



PUBLIC

Document Version: 2602 – 2026-02

# Payments and Discounting Buyer Guide

SAP Business Network for Trading Partners

SAP Ariba Payables

SAP Ariba Discounting

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# Payments and Discounting Buyer Guide

This guide is for SAP Ariba administrators responsible for managing their company's early payment discounting program.

Buyers may offer their suppliers early payment in exchange for a discount on the amount due for an invoice.

This guide applies to:

- SAP Business Network
- SAP Ariba Payables
- SAP Ariba Discount Management

## Related Guides

[SAP Business Network Buyer Administration Guide](#)

[cXML Solutions Guide](#)

[Managing Discounts](#)

[Track Payments](#)

# Introduction to Payments and Discounting Buyer Guide

## Purpose of This Guide

Buyers can configure a discounting strategy on SAP Business Network.

This guide is intended for the Buyer Discount Management Administrator and their peers in Accounts Payable, Accounts Receivable, Treasury, and Procurement, to assist in their implementation of their discount management strategy within the SAP Business Network Discount Management functionality.

This guide provides configuration instructions of how to implement your discounting strategy on SAP Business Network with discount terms and suppliers applied to these terms. Functionality includes creating holiday and payment schedules at a U.S. and global basis. For complex global solutions, functionality includes tax adjustments, dynamic discount credit memos, currency-specific payments, and regional holiday and payment schedules.

Discount Management configuration does not require any application development activities; this is a configurable tool within SAP Business Network. Correspondingly, implementation of these discount terms might include adjustment of your ERP system to align discount terms between systems.

If you have variability in your payment terms from the Vendor Master, SAP Business Network has an approach to meet this requirement with a Payment Term Code Configuration. Using the Payment Term Code discount term is the recommended approach for VAT-applicable suppliers and for programs where the use of Standing Early Payment Terms is not viable because of the requirements.

## Preparation for Discount Management Configuration

A successful implementation of the Discount Management functionality includes a requirements gathering phase.

You will need the following information to prepare your configuration:

- **Your most current annual spend information populated in a standardized template provided by your SAP Business Network Discount Management Consultant** – The template includes common categories of information such as supplier names, addresses, supplier country, ERP spend amount, and currency.
- **Supplier-specific discounting contacts** – Contact names, email, and phone number for the outreach to suppliers. The preferred contact will have authority to agree to early payment terms (i.e. Accounts Receivable) and may not be the same individual responsible for SAP Business Network administrative functions such as accepting Trading Relationship Requests (TRR) and/or completing assigned SAP Business Network tasks.
- **Supplier-specific discounting information** – Payment term codes, paying company code, payment term description, standard term discount term, discount percentage, discounts earned, discounts lost, Days Payable Outstanding (DPO), processing time of payments, and payment types.

As part of this information collection and configuration preparation, working with your Procurement, Tax, and Treasury departments to ensure business policies and practices are understood. This will assist to develop a

strategy and configure the discount terms to meet your needs. For global deployments, this might mean contacting counterparts in other regions to collect requirements.

## Examples of Business Policies and Practices to Consider

- How you calculate discounts based on the Gross or Net amount within the U.S. and outside the U.S. with VAT countries.
- Types of discount terms you want to offer your suppliers. SAP Business Network Discount term functionality offers flexibility to offer specific terms and timing such as discount up to the 10th day of a payment term as well as sliding scale discounts which offer suppliers the opportunity to choose when they get paid up to the final day of the payment term.
- Treasury cash flow management to limit discounts in a given month.
- Dynamic discounting credit memo practices.

## U.S. Configurations

- The default Discount Management configuration is U.S.-focused.
- The default holiday and payment schedule configuration is U.S.-focused.

In addition to the U.S. Configuration information, global configurations require collecting these details for a comprehensive implementation.

## Global Configurations

Clients with global suppliers and spend in scope should collect the following information to configure the Discount Management functionality to meet their requirements:

- **Payment Term Codes** – These are the codes within your ERP system that identify your payment term. This is the recommended approach outside the US. This approach is used when the supplier's payment terms might vary on an invoice-by-invoice basis from your vendor master list, regardless of region.
- **Tax Adjustments** – VAT, GST, HST, IST for regions with these tax implications.
- **Dynamic Discounting Credit Memos** – Credit memo usage for regions requiring such an approach.
- **Paying by Company Code** – Processing discounts for a specific company code or combine multiple company code entities in a region.
- **Payment and Holiday Schedules** – Global schedules based on region and currency.
- **Payment Processing Time** – Based on the region and payment type.

Your SAP Ariba Discount Management Consultant will work closely with you during this data collection effort as the data provided will form the basis of the Discount Management strategy to determine the suppliers in scope, implementation flight plan to be created and terms to be offered during outreach.

# Initial Setup for SAP Business Network and Discount Management

A designated administrator performs configuration tasks such as assigning user access.

Discount management is a configurable functionality within SAP Business Network. Primary access to SAP Business Network is given to the person assigned as the SAP Business Network Account Administrator. This person sets up the SAP Business Network configuration options and provides user access to those whose roles within your organization require access to SAP Business Network. The SAP Business Network Administrator is normally different than the person assigned to the Discount Management Administrator role.

Other people will need access to SAP Business Network to review supplier interactions from Accounts Payable, Accounts Receivable, and Management.

Your IT staff integrates your ERP system with SAP Business Network using an adapter, and tests transactions to ensure that the technology connection and SAP Business Network configuration work as desired. This effort includes testing transactions with discount terms.

The Account Administrator works with the SAP Business Network Supplier Enablement team to configure the network and enable suppliers on SAP Business Network. Supplier enablement is a separate effort from the Discount Management activity. Suppliers can be in scope for the SAP Business Network and Discount Management. Suppliers can also be enabled without discount terms. The Discount Management Administrator configures the Discount Management functionality to create discount terms and add suppliers to those terms.

At the program outset, it's important to assign people to perform these roles early in the project delivery, so everyone has access and comfort to navigate the system.

There is collaboration between your team and the Supplier Enablement and Discount Management Consultants to ensure your requirements are fulfilled to enable the configuration and suppliers are added to SAP Business Network.

