

FABS SAP-Competency Center, Islamabad



User Manual for

Compulsory Deduction of GST against GL B02341

**1. Business Process Overview:**

AGPRs/ AGs / DAOs offices act as withholding agents for deduction of Sales Tax, Income tax for Tax Authorities i.e. FBR and provincial tax authorities. All payment claims presented in AGPRs/ AGs/ DAOs offices are processed through SAP system.

Now deduction has been made mandatory regarding General Sales Tax (GST) or Sales tax on Goods. System will prompt the user to deduct proper GST amount before parking the invoice, otherwise invoice would not be accepted.

**2. Process Steps:****i. G/L accounts and rate for GST**

G/L accounts which are taxable, their tax rates are maintained in SAP system after the proper approval of AGPR and FBR Islamabad. Maintenance of GLs for GST and their rates is centrally in FABSCC Islamabad. No AGPR / AG / DAO is allowed to change any GL or rate for GST in SAP System.

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## **Online verification of vendor’s credentials from FBR / PRAL**

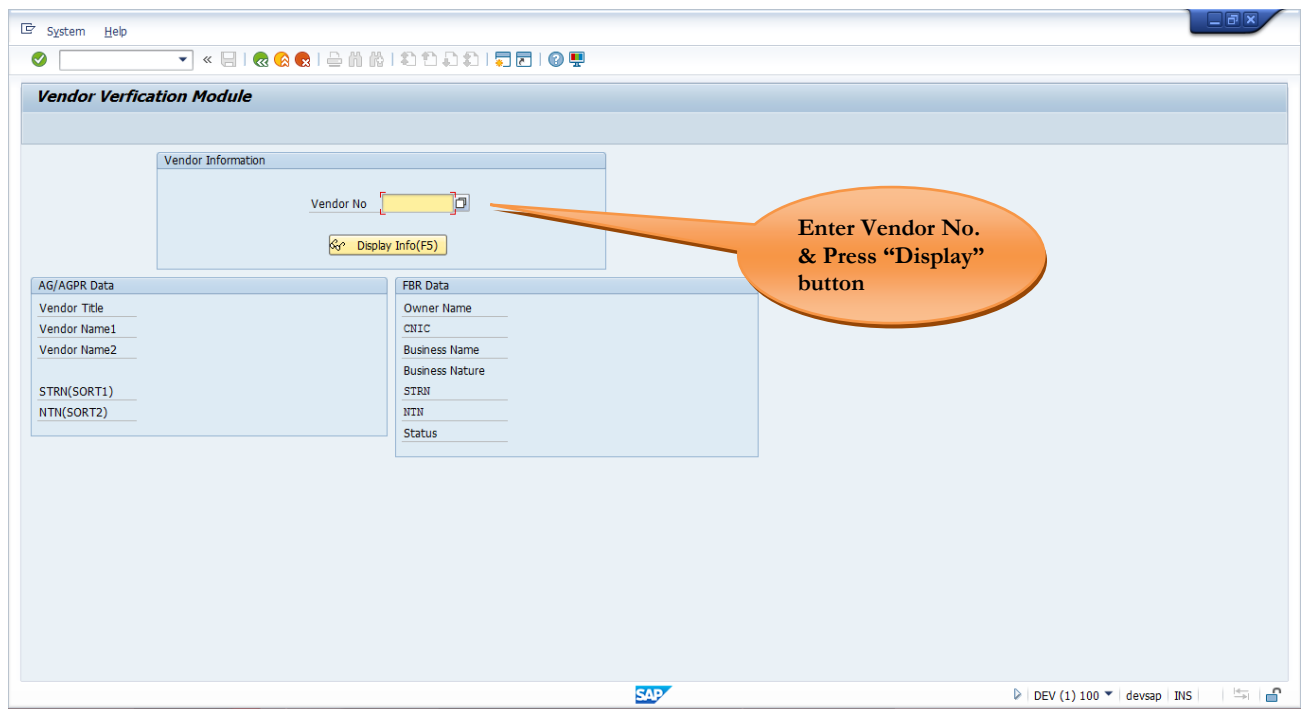
FABSCC Islamabad has developed an online interface with PRAL (Pakistan Revenue Automation (Pvt.) Ltd.) for verification of STRN (Sales Tax Registration Number), NTN (National Tax Number) and business name of private vendors who are working with governments as supplier.

