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SAP S/4HANA Localization & Configuration Guide

Italy · Spain · France · Germany · United Kingdom

A practical reference for SAP consultants, finance teams and project managers covering the statutory, fiscal and technical localization requirements for S/4HANA implementations across five major European jurisdictions.

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1. Introduction & Scope

SAP S/4HANA is delivered with a common international core, but every country in which a legal entity operates imposes its own statutory, fiscal and reporting obligations. SAP addresses this through **country localizations**: pre-delivered configuration, master data, forms, reports and interfaces bundled into country versions that are activated per company code. This guide summarizes the localization scope and the principal Customizing (SPRO) activities required to make an S/4HANA system legally compliant and operationally complete for five jurisdictions: Italy, Spain, France, Germany and the United Kingdom.

The document is intended as a planning and configuration reference for functional consultants, finance leads and project managers during the design (Explore) and realization phases of an S/4HANA implementation or rollout. It does not replace SAP's official country-specific documentation (the Globalization landing pages on SAP Help Portal) or current legal text, which should always be consulted for the latest thresholds, dates and technical formats.

> Scope note: figures, thresholds and platform names referenced below (e.g. SDI, SII, Chorus Pro, MTD) reflect the general design of each regime as commonly implemented in S/4HANA projects. Always verify current rules with SAP Notes and local tax authority guidance before go-live.

2. Core S/4HANA Localization Building Blocks

Before configuring any single country, a set of cross-application building blocks must be in place. These are activated and parameterized per company code and form the foundation on which every country-specific add-on is layered.

2.1 Organizational & Master Data Foundation

- **Company code country key** (T001 / OBY6) — drives the default tax procedure, address layout, payment formats and chart of accounts proposal.
- **Chart of accounts** — operating COA (e.g. YCOA) plus, where mandated, a **country chart of accounts** (e.g. INT for many EU countries) assigned for statutory reporting.
- **Tax procedure** (OBBG) — one tax calculation procedure per country (e.g. TAXIT, TAXES, TAXFR, TAXDE, TAXGB) with condition types, access sequences and account keys.
- **Business partner / customer-vendor integration** — country-dependent fields (tax IDs, registration numbers, banking formats such as IBAN/BIC) maintained via BP master data.
- **Number ranges** — fiscal-year dependent or continuous numbering as required for legal sequential numbering of invoices and accounting documents.

2.2 Tax & Statutory Reporting Framework

- **Advance Tax Return / VAT reporting** — RFUMSV00 (legacy) or the SAP Advanced Compliance Reporting (ACR) framework for periodic VAT returns.
- **Document Compliance / e-invoicing** — SAP Document and Reporting Compliance (DRC, successor to Document Compliance / eDocument framework) handles country-specific electronic invoice generation, validation and submission to tax authorities or PEPPOL-type networks.
- **Intrastat & EC Sales List** — required for all EU member states for movement-of-goods and cross-border services reporting.
- **Withholding tax (extended)** — configured per country where applicable (notably Italy and Spain) via Financial Accounting → Withholding Tax.
- **Legal/statutory financial statement versions** — country-specific FS version (OB58) aligned to local GAAP and balance sheet/P&L; layouts.

2.3 Printing, Forms & Archiving

- Country-specific **Adobe Forms / Smart Forms** for invoices, dunning letters and payment advices, reflecting mandatory legal wording.
- **Correspondence and payment medium formats** (e.g. SEPA XML pain.001/pain.008) for domestic and cross-border bank files.
- **Legal archiving** requirements (e.g. immutability, retention periods) supported through SAP ILM or third-party archiving in conjunction with local rules (GoBD in Germany, conservazione sostitutiva in Italy).

3. Italy

Repubblica Italiana — SAP country version IT

Overview

Italy has one of the most demanding localizations in SAP because of mandatory real-time e-invoicing, detailed withholding tax rules, and country-specific VAT bookkeeping (registri IVA). Company codes must be assigned country key IT, the Italian tax procedure (TAXIT), and the Italian functional area / business place structure used for fiscal document numbering.