## SAP Business Network Administrator Responsibilities

One person in your organization acts as the account administrator.

The SAP Business Network administrator is responsible for the following tasks:

- Setting configuration options.
- (Optional) Adding additional users to the account.
- (Optional) Creating a test account for testing document flow with suppliers.

# SAP Business Network Users and Roles

Assigned roles control access to SAP Business Network.

By creating roles and then adding users to them, the SAP Business Network Administrator controls who can sign in to your organization's account and which areas of the service each user can access.

## Related Information

[SAP Business Network Roles \[page 10\]](#)

[SAP Business Network Users \[page 9\]](#)

[How Roles Control User Interface Access \[page 11\]](#)

[SAP Business Network Permissions \[page 12\]](#)

## SAP Business Network Users

User accounts each have a unique login and password.

A user is an SAP Business Network sign in (user name and password) that enables one individual in your organization to sign in to your account. The administrator adds users to the SAP Business Network account and assigns each user exactly one role, which typically corresponds to the user's real-world job responsibilities.

## Best Practices in Managing User Accounts

When creating accounts and roles, follow guidelines to ensure the security of SAP Business Network and the accounts.

When the administrator of an SAP Business Network account creates users and assigns roles, it's mandatory that the administrator assigns a unique user name with an appropriate assigned role for each individual who needs to access the account. Users must not share their user name or password with other users. This requirement is important for SAP Ariba and your company in managing data privacy and integrity on SAP Business Network.

For security, account administrators and users who have PCard access but aren't the PCard owner are required to update their password every 90 days. Also, users must not share their secret question and secret answer.

To ensure your organization and users have secure accounts on SAP Business Network, create individual user accounts for different roles in the organization. By default, add one role per user. Users can have multiple related roles, depending on the tasks assigned to the user.

# SAP Business Network Roles

A role defines a user function within SAP Business Network.

Each role has a unique purpose and set of associated permissions that specify what users who are assigned to the role can see and do in SAP Business Network.

The user assigned to the **Administrator** role (the "administrator") creates roles and assigns them when adding users to the system. A role can be assigned to any number of users.

## Administrator Role

A single person in the buyer organization is assigned the **Administrator** role.

After you complete registration, SAP Business Network creates a single default role named **Administrator**. The **Administrator** role is automatically linked to the user name and sign in that you entered during registration. The **Administrator** role is to be assigned to the individual at your organization who is responsible for setting configuration options, managing supplier relationships and contacts, and maintaining the account over time. The assigned administrator serves as the primary point of contact for users with questions or problems.

As the SAP Business Network administrator, you control who can sign in to your organization's SAP Business Network account and which areas of the service each user can access. To do this, you create roles and then add users. As a best practice, create roles that reflect the way your company does business, to prevent confusion for your account users and to maximize the efficiency of your team.

Only one SAP Business Network user can be assigned to the **Administrator** role. You cannot modify this role or assign it to an additional user. The administrator is the only user who can add, modify, and delete users, and can reset passwords.

## SAP Business Network Predefined Roles

Legacy predefined roles might exist for some accounts.

Predefined roles are visible only in accounts that were created before roles and permissions were introduced to SAP Business Network.

If you registered with SAP Business Network after roles and permissions were implemented, **Administrator** is the only predefined role. The **Administrator** role includes all available permissions. These permissions grant the **Administrator** role access to all areas of your SAP Business Network account.

To minimize disruption to these older users, SAP Business Network provides a small set of predefined roles to be used as templates for custom roles. SAP Business Network assigned the **Full Access** role to all pre-existing users when it introduced roles and permissions.

If you're the **Administrator** for one of these older supplier accounts, review the following predefined roles and their permissions and consider using them as the basis for custom roles:

Role	Access
Administrator	All areas of the account, including <b>Administration</b> <b>Users</b> and test account management
Catalog Manager	<b>Catalogs Administration</b> <b>Configuration</b> <b>Notifications</b> <b>Catalog Service</b>
Full Access	All areas of SAP Business Network except those reserved for administrators only
Purchasing Manager	<ul style="list-style-type: none"> <li><b>Account settings</b> <b>Manage Profile</b> <b>Default Transaction Rules</b></li> <li><b>Account settings</b> <b>Manage Profile</b> <b>cXML Setup</b></li> <li><b>Account settings</b> <b>Manage Profile</b> <b>Notifications</b> (transaction-related notifications only)</li> </ul>
Vendor Manager	<ul style="list-style-type: none"> <li><b>Supplier Enablement</b> <b>Active Relationships</b></li> <li><b>Supplier Enablement</b> <b>Contacts</b></li> <li><b>Account settings</b> <b>Manage Profile</b> <b>Notifications</b> <b>Supplier</b></li> <li><b>Account settings</b> <b>Manage Profile</b> <b>Company Profile</b></li> </ul>

## How Roles Control User Interface Access

The roles assigned to a user determine which areas of the SAP Business Network user interface the user can access.

Every user can see the **Account settings** **Manage Profile** **Personal Information** area, which contains basic contact information and a preferred language setting for that specific user. Otherwise, the only areas that a user is permitted to see are those allowed by their role permissions. For example, if the administrator created a role that included the **Contact Administration** permission, a user assigned to that role could see only the **Account settings** **Manage Profile** **Personal Information** and **Supplier Enablement** **Contacts** areas of the SAP Business Network account.

While users can update their own personal information, the administrator is responsible for overall user maintenance. These tasks include deleting users or reassigning user sign-in's when individuals leave the company, and resetting user passwords.

# SAP Business Network Permissions

A permission grants access to a certain area of SAP Business Network.

Each role includes one or more permissions. For example, the **Archive Access** permission grants access to the **Archived Invoices** tab. Any user who is assigned a role that includes the **Archive Access** permission can access the **Archived Invoices** tab. You can view the list of available permissions while creating a role. See [Creating a Role](#).