**All those vendors, whose STRNs or Names do not match with SAP vendor’s data, system will not allow to punch their invoices. So prerequisite for punching of invoices for private vendors / suppliers is to correct their STRN and business name in SAP system. Beside this, if a vendor’s credentials are verified but he is non-filer, then system will also not allow to park his invoice.**

### **Online Verification of Vendor’s credentials**

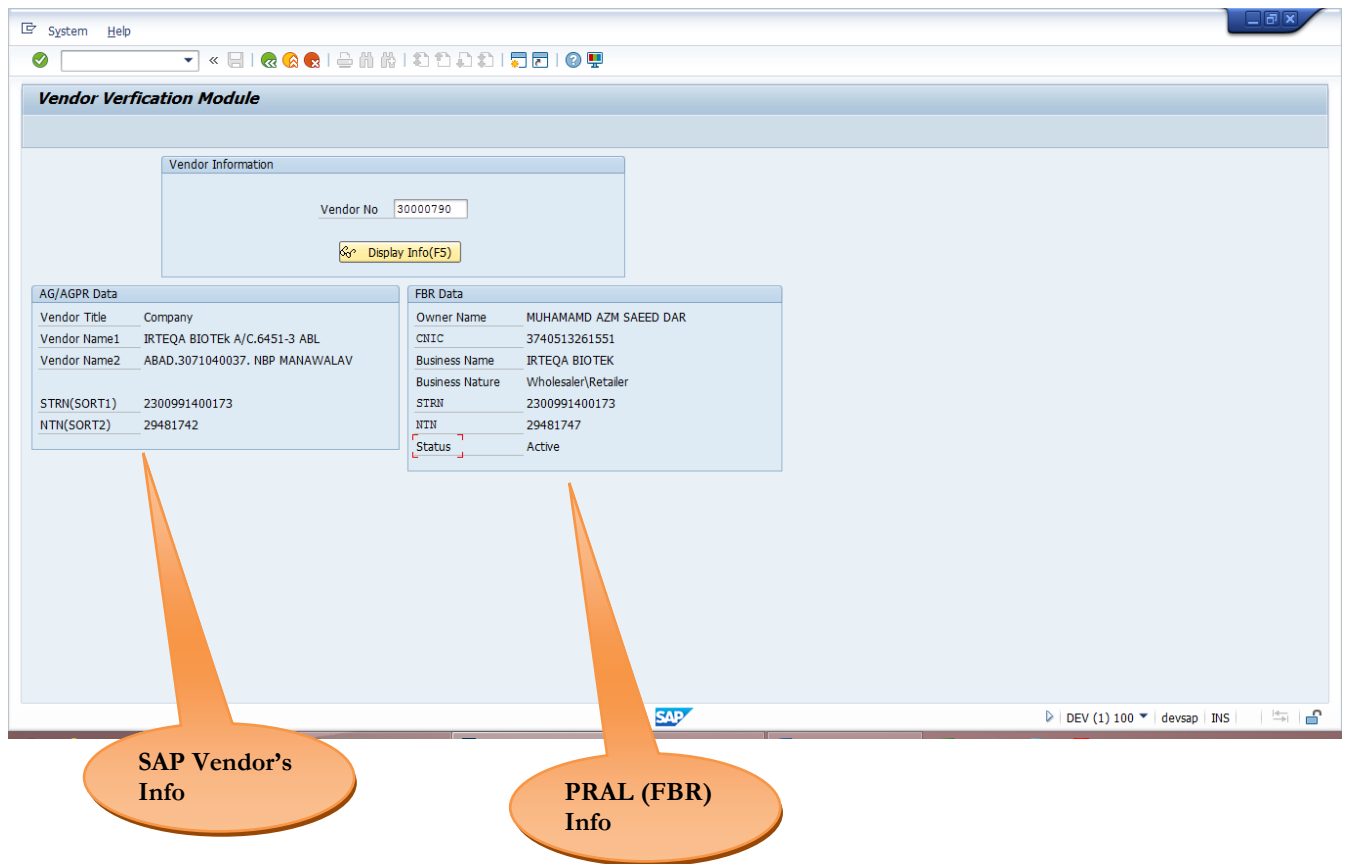
T Code “YPVFBRM - Vendor Verification” will not only display vendors information viz a viz SAP and PRAL (FBR) but also set the status accordingly.

When you execute the above T Code, following screen will appear



When you press “Display info(F5)” button, following information may appear.