Key Legal & Fiscal Parameters

Parameter	Detail
Tax procedure	TAXIT (condition-based VAT determination)
Standard VAT rates	22% standard; 10% and 4% reduced rates
Fiscal ID	Codice Fiscale and Partita IVA maintained on the Business Partner
E-invoicing platform	Sistema di Interscambio (SdI), FatturaPA XML format
Withholding tax	Ritenuta d'acconto — extended withholding tax functionality
Mandatory ledger	Registro IVA vendite / acquisti (sales & purchase VAT registers)

Electronic Invoicing & Digital Reporting

All B2B, B2C and B2G invoices must be issued in the FatturaPA XML schema and transmitted through the SdI exchange system before being considered legally valid. In S/4HANA this is managed through **SAP Document and Reporting Compliance (DRC)**, generating the XML, applying the digital signature/transmission and tracking SdI status notifications (accepted, rejected, not deliverable).

The **Esterometro** cross-border transaction report was phased out as cross-border invoices were brought into the SdI flow; projects should confirm the current obligation status with SAP Notes at build time, since Italian e-invoicing rules are revised frequently by the Agenzia delle Entrate.

Core SPRO / Configuration Activities

- Activate the Italian country version and business place / tax office assignment (Cross-Application Components → General Application Functions → Business Place).
- Configure the VAT registers (registro IVA) numbering and periodic VAT liquidation (liquidazione IVA) reporting via ACR.
- Set up extended withholding tax types/codes for ritenuta d'acconto and assign to relevant vendor master records.
- Configure SAP Document and Reporting Compliance for outbound/inbound FatturaPA processing, including SdI communication channel (PEC or accredited intermediary).
- Maintain legal numbering ranges per fiscal document type per business place, fiscal year dependent.
- Configure the Italian financial statement version (Bilancio CEE) for statutory balance sheet/P&L; layout.

Statutory & Operational Reports

- Liquidazione periodica IVA (periodic VAT settlement) via Advanced Compliance Reporting.
- Registri IVA — sales and purchase VAT ledgers, legally sequential and exportable.
- Spesometro / Esterometro historical reporting (where still applicable for the fiscal period).
- Intrastat declarations for intra-EU goods and services movements.

- Black list and INTRA-related disclosures as required by current regulation.

> Italy frequently updates SdI technical specifications (new XML versions, new rejection codes). Plan a recurring SAP Note review cycle and regression testing of the DRC e-document scenario at each Agenzia delle Entrate release.

4. Spain

Reino de España — SAP country version ES

Overview

Spain's defining localization requirement is the SII (Suministro Inmediato de Información), which obliges large taxpayers to report VAT-relevant invoice data to the Agencia Tributaria within four business days of issuance or recording. Company codes are set with country key ES and tax procedure TAXES; NIF/CIF identifiers are mandatory on business partner master records.

Key Legal & Fiscal Parameters

Parameter	Detail
Tax procedure	TAXES
Standard VAT rates	21% standard; 10% and 4% reduced rates
Fiscal ID	NIF / NIF-IVA on Business Partner, validated against AEAT census rules
Real-time reporting	SII — Suministro Inmediato de Información (near real-time VAT ledger feed)
Periodic returns	Modelo 303 (VAT), Modelo 349 (EC Sales List), Modelo 390 (annual VAT summary)
Equivalence surcharge	Recargo de equivalencia for qualifying retail trade scenarios

Electronic Invoicing & Digital Reporting

Under SII, S/4HANA generates and transmits structured invoice records (issued, received, investment-goods and certain intra-Community records) to the AEAT web service in near real time, typically through the DRC / eDocument cockpit with monitoring of acceptance, partial acceptance and rejection statuses.

B2G e-invoicing uses the **FACe** platform with the Facturae XML format; some autonomous regions and large enterprises also increasingly require structured B2B e-invoicing under the evolving Crea y Crece law, which projects should track for future-state design.

Core SPRO / Configuration Activities

- Activate Spanish country version and assign tax procedure TAXES with condition records for VAT/recargo de equivalencia.
- Configure SII communication: company code SII activation date, message types (issued/received invoices, payment/collection records, investment goods) and AEAT certificate/connection setup.
- Maintain VAT books mapping (Libro registro de facturas emitidas/recibidas) consistent with SII reporting groups.
- Configure withholding tax (retención) for professional services and rental income where applicable.
- Set up Modelo 303/349/390 extraction via Advanced Compliance Reporting or legacy DME-based reporting.
- Maintain Facturae configuration for public-sector (B2G) invoicing via FACe, where the entity sells to public administrations.