SAP Business Network lists all permissions on the **Permissions** page. Permissions relevant to Discount Management include:

Permission	Description
<b>Buyer Discount Management Program Administrator</b>	<p>Create, maintain, and deactivate Discount Management rules. You must also specify the <b>Payment Activities</b> permission to view and manage discounts. Grants access to:</p> <ul style="list-style-type: none"><li>▶▶ <b>Account settings</b> ▶ <b>Manage Profile</b> ▶ <b>Ariba Discount Management</b> ▶</li><li>Discounting-related reports: Discount acceptance, discount metrics, early payment limit, and failed dynamic discounting credit memo creation.</li></ul>
<b>Buyer Treasury Agent</b>	<p>Grants access to: ▶▶ <b>Account settings</b> ▶ <b>Manage Profile</b> ▶ <b>Ariba Discount Management</b> ▶.</p>

# SAP Business Network Company Settings to Support the Discounting Capability

You can configure company settings to meet your business preferences.

On the **Configuration** page of your SAP Business Network account, you can review and update company settings. These settings can include the following:

- Contact information
- Locale settings
- cXML settings
- Document routing preferences
- System notifications
- Default transaction rules
- Country-based invoice rules
- Payment settings
- Application end points
- Quote automation rules

To see the **Configuration** page, click ► **Account settings** ► **Manage Profile** ►. The options available on the **Configuration** page depend on the features that have been enabled for your SAP Business Network account.

## Supplier Enablement Permissions to Assign to User Accounts

The account administrator configures user accounts with permissions to manage the supplier enablement process.

Account administrators automatically have each of the following permissions:

Permission	Description
<b>Supplier Enablement Program Administrator</b>	This permission includes all the other permissions available for managing the supplier enablement process. Configure supplier enablement thresholds, upload vendors, start supplier enablement, manage supplier enablement tasks, and access to vendor data export reports.
<b>Supplier Enablement Configuration</b>	Allows you to configure supplier invitation letters, tasks, and activities for supplier enablement.

Permission	Description
<b>Supplier Enablement Task Management</b>	Allows you to manage and monitor tasks for supplier enablement and to edit vendor details. Vendor details include the following: Vendor name E-mail Address Contact information Preferred language Enablement status. Vendor comments
<b>Supplier Enablement Report Administration</b>	Grants access to the <b>Supplier Enablement Task Status Report</b> and <b>Supplier Enablement Status Report</b> .

## Supplier Enablement Considerations for Discounting

Suppliers with an Enterprise Account or a Standard Account can receive discounts.

Supplier Enablement offers two account options for your suppliers on the SAP Business Network:

1. The Enterprise Account, where a supplier is added to SAP Business Network by way of a Supplier Enablement Outreach campaign consisting of emails, summits, and phone call contacts designed to drive enrollment and timely task completion.
2. The Standard Account, in which the communication is via interactive email-based functionality complemented by a basic SAP Business Network account, which the supplier can upgrade at any time. There is no direct Supplier Enablement outreach. This account is more of a self-service model managed by you with your supplier.

In both approaches, discounts can be provided and Discounting outreach coordinated.

The Standard approach requires a bit more client coordination with suppliers to communicate the outreach and discount offer. Your team is involved in the communications.

In a Standard Account, suppliers receive an email notification of an invoice and can accept a discount term offer using the interactive email capability. The first invoice must be sent before a supplier can accept a discount under this scenario.

Your Discount Management Consultant works with you during the strategy and outreach efforts to help you with strategy and communications to your suppliers.

## Buying Organization View

Buyers can create and send purchase orders to their suppliers.

Buying organizations can use SAP Ariba Procurement solutions such as SAP Ariba Buying and Invoicing to create purchase orders and send them through SAP Business Network to their suppliers.

Buying organizations can also use SAP Business Network Commerce Automation to transmit cXML documents between their external ERP system and SAP Business Network. Each buying organization has access to a buyer account on <https://buyer.ariba.com>. Buying organizations can use SAP Business Network to do the following:

- Search for suppliers with products and services they need.
- Invite suppliers to form a trading relationship.
- Send purchase orders and receive invoices.
- Receive order confirmations and ship notices.
- Send payment documents.
- Run reports on their suppliers.

## Time Zone and Currency Settings

Administrators configure the time and currency settings for all users of their account.

In the **Locale Settings** area, you can configure the following:

- **Preferred time zone** – Controls how SAP Business Network displays dates and times on purchase orders routed by fax or email. Date and time stamps are displayed as Greenwich Mean Time (GMT) +/-.
- **Default currency** – The currency that SAP Business Network uses for all entered and displayed monetary amounts in your account.

These settings are configured by the administrator, but affect the time and currency displayed to all account users.

### Note

The currency that SAP Business Network uses in the **Manage Services** area of your account is determined by your organization's location, which you specify in your **Company Profile**.

## Updating Locale Settings

You can set the timezone and currency for your account. To convert from GMT (Greenwich Mean Time) to your local time, go to <http://www.timezoneconverter.com>.

### Prerequisites

You are assigned a role with the **Company Information** permission. See [SAP Business Network Permissions](#).

## Procedure

1. Choose ► **Account settings** ► **Manage Profile** ►.
2. On the **Configuration** page, choose **Locale Settings**.

The **Locale Settings** page appears.

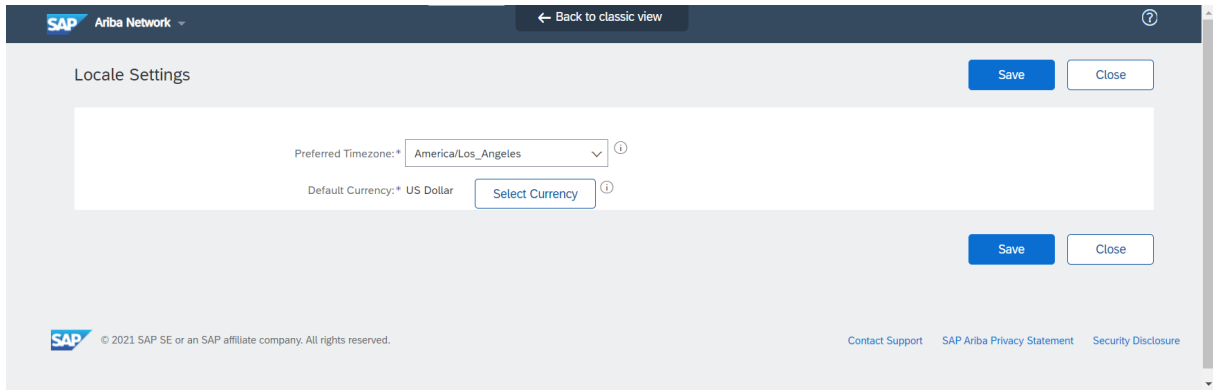


Figure 1: Locale Settings Page

3. Choose a timezone from the **Preferred Timezone** list.
4. Choose a currency from the **Default Currency** list.
5. Click **Save**.  
Changes take effect for users at the next sign in.