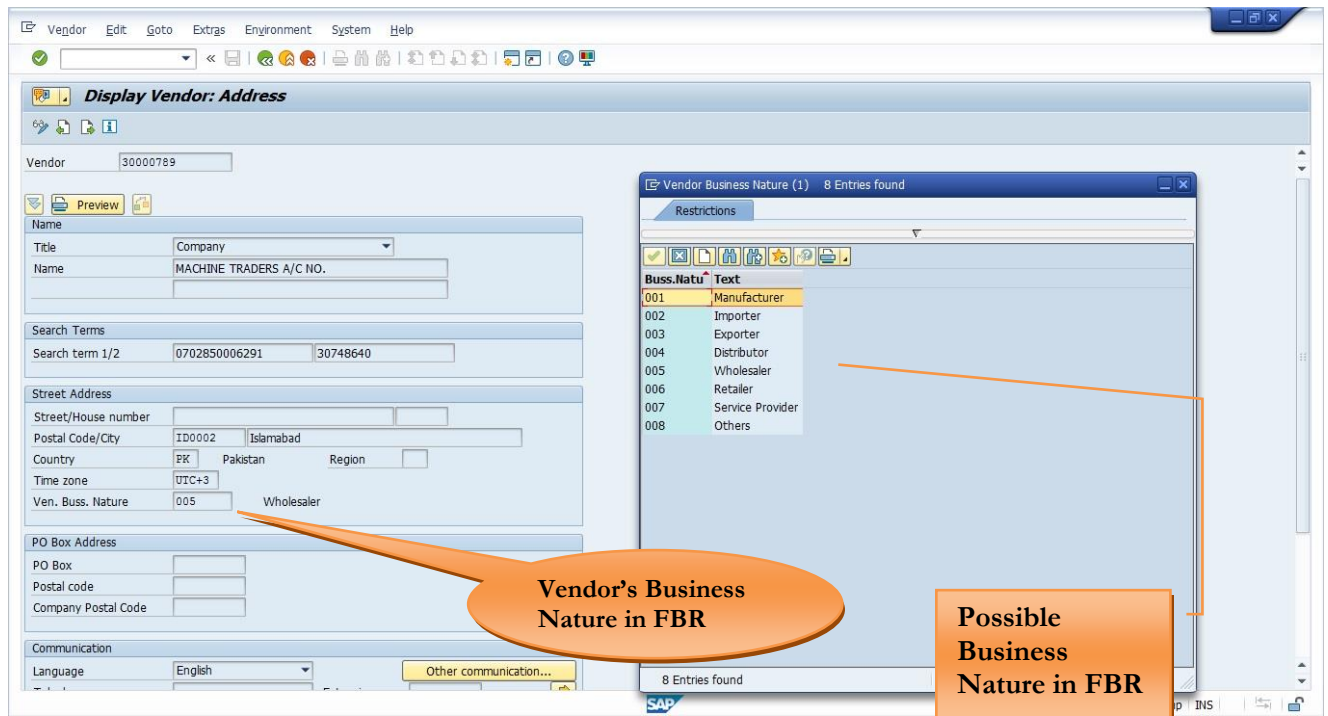
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After comparison of both the data the system will set a status in SAP vendor's Address tab and Control tab. User can see the status of vendor through T Code XK03 / XK02.

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**Address Tab in XK03 / XK02**

