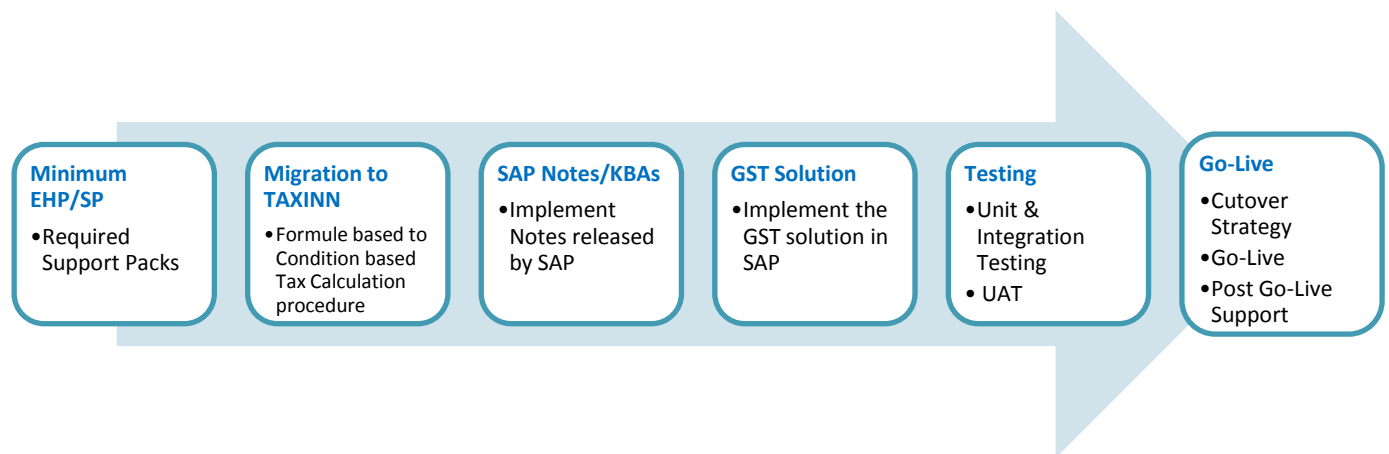# GST Implementation in SAP

Overview:

- Goods and Services Tax (GST) is the biggest indirect tax reform India has adopted since independence.
- It subsumes most of the indirect goods and service taxes levied by the Indian Central and State Governments
- Under GST, goods and services are taxed at the rates: 0%, 5%, 12%, 18% & 28%; some special rates are still applicable for specific category of products.
- GST came into effect from Jul 1, 2017.

GST Readiness in SAP:

- As a pre-requisite from SAP, it is mandatory to migrate the tax calculation procedure in SAP from formulae based TAXINJ to condition based TAXINN procedure; thus fading away the significance of Tax Codes in SAP.
- Depending on the SAP version, it is also required to install to the relevant support pack(s) provided by SAP.
- SAP has also released various Notes & Knowledge Articles related to GST implementation in Customers' SAP Systems

Areas Impacted:

- GST Registration
- Master Data maintenance in SAP
- Tax Configuration and Computation
- Business Process Localization
- GST Tax postings
- Tax Reporting (Internal Reports + Statutory Reporting)

Minimum EHP/SP	Migration to TAXINN	SAP Notes/KBAs	GST Solution	Testing	Go-Live
•Required Support Packs	•Formule based to Condition based Tax Calculation procedure	•Implement Notes released by SAP	•Implement the GST solution in SAP	•Unit & Integration Testing • UAT	•Cutover Strategy •Go-Live •Post Go-Live Support

The GST Solution Coverage

Cherrytec has successfully implemented GST for its SAP Customers in India covering all taxable scenarios in Sales and Purchase for various industries such as Manufacturing, Process Automation and Pharmaceuticals.

Various taxable scenarios in sales such as domestic & export sales, intrastate and interstate sales and stock transfers were addressed. Specific requirements such as Tax on Free Goods and Promotional Sales were also covered.

Similarly, all taxable scenarios in purchase such as domestic purchase, intrastate and interstate purchases, sub-contracting were precisely configured in SAP. Import Purchase which retains the Customs Duty in addition to the Integrated GST (IGST) was also configured in SAP.

Based on the HSN/SAC codes and the place of supply of Goods & Services, the tax rates were determined in the purchase and sales transactions in SAP.

About Cherrytec

Cherrytec is a Global Enterprise IT company providing consulting, development & maintenance covering SAP, Oracle and Allied Services through its offshore, onsite & dedicated delivery teams. Since incorporation in 1998, Cherrytec has been consistently exceeding Clients' expectations and requirements.

We align our internal processes and methodologies completely oriented to Client requirements. Through our comprehensive consulting & management expertise, innovative problem solving methods, and timely delivery which enable ideal partnership for an array of IT services.

For more information about us please visit : http://www.cherrytec.com