## Sliding Scale Updates After Acceptance

When sliding scale is enabled and an early-payment offer is not paid on time, the discount is automatically reduced and the amount due recalculated.

In scenarios where sliding scale is enabled, if an accepted early payment offer hasn't received a matching remittance by the due date, SAP Business Network recalculates and updates the payment information. The recalculation includes the expected settlement date, discount rate, discount amount, and tax adjustment.

The supplier receives a new payment proposal request, and the payment information is updated each day until you process the payment.

This functionality is applicable to **Standing Early Payment Term Offer**, **Pre-Accepted Standing Early Payment Term Offer**, and **Payment Term Offer**.

## Example

Suppose that you accept an early payment offer that requires payment by the settlement date of March 21, 2023. The offer has a discount rate of 1.20% and a discount amount of \$12.00.

If you fail to process the payment on this settlement date, SAP Business Network recalculates and updates the payment information. As a result, on March 22, 2023, the discount rate changes to 1.15%, and the discount amount changes to \$11.50, based on the sliding scale.

If you still don't process the payment on March 23, 2023, SAP Business Network recalculates and updates the payment information again until it receives a matching remittance.

## Enabling Sliding Scale Updates After Acceptance

You can configure automatic recalculation of payment information when you haven't received an accepted early-payment offer by the due date.

### Prerequisites

You have the **Payment Activities** permission to view and manage discounts.

You have the **Buyer Discount Management Program Administrator** or **Buyer Treasury Agent** permission.

### Context

After you enable the sliding scale updates functionality, if an accepted early payment offer hasn't received a matching remittance by the due date, the payment information is recalculated. The recalculation is logged on the **Payment timeline and history** tab.

### Procedure

1. Choose **Account settings > Manage Profile > Ariba Discount Management**.
2. Click **Discount management rules**.
3. Select the **Allow Ariba Network to recalculate the payment date and discount amount if an accepted offer is overdue** check box and click **Save**.

## Buyer-Initiated Discount Offers over Payment Term Offers

You can choose to give an existing discount priority over an early payment discount.

Buyers might want to obtain an additional early payment discount by passing a pre-existing discount amount to SAP Business Network. However, if a payment term offer applies, no additional discount can be obtained.

Therefore, SAP Business Network allows you to optionally prioritize **Buyer-Initiated Discount Offers** over any payment term offers.

Payment term offers here refer to **Payment Term Offers**, **Standing Early Payment Term Offers**, and **Pre-Accepted Standing Early Payment Term Offers**.

## How to Prioritize Buyer-Initiated Discount Offers over Payment Term Offers

Use this procedure to override an early-payment discount when the buyer offers another discount.

### Prerequisites

You must have the **Buyer Discount Management Program Administrator** or **Buyer Treasury Agent** permission.

### Procedure

1. Choose ► **Account settings** ► **Manage Profile** ► **Ariba Discount Management** ►.
2. Click **Discount management rules**.
3. Select the **Allow buyer-initiated offers to override payment term offer types if a scheduled payment includes a discount amount** check box and click **Save**.

# Discounting Notifications for Buyers

You can choose what notifications to receive about discounts.

You specify which notifications you want to receive to stay informed about different events and activities that affect your SAP Business Network account. You can use notifications to monitor account activity, such as catalog updates, and to resolve issues related to your account. Notifications are triggered by events that occur on SAP Business Network. For example, you can choose to be notified by email whenever an invoice is received or updated.

SAP Business Network sends notifications to two places, the SAP Business Network user interface and the specified email addresses for a particular notification type. Only notifications related to transaction documents (for example, orders, order confirmations, ship notices, and invoices) are delivered to the user interface. You can view them on the ► [Quick Links](#) ► [Notifications](#) ► page.

## 📘 Note

To update notification email addresses for your SAP Business Network subscriptions, go to the ► [Manage Services](#) ► [My Services](#) ► area of your account.

## Unsubscribing from Notifications

When a user unsubscribes from a notification by clicking the **Unsubscribe** link in the email, SAP Business Network sends a notification to inform the account administrator of the request to unsubscribe and provides the email address involved. The administrator then fulfills the request, removing the email address from the notification subscription.

# Entering Email Addresses for Notifications

Use notifications to monitor account activity, such as customer catalog updates, and to resolve issues related to your account. By default, all notifications are sent to your administrator's email address.

## Prerequisites

You are assigned the **Administrator** role.

## Procedure

1. Choose **Account settings** > **Manage Profile**.
2. On the **Configuration** page, choose **Notifications**.

The **Notifications** page appears.

Figure 2: Notifications Page

3. Enter up to three email addresses per notification type. Use a comma between addresses. For example:  
joe@brass.com, john@esm.com, mark@sfs.com

### → Tip

To send one notification type to more than three email addresses, create a distribution list in your email system and enter the name of that distribution list in the appropriate field on the **Notifications** page.