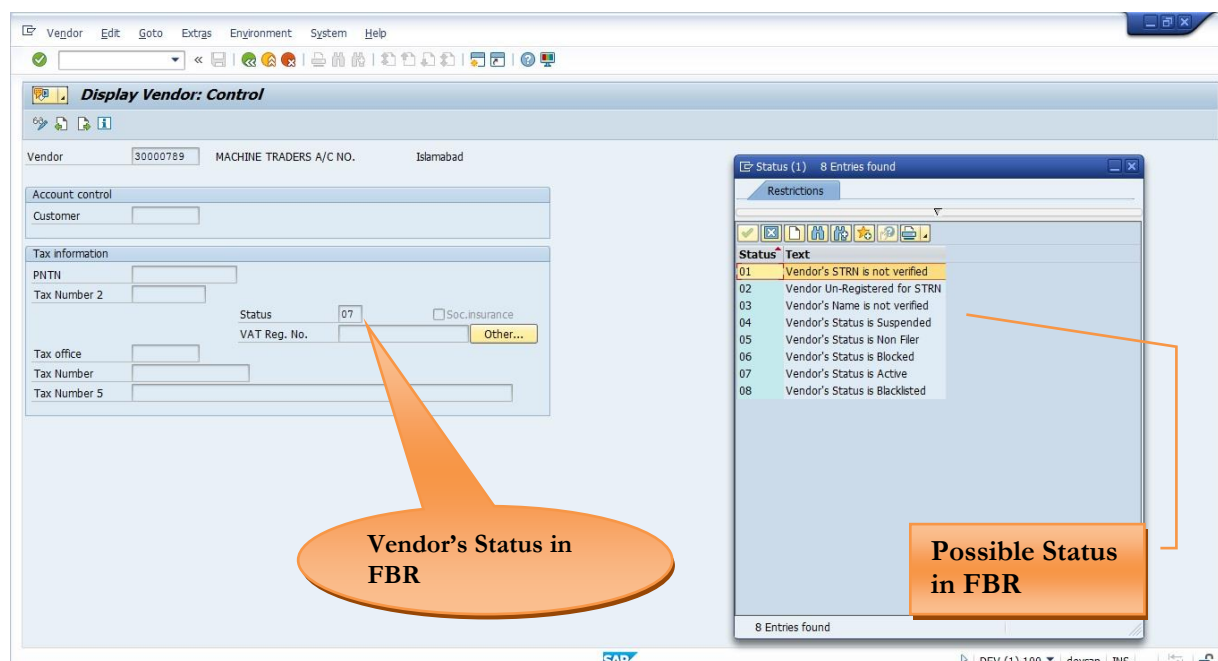


If a vendor has status e.g. Manufacturer, Importer, Exporter, Retailer or Service provider then system will deduct the 1/5<sup>th</sup> of total GST and if the vendor's status is Distributor or Wholesaler, then system will compulsorily deduct 1/10<sup>th</sup> of total GST (message suggesting exact amount will appear on the screen).

Note: This field is automatically updated when user executes T Code YPVFBRM or these statuses also set daily automatically through background scheduled program.

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**Control Tab in XK03 / XK02**



**Following are the possible status of vendor**

- 01 Vendor's STRN is not verified
- 02 Vendor Un-Registered for STRN
- 03 Vendor's Name is not verified
- 04 Vendor's Status is Suspended
- 05 Vendor's Status is Non-Filer
- 06 Vendor's Status is Blocked
- 07 Vendor's Status is Active
- 08 Vendor's Status is Blacklisted

These above statuses are also set automatically when user executes T Code YPVFBRM or these statuses also set daily automatically through background scheduled program.

If vendor is status 03, 05, the system will not allow to punch the invoice in invoice punching screen i.e. FV60 / FB60.

If the vendor status is 01, 02, 04, 06, 08 then system will deduct whole Sales tax amount instead of 1/5<sup>th</sup> or 1/10<sup>th</sup> (Message suggesting amount will appear on the screen).

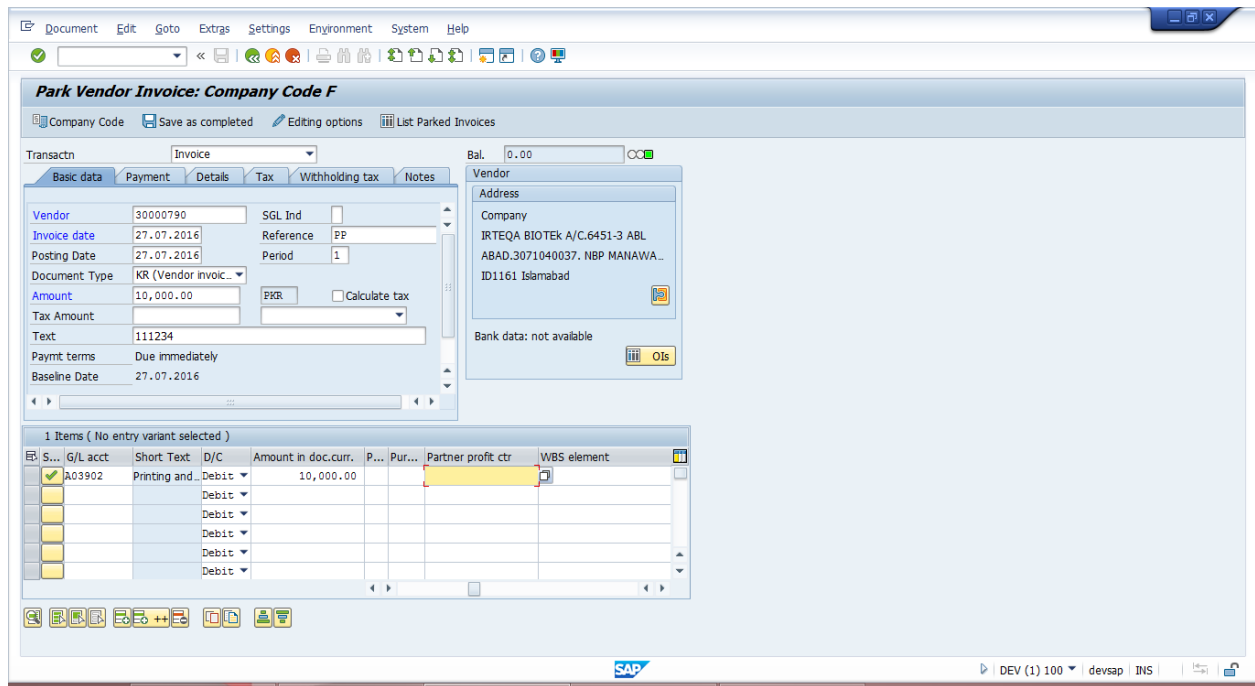
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If the vendor has status 07, then system will not only allow for punching his invoice but also deduct 1/5<sup>th</sup> or 1/10<sup>th</sup> of total GST according to his business nature.