Statutory & Operational Reports

- SII real-time invoice ledger submissions (issued and received).
- Modelo 303 quarterly/monthly VAT self-assessment.
- Modelo 349 recapitulative statement of intra-Community operations.
- Modelo 390 annual VAT summary declaration.
- Intrastat declarations for goods movements above the reporting threshold.

> SII has strict four-business-day submission windows; ensure background job scheduling and error monitoring (rejected/partially accepted records) is built into the operational support model, not just the initial configuration.

5. France

République Française — SAP country version FR

Overview

France combines a classic VAT compliance landscape (TVA) with two structural requirements that heavily influence S/4HANA design: the FEC (Fichier des Écritures Comptables) statutory audit file and the phased rollout of mandatory B2B e-invoicing and e-reporting via the Chorus Pro / PDP (Plateforme de Dématérialisation Partenaire) ecosystem.

Key Legal & Fiscal Parameters

Parameter	Detail
Tax procedure	TAXFR
Standard VAT rate	20% standard; 10%, 5.5% and 2.1% reduced rates
Fiscal ID	SIREN/SIRET and numéro de TVA intracommunautaire
Statutory audit file	FEC — Fichier des Écritures Comptables, mandatory on tax audit request
B2G e-invoicing	Chorus Pro (mandatory for invoices to public sector entities)
B2B e-invoicing/e-reporting	Phased mandate via PDP/PPF platforms (Factur-X / UBL / CII formats)

Electronic Invoicing & Digital Reporting

Invoices to French public-sector bodies must be submitted through **Chorus Pro**; S/4HANA typically integrates via Document and Reporting Compliance or middleware producing the required structured format and tracking workflow status (deposited, accepted by recipient, rejected).

The broader French e-invoicing reform mandates B2B invoice transmission and e-reporting of B2C/international transaction data through certified **PDP** platforms, with formats including Factur-X (hybrid PDF/XML), UBL and CII. Implementation timelines have been adjusted by the French government on multiple occasions, so the rollout phase applicable to each company size should be confirmed before go-live.

The **FEC** extract is not an invoice format but a mandatory standardized export of all accounting entries for a fiscal year, generated on demand for tax audits; correct master data (account, journal, document and posting date integrity) is essential to producing a compliant file.

Core SPRO / Configuration Activities

- Activate French country version and tax procedure TAXFR with TVA condition types.
- Configure FEC extraction (transaction/program for Fichier des Écritures Comptables) and validate field mapping against the DGFiP technical specification.
- Set up Chorus Pro connectivity for B2G invoicing, including SIRET-based routing and service code (code service) mapping on customer master data.
- Prepare e-invoicing/e-reporting architecture (PDP integration or DRC) ahead of the applicable mandate phase for the company's size category.
- Configure legal sequential numbering of sales documents in compliance with French anti-fraud software certification requirements (NF525/anti-fraud attestation for cash registers, where relevant).
- Maintain Intrastat (Déclaration d'Échanges de Biens / DEB-DES successor reporting) settings for goods and services flows.

Statutory & Operational Reports

- FEC annual/on-demand statutory accounting extract.
- CA3 periodic VAT return (déclaration de TVA).
- DEB/DES intra-EU goods and services declarations.
- Chorus Pro invoice submission and status tracking for public-sector customers.
- Annual DAS2 third-party fee disclosure, where applicable.

> Because the French e-invoicing mandate timeline has shifted in recent legislative updates, treat the PDP/e-reporting workstream as a separate, monitored project track with its own go-live date rather than bundling it unconditionally into the core finance build.

6. Germany

Bundesrepublik Deutschland — SAP country version DE

Overview

Germany's localization centers on rigorous accounting-data integrity and audit-readiness rather than a single mandatory e-invoicing platform (although e-invoicing for public-sector and, increasingly, B2B transactions is expanding). The defining requirement is **GoBD** compliance — principles for the proper keeping and storage of books, records and documents in electronic form — alongside DATEV interoperability for tax advisor exchange.