4. Check the box for each notification type you want to receive.
5. Click **Save**.

## Discounting Notification Types for Buyers

Notification	Event That Triggers Notification	Method
Supplier Payment Proposal	A supplier sends you a payment proposal	Email only
Payment Proposal	A payment proposal is undeliverable	Email only
Payment cash limit	Used cash amount is approaching configured payment cash limit	Email only

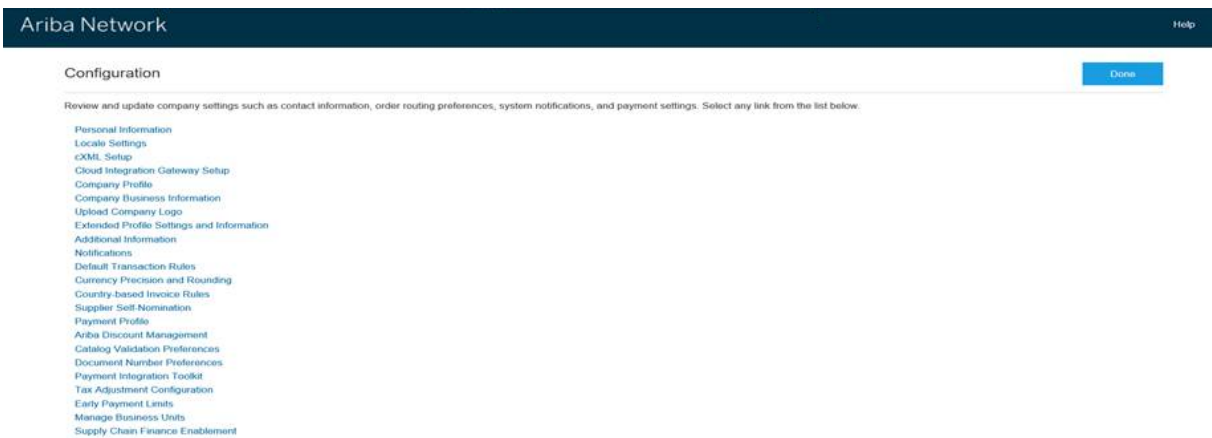
Supplier Payment Proposal Notification	<input type="checkbox"/>	Send a notification when a supplier sends out a payment proposal.	-	<input type="text"/>
Payment Proposal	<input type="checkbox"/>	Send a notification when a payment proposal is undeliverable.	-	<input type="text"/>
ERP Direct Payment	<input type="checkbox"/>	Send a notification when a payment file has errors.	-	<input type="text"/>
Remittance Batch	<input type="checkbox"/>	Send a notification when a remittance batch is delivered to the bank.	-	<input type="text"/>
Remittance Batch Errors	<input type="checkbox"/>	Send a notification when a remittance batch has errors or failed to be sent to payment provider.	-	<input type="text"/>
Payment Cash Limit	<input checked="" type="checkbox"/>	Send a notification when used cash amount is approaching configured payment cash limit.	-	<input type="text"/>

# Navigating to the Discount Offers

Use this procedure to access the available discounts.

## Procedure

1. Go to <https://buyer.ariba.com>.
2. Sign in to your SAP Business Network account.  
SAP Business Network directs you to the landing page.
3. Click ► **Account settings** ► **Manage Profile** ►.
4. Click **Ariba Discount Management**.



## Results

On the **Discount Management** page, you can configure discount terms and payment and holiday schedules.

Ariba Network Help

Ariba Discount Management Done

Discount Offers   Offer History   Notifications   Payment Schedules and Processing Times

Discount Offers

Use this section to define the Discounting Offer Terms that will apply to invoices from the specified supplier(s).

Name	Description	Suspend Date	Resume Date	Status	Actions
▼ Standing Early Payment Terms Offer (3)					
<input type="checkbox"/>	2% 30 Net			Active	
<input type="checkbox"/>	2% 10/30			Active	
<input type="checkbox"/>	3% 20/60			Active	
▼ Buyer Initiated Dynamic Discount (3)					
<input type="checkbox"/>	BI 2 15 25			Active	
<input type="checkbox"/>	BI 24%			Active	
<input type="checkbox"/>	BI 36.5		Buyer Initiated Offer 36.5% APR	Active	
▼ Supplier Initiated Dynamic Discount (2)					
<input type="checkbox"/>	SI Example			Active	
<input type="checkbox"/>	SI Offers		Counter Offers	Active	
▼ Payment Terms Offer (11)					
<input type="checkbox"/>	21115		2% in 10 days, net30	Active	
<input type="checkbox"/>	AR01		2% 10 NET 30	Active	

# Discount Offers Overview

This topic defines the types of discount offers available on SAP Business Network.

As part of the strategy development, review the suppliers you have and the discount terms used. A recent annual spend file is required.

Your Discount Management Consultant guides you during the supplier analysis to make the following decisions:

- Which discount terms to offer your suppliers.
- Which suppliers to be in scope.
- Strategic guidance to consolidate existing payment terms, if you have a large number of payment terms.

It's imperative that your organization understands the supplier regional breakdown, currencies paid, and tax implications, all of which have implications on the configuration of discount offers.

When choosing a discount offer for a supplier, review the following considerations within your organization, as part of the strategy and discount offer configuration planning:

- Do you want to offer a sliding scale or set term? – Sliding scale is available on all terms and allows a lower discount to be taken from the discount date up to the net due date. A set term only allows the discount up to the day limit. 2%, 10 Net 30 days the discount is taken only in the 10 days.
- Do you want to use an APR percentage? – 36.5%
- Do you want to use a Face Value Discount? -- (2%, 10 Net 30 days)
- How many days, on average, does it take you to approve an invoice?
- What is your volume of Earned Discounts?
- What is your volume of Missed Discounts?
- Is the supplier for a U.S. location outside the U.S.? – Global tax considerations, currency, and schedules.
- Is the location and supplier outside the U.S.? – Global tax considerations, currency, and schedules.
- What are your payment term codes? – Do payments ever vary from the vendor master terms?
- Any of the discount term offers can be configured in a global setting.

## Note

Payment Term Code offers and credit memos aren't recommended in combination.