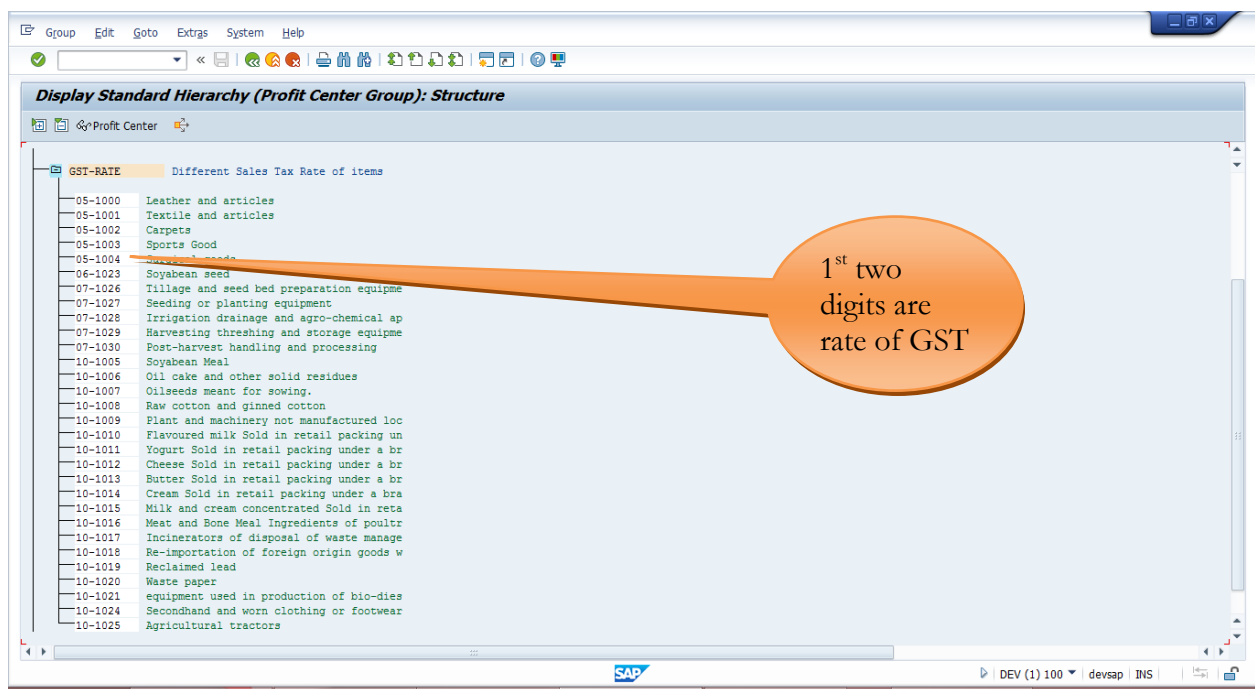
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**Multiple / different General Sales Tax Rates against one GL Head**

Some time, multiple or different GST rates have to be specified while punching an invoice of a vendor (Other than 17% or 16%). To handle this issue, “Partner Profit Center” field will be used under “Profit Center Group” namely “GST-RATE” in FV60 / FB60 Screen under Controlling Area 0001. These profit center are made under controlling area 0001.



Profit centers that will be used in Partner Profit Center field will be looks like below.



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