Key Legal & Fiscal Parameters

Parameter	Detail
Tax procedure	TAXDE
Standard VAT rate	19% standard; 7% reduced rate
Fiscal ID	Steuernummer and USt-IdNr. (VAT ID) on Business Partner
Compliance framework	GoBD — immutability, traceability and retention of accounting records
Data exchange	DATEV export format for tax advisor / Finanzamt data exchange
B2B e-invoicing	XRechnung / ZUGFeRD adoption expanding under EU ViDA-aligned national mandate

Electronic Invoicing & Digital Reporting

Federal public-sector invoicing already requires structured e-invoices in **XRechnung** (pure XML, UBL/CII based) or **ZUGFeRD** (hybrid PDF/XML) format; Germany is progressively extending mandatory B2B e-invoicing receipt and, later, issuance obligations in line with national law implementing the EU's VAT in the Digital Age initiative.

S/4HANA handles this through Document and Reporting Compliance, generating XRechnung/ZUGFeRD output and supporting inbound e-invoice receipt and validation as the mandate phases in by company size.

Independently of e-invoicing, **GoBD** requires that all accounting-relevant documents and system changes remain unalterable, fully traceable and retrievable for the statutory retention period (generally 10 years for accounting records), which drives change-document logging, archiving and system audit-trail configuration.

Core SPRO / Configuration Activities

- Activate German country version and tax procedure TAXDE; configure Steuernummer/USt-IdNr. fields on Business Partner.
- Configure GoBD-relevant settings: document change rules, archiving (SAP ILM or certified archiving), and number range continuity to avoid gaps in legally relevant document sequences.
- Set up DATEV export (FI/CO transfer to tax advisor systems) including account and cost-center mapping.
- Configure Document and Reporting Compliance for XRechnung/ZUGFeRD generation and receipt, including Peppol/ZRE-OZG-RE public-sector routing where relevant.
- Maintain the German financial statement version (HGB-aligned balance sheet/P&L; structure) and chart of accounts mapping (e.g. SKR03/SKR04 reference structures).
- Configure Intrastat and Zusammenfassende Meldung (recapitulative EC sales statement) reporting.

Statutory & Operational Reports

- Umsatzsteuer-Voranmeldung (UStVA) — periodic advance VAT return via ELSTER/ACR.

- Zusammenfassende Meldung (ZM) — EC Sales List for intra-Community supplies.
- Intrastat declarations for goods movements.
- DATEV data export for external tax advisor reconciliation and annual financial statement preparation.
- GoBD-compliant data export (Z3 access) for tax audit (Betriebsprüfung) purposes.

> GoBD audit readiness should be validated, not assumed: run a mock 'Z3' data export and change-log review during testing, since auditors frequently request direct read access to the live system and a structured data export simultaneously.

7. United Kingdom

UK — SAP country version GB

Overview

Following Brexit, the UK operates VAT and trade reporting independently of the EU framework. The principal S/4HANA-relevant obligation is **Making Tax Digital (MTD) for VAT**, which requires digital record-keeping and submission of VAT returns via HMRC's MTD API rather than manual portal entry, alongside post-Brexit customs and import VAT handling for EU/non-EU trade.

Key Legal & Fiscal Parameters

Parameter	Detail
Tax procedure	TAXGB
Standard VAT rate	20% standard; 5% reduced rate; 0% zero-rated
Fiscal ID	VAT Registration Number (VRN); Companies House registration number
Digital filing	Making Tax Digital (MTD) for VAT — API-based submission to HMRC
Trade reporting	Customs declarations / postponed VAT accounting post-Brexit (EU trade no longer Intrastat for dispatches from GB)
Banking	BACS, Faster Payments and CHAPS payment medium formats

Electronic Invoicing & Digital Reporting

The UK does not (as of this writing) mandate a structured e-invoicing clearance model comparable to Italy's SdI; the core digital obligation is **MTD for VAT**: VAT records must be kept digitally and the VAT return must be submitted through software connected to HMRC's MTD API, with a digital, unbroken link from source transaction to the submitted figures.

S/4HANA supports MTD through Advanced Compliance Reporting (or the legacy MTD add-on), which extracts VAT-relevant data, applies the nine-box VAT return structure and transmits it via the HMRC API with OAuth-based authentication.

The UK government has separately consulted on broader e-invoicing adoption; project teams should monitor HMRC announcements for any future mandate that would require revisiting the Document and Reporting Compliance scope for GB company codes.