# Discount Offers Defined

[Workflow for Standing Early Payment Term Offer \[page 25\]](#)

[Preaccepted Standing Early Payment Term Offer \[page 25\]](#)

[Buyer Initiated Dynamic Discount Offer \[page 26\]](#)

[Payment Term Offer \[page 27\]](#)

[Buyer Auto-Acceptance \[page 27\]](#)

[Early Payment Limits \[page 28\]](#)

## Workflow for Standing Early Payment Term Offer

This workflow starts with the buyer configuring the **Standing Early Payment Term Offer** discount type, and ends with SAP Business Network sending the supplier's discounted payment to the buyer ERP.

A **Standing Early Payment Term Offer** (SEPTO) reflects an early payment term that automatically applies to all applicable invoices (scheduled payments) from one or more suppliers.

1. A buyer who subscribes to discounting configures a discount program type of **Standing Early Payment Term Offer**.
2. The buyer determines whether the **Standing Early Payment Term Offer** applies to all suppliers, designated supplier groups, or to individual suppliers.
3. The supplier accepts the offer presented by the buyer.
4. SAP Business Network applies the configured offer to each new scheduled payment passed by the buyer ERP to SAP Business Network.
5. SAP Business Network returns an updated scheduled payment to the ERP.
6. The supplier can opt out of using the discount term at any time.

## Preaccepted Standing Early Payment Term Offer

A preaccepted **Standing Early Payment Term Offer** (PA SEPTO) is commonly used for any supplier with existing early-payment terms in their ERP that were previously agreed to outside of SAP Business Network.

## Use Case

- You have an existing contract for a specific discount term with suppliers.
- You use the preaccepted **Standing Early Payment Term Offer**.
- The term processes a discount immediately. No action by the supplier is needed.
- The supplier cannot opt out of the discount and must communicate with you to change terms.

## Buyer Initiated Dynamic Discount Offer

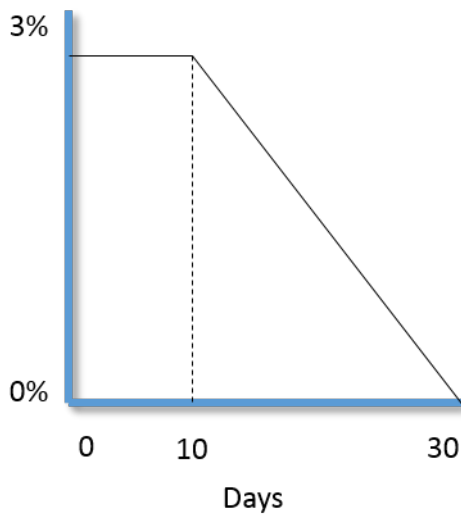
A sliding-scale discount gives a supplier flexibility in choosing the discount amount and due date.

A **Buyer Initiated Dynamic Discount** offer is for some or all suppliers that they can accept individually, on an invoice-by-invoice basis. Also referred to as Ad-Hoc, Pay Me Now, or Dynamic Discounting.

## Use Case

This type of discount term allows suppliers to choose the date when they get paid and the amount of the discount. A sliding-scale table is presented to suppliers for them to choose the date and amount of the discount.

An invoice with a 2% discount with 10 days and net due date of 30 days would have a sliding scale from day 11 to day 30.



The supplier can choose from the table which day to get paid and the amount of the discount.

Using the following example, if you only pay your suppliers in France on Wednesday, then the table is smaller and shows only Wednesday. The sliding scale of the offer aligns to your payment schedule.

## Scheduled Payment PPR 4053

### Detail

#### Payment Information

Payment Date: 14 Apr 2016  
Gross Amount: \$1,000.00 USD  
Discount Amount: \$0.00 USD  
Adjustment Amount: \$0.00 USD  
Net Amount: \$1,000.00 USD

	Payment Date	Settlement Date	Discount%	Discount Amount	Settlement Amount
<input type="radio"/>	15 Mar 2016	16 Mar 2016	1.50	\$15.00	\$985.00
<input type="radio"/>	16 Mar 2016	17 Mar 2016	1.45	\$14.50	\$985.50
<input type="radio"/>	17 Mar 2016	18 Mar 2016	1.40	\$14.00	\$986.00
<input type="radio"/>	18 Mar 2016	21 Mar 2016	1.25	\$12.50	\$987.50
<input checked="" type="radio"/>	21 Mar 2016	22 Mar 2016	1.20	\$12.00	\$988.00
<input type="radio"/>	22 Mar 2016	23 Mar 2016	1.15	\$11.50	\$988.50
<input type="radio"/>	23 Mar 2016	24 Mar 2016	1.10	\$11.00	\$989.00
<input type="radio"/>	24 Mar 2016	25 Mar 2016	1.05	\$10.50	\$989.50
<input type="radio"/>	25 Mar 2016	28 Mar 2016	0.90	\$9.00	\$991.00
<input type="radio"/>	28 Mar 2016	29 Mar 2016	0.85	\$8.50	\$991.50
<input type="radio"/>	29 Mar 2016	30 Mar 2016	0.80	\$8.00	\$992.00
<input type="radio"/>	30 Mar 2016	31 Mar 2016	0.75	\$7.50	\$992.50
<input type="radio"/>	31 Mar 2016	1 Apr 2016	0.70	\$7.00	\$993.00
<input type="radio"/>	1 Apr 2016	4 Apr 2016	0.55	\$5.50	\$994.50
<input type="radio"/>	4 Apr 2016	5 Apr 2016	0.50	\$5.00	\$995.00
<input type="radio"/>	5 Apr 2016	6 Apr 2016	0.45	\$4.50	\$995.50
<input type="radio"/>	6 Apr 2016	7 Apr 2016	0.35	\$3.50	\$996.50

Page 1 ▾ ▶

## Payment Term Offer

A **Payment Term Offer** is an agreed-upon preconfigured payment term that can be applied on an invoice-by-invoice basis. The payment term must be mirrored in the ERP configuration, and passed in the cXML payment proposal, using an attribute specific to the payment term.

## Buyer Auto-Acceptance

A Buyer Auto Acceptance rule is an option to configure the account to automatically accept proposals from suppliers that are within pre-defined thresholds.

### Use Case

This offer allows you to define the limits of the dates effective, amount, and APR limits of supplier-provided discount offers. If the offer fits within the parameters, your supplier discount is accepted.

