsourcing or in-house solution



- The Phenix Consulting SAF-T solution for Portugal is available with 2 options:
 1. Outsourcing: after defining all required input data from SAP the monthly downloads from SAP are send to the Phenix.
 - The KEY group is running the tool and returns the XML output file
 - Fixed set up fee and monthly fee for creating the XML file
 2. In-house: Phenix defines the required input data, develops the scripts in the software tool which will be delivered to the customer.
 - Customer runs the complete process in-house
 - Fixed fee for delivering the solution
 - Additional maintenance services (i.e. updating the scripts for changes) are optional

Intellectual Property has to be safeguarded contractually when contractor or agent is providing identical or similar services