Core SPRO / Configuration Activities

- Activate UK country version and tax procedure TAXGB with output/input VAT condition types for standard, reduced and zero rates.
- Configure Making Tax Digital connectivity: HMRC API registration, OAuth token management and the nine-box VAT return mapping via Advanced Compliance Reporting.
- Set up postponed VAT accounting (PVA) handling for import VAT on goods entering GB from the EU and rest of world.
- Configure payment medium formats for BACS, Faster Payments and CHAPS, including sort code/account number validation on house banks.
- Maintain the UK financial statement version aligned to UK GAAP/FRS 102 or IFRS reporting structure as applicable to the entity.
- Review customs/EORI number maintenance on Business Partner records for import/export declarations.

Statutory & Operational Reports

- MTD VAT return — nine-box submission via HMRC API.
- EC Sales List equivalent / trade statistics reporting where still applicable to the entity's trade flows.
- Construction Industry Scheme (CIS) withholding reporting, where relevant to the business sector.
- Companies House statutory account filing support (financial statement version and disclosure data).
- Postponed VAT accounting statement reconciliation against import VAT postings.

> Because the UK sits outside the EU VAT and Intrastat regime, do not reuse EU cross-border configuration unchanged for GB company codes — customs, import VAT and trade-statistics processes must be designed specifically for the post-Brexit framework.

8. Cross-Country Configuration Checklist

The table below consolidates the configuration items that recur across all five jurisdictions and should be tracked as a single rollout checklist per company code during realization and cutover.

Area	Configuration Item	IT	ES	FR	DE	UK
Org. structure	**Country key, tax procedure, COA assignment**	✔	✔	✔	✔	✔
Tax	**Periodic VAT/GST return via ACR**	✔	✔	✔	✔	✔ (MTD)
Tax	**Real-time / near real-time invoice reporting**	SdI	SII	PDP*	—*	—
Tax	**Withholding tax configuration**	✔	✔	—	—	✔ (CIS)
Reporting	**Intrastat / EC Sales List**	✔	✔	✔	✔	Limited
Reporting	**Statutory audit file / extract**	Registri IVA	Libro IVA	FEC	GoBD/Z3	MTD digital links
e-Invoicing	**Mandatory B2G e-invoicing**	✔	✔	Chorus Pro	XRechnung	—
e-Invoicing	**B2B e-invoicing mandate**	✔	Phasing	Phasing	Phasing	Not mandated
Forms	**Country-specific legal print forms**	✔	✔	✔	✔	✔
Payments	**Local payment medium format**	SEPA	SEPA	SEPA	SEPA	BACS/FPS/CHAPS

* France's e-reporting/e-invoicing mandate and Germany's domestic B2B e-invoicing mandate are in phased rollout; confirm the applicable obligation date for each company size category before scoping.

9. Implementation Recommendations

9.1 Project Approach

- Treat localization as a **parallel workstream** with its own fit-gap, build and test cycle per country — do not assume a template build is automatically compliant for every entity.
- Engage local tax/statutory subject-matter experts for each jurisdiction during design (Explore) to validate thresholds, formats and filing frequencies, which change frequently and independently of the SAP release cycle.
- Sequence e-invoicing and digital-reporting integrations (SdI, SII, Chorus Pro/PDP, XRechnung, MTD) as testable end-to-end scenarios with the relevant government/network test (sandbox) environments, not just unit-tested in isolation.

9.2 Master Data Governance

- Standardize Business Partner data quality rules so that country-mandatory fields (Codice Fiscale, NIF, SIREN/SIRET, Steuernummer/USt-IdNr., VRN) are enforced at entry, not corrected post-hoc.
- Maintain a single source of truth for tax codes and condition records per country to avoid divergent VAT determination logic across company codes sharing the same client.

9.3 Change Management & Monitoring

- Establish a recurring SAP Note / legal-change monitoring process (Globalization Services, OSS notes) for each country, since real-time reporting formats (SdI, SII, XRechnung) are updated more frequently than the core S/4HANA release cadence.
- Build operational dashboards for e-document/e-invoice status monitoring (accepted, rejected, pending) so finance operations can react within statutory windows, particularly Spain's four-business-day SII deadline and Italy's SdI rejection/resubmission cycle.
- Plan periodic GoBD/Z3-style audit-readiness tests for Germany and equivalent statutory-file extraction tests (FEC for France, registri IVA for Italy) ahead of any external tax audit.

> This guide is a planning aid, not legal or tax advice. Localization requirements, thresholds and platform names change regularly; validate all details against current SAP Notes and local tax authority publications before configuration and at each go-live milestone.