# Early Payment Limits

Early payment limits by currency are available to ensure that the Treasury Department's ability to pay early is not exceeded.

## Use Case

You have your cash-flow limits in a month and want to limit discounts as you need to maximize cash inflows. The cash-flow limit is for all buyer-initiated transaction amounts, not just the discount amount. Be careful in determining the estimate.

From the SAP Business Network Buyer portal, access ► **Account settings** ► **Manage Profile** ► **Early Payment Limits** ►. SAP Business Network sends an email notification when the predefined threshold is approaching, and another notification when the threshold is met.

# Discount Offers Configuration

Buyers choose what discounts and payment terms to offer to their suppliers.

Before starting to configure discount offers, you perform strategic planning of the types of offers and their terms, to provide to suppliers in flight planning waves for deployment. A buyer decides which types of offers to extend, then decides the specific term when using that offer. Then a supplier is added in a vendor upload file, in conjunction with the supplier enablement effort.

Offer configuration starts in the test environment. After testing is completed, the configurations are transferred to production. This transfer is a manual process that is performed by your Discount Management Administrator.

In practice, either the buyer or the supplier can accept or reject a discount offer at any time. Specific policies and procedures are subject to change. Because such variations affect global payments, use of credit memo processing as the early payment term is agreed to after submission of the original invoice by the supplier. Confirm this understanding and your business practice with your tax advisor and business management.

Buyers have the option to download and upload their discount offer configuration as a CSV file. Buyers can review, update, and fix any errors when uploading their discount offer configuration CSV file.

This section describes the configuration of a discount term offer and how to configure terms for a given offer. A given discount offer could have multiple terms associated with it, depending on your supplier strategy. For example, when configuring a payment term offer, you first duplicate on SAP Business Network all payment term codes as configured in your ERP system, and manage the payment terms to the supplier on an invoice-by-invoice basis. This approach is attractive to clients who have purchase order terms that might vary from Vendor Master.

The following are the configuration options for discount offers:

- **Standing Early Payment Term (SEPTO)**
- Preaccepted **Early Payment Term Offer**
- **Payment Term Offer**
- **Buyer Initiated Dynamic Discount**
- Buyer auto-acceptance counter offer

Also determine during the strategy development which type of payment offering to use for each discount offer. You configure a payment offering within each discount offer. The following are the choices of payment offerings:

- APR term
- Face Value Discount
- Net Payment Terms – No discount

[Configuring a Discount Offer \[page 30\]](#)

[Downloading Discount Offers \[page 30\]](#)

[Uploading Discount Offers \[page 32\]](#)

[Discount Offer Parameters \[page 35\]](#)

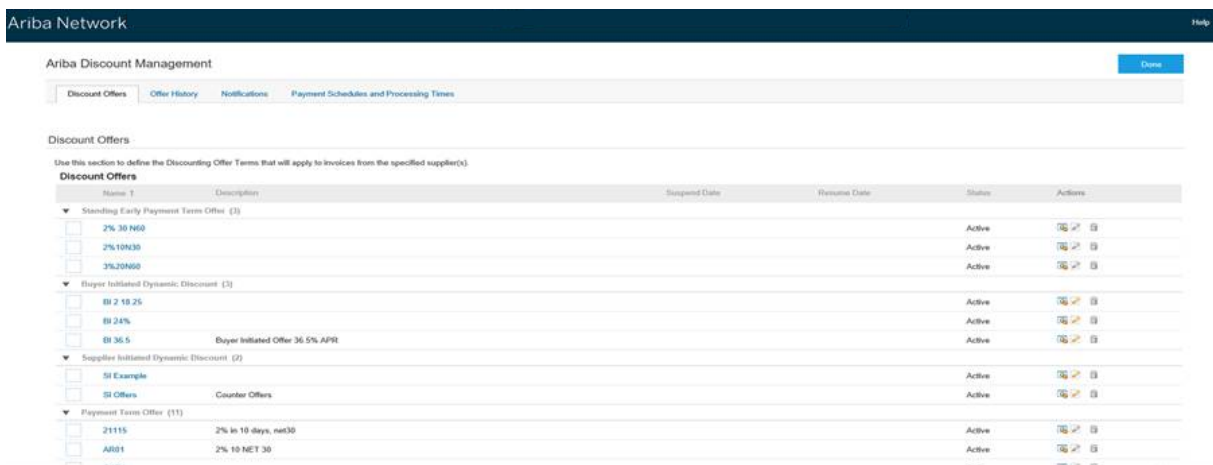
[Discount Offer Configuration Options \[page 38\]](#)

# Configuring a Discount Offer

Use this procedure to access and configure a discount off.

## Procedure

1. Go to ► **Account settings** ► **Manage Profile** ► **Ariba Discount Management** ► **Discount Offers** ►.
2. In the **Discount Offers** table, click **Add**.
3. Choose the type of discount rule that you want to define.



The screenshot shows the 'Ariba Network' interface for 'Ariba Discount Management'. It features a navigation bar with 'Discount Offers', 'Offer History', 'Notifications', and 'Payment Schedules and Processing Times'. Below this is a 'Discount Offers' section with a table listing various offer types and their details.

Name	Description	Suspend Date	Resume Date	Status	Actions
▼ Standing Early Payment Term Offer (3)					
2% 30 N60				Active	ⓘ ⚙ ⌵
2% 10N30				Active	ⓘ ⚙ ⌵
3% 20N60				Active	ⓘ ⚙ ⌵
▼ Buyer Initiated Dynamic Discount (3)					
BI 2 10 25				Active	ⓘ ⚙ ⌵
BI 24%				Active	ⓘ ⚙ ⌵
BI 36.5	Buyer Initiated Offer 36.5% APR			Active	ⓘ ⚙ ⌵
▼ Supplier Initiated Dynamic Discount (2)					
SI Example				Active	ⓘ ⚙ ⌵
SI Offers	Counter Offers			Active	ⓘ ⚙ ⌵
▼ Payment Term Offer (11)					
21115	2% in 10 days, net30			Active	ⓘ ⚙ ⌵
A001	2% 10 NET 30			Active	ⓘ ⚙ ⌵

SAP Business Network displays the appropriate discount offer rule page.

4. Enter a **Name** and **Description**.
5. Choose a **Payment Offering**.
6. Enter **Payment Term**, **Processing Days**, and **Net Term**.

# Downloading Discount Offers

Use this procedure to export discount offers from a CSV file.

## Context

### ⚠ Restriction

The download option doesn't apply to buyer-initiated offer types.

## Note

You can alternatively download a CSV template by clicking the **Download latest template version** link on the **Account settings > Manage Profile > Ariba Discount Management** page. In the template, you can add, remove, or update your discount offers.

## Procedure

1. Go to **Account settings > Manage Profile** and click **Ariba Discount Management**.
2. Select any or all the offers you've manually configured and click **Download > Offer CSV**.

The screenshot shows the 'Ariba Discount Management' interface. At the top right is a 'Done' button. Below the title bar are tabs for 'Discount Offers', 'Offer History', 'Notifications', and 'Payment Schedules and Processing Times'. The 'Discount Offers' section contains a table with columns: Name, Description, Suspend Date, Resume Date, Status, and Actions. Two offers are listed: '5% Sale discount' (Active) and '10 NET 30' (Active). Below the table are buttons for 'Suspend/Change', 'Resume', 'Add', 'Download', and 'Upload'. The 'Upload' dropdown menu is open, showing 'Vendor CSV' and 'Offer CSV', with 'Offer CSV' highlighted by a red box. Below this is the 'Buyer Auto-acceptance of Discount Management Rules' section, which is currently empty with 'No items' displayed.

3. Save the generated CSV file to your local desktop.

To view errors found in your CSV file, Click **Download Error Log**. Correct the errors in your CSV file, then click **Choose File**, select your corrected CSV file, and click **Reload**.

# Uploading Discount Offers

Use this procedure to import discount offers in a CSV file.

## Context

### ⚠ Restriction

The upload and download option doesn't apply to buyer-initiated offer types.

## Procedure

1. Go to ► **Account settings** ► **Manage Profile** ► and click **Ariba Discount Management**.
2. Click ► **Upload** ► **Offer CSV** ►.  
The **Upload early payment offer** page

Upload early payment offer Done

You can import an early payment offer list by uploading a CSV file.  
The maximum recommended upload file size is 10MB. Your browser might time out for larger files. You can use a zip utility to compress CSV File before uploading it. Zipped files must have a .ZIP file extension.

Upload File

Name:

CSV File:  No file chosen

ⓘ

[Download latest template version](#)

Upload Details

▸ Search Filters


Showing 0 - 0 of 0  ⓘ

Name	Last Updated By	Date Created	Last Updated ↓	Status
No items				

Done

opens.

3. In the **Upload file** section of the **Upload early payment offer** page, click **Choose File** and select which vendor CSV file to import.
4. Click **Upload**.

 **Caution**


After you click **Upload**, don't use your web browser. Larger files can take several minutes to upload.

▶ **Account settings** ▶ **Manage Profile** ▶ and click **Ariba Discount Management**.

5. Confirm that the upload succeeded.  
In the **Upload Details** section of the **Upload early payment offer** page, click the link below the **Name** field. The **Upload Results** page opens.

View details of the uploaded CSV. In case of errors, download the file, fix the errors and upload the CSV file again.

## Upload Results

 The uploaded file contains errors.

[Download Error Log](#)

## Upload Details

Name	Early payments1
Status	<b>Errors Found</b>
Created By	jU-ufmebxzi612020bc1494000631 lastName (ellybuy)
Date Created	4 Feb 2022 10:56:17 AM
Last Updated	4 Feb 2022 10:56:25 AM
Uploaded Count	0
Uploaded CSV File	<a href="#">Download File</a>

## Reload File

Select the corrected CSV file.

Name: Early payments1

CSV File:  No file chosen



[Download latest template version](#)

# Discount Offer Parameters

Payment offerings use parameters to define an offering's scope.

The following information provides a generic sample representing a view of the discount term offers for SEPTO, preaccepted, and payment term offers. Each payment offering can have a variation of **APR**, **Face Value**, and **Net Payment Terms** defined.

### Configure Discount Offer

---

Name:

Description:

Choose a payment offering:

APR

Face Value Discount

Net Payment Terms – No Discount

Processing Time (days):

**APR PAYMENT TERMS**

APR:

Net Terms (days):

**OFFERED TO**

No Suppliers

All Suppliers

Subset of Suppliers

When you click on an offer, the following parameters must be entered for all offers you create.

Parameter	Description
Name	A descriptive name for this rule. This name is not shown to suppliers.  For <b>Payment Term Offer</b> , <b>Name</b> must match the unique <code>paymentTermCode</code> attribute you send in cXML <code>paymentProposalRequest</code> documents. Consult with your IT department to make sure these values match.

Parameter	Description
Description (Optional)	A brief description of the rule's purpose and what it covers. Description of the discount term. Suppliers don't see this information.
Discount Term (days)	The number of days for which the discount rate is available after you send a payment.
Net Term (days)	The number of days between the invoice date and the net payment due date.

## APR Payment Offering

APR is represented as a percentage such as 36.5%.

An offer defined by an annual percentage rate (APR) applies a discount equal to that APR over the entire term of the invoice. A daily discount rate can change based on how many days early the invoice is paid, but the APR remains the same.

## Face Value Discount

**Face Value Discount** is a typical payment discount term. For example, 2% eligible for 10 days and the net amount due in 30 days. or 2%, 10 net 30 in the abbreviated form..

## Net Payment Term with No Discount

A Net Payment Term would be used when a Payment Term Code is used from your ERP payment code.

Parameter	Description
APR (Optional)	A payment offering type in which the discount is based on a fixed annual percentage rate and a net term.
Face Value Discount	A payment offering type in which the discount is based on a discount rate, a discount term, and a net term.
Net Payment Terms - No Discount	A payment offering type that does not include an early payment discount. Payment is for the full invoice amount on the net payment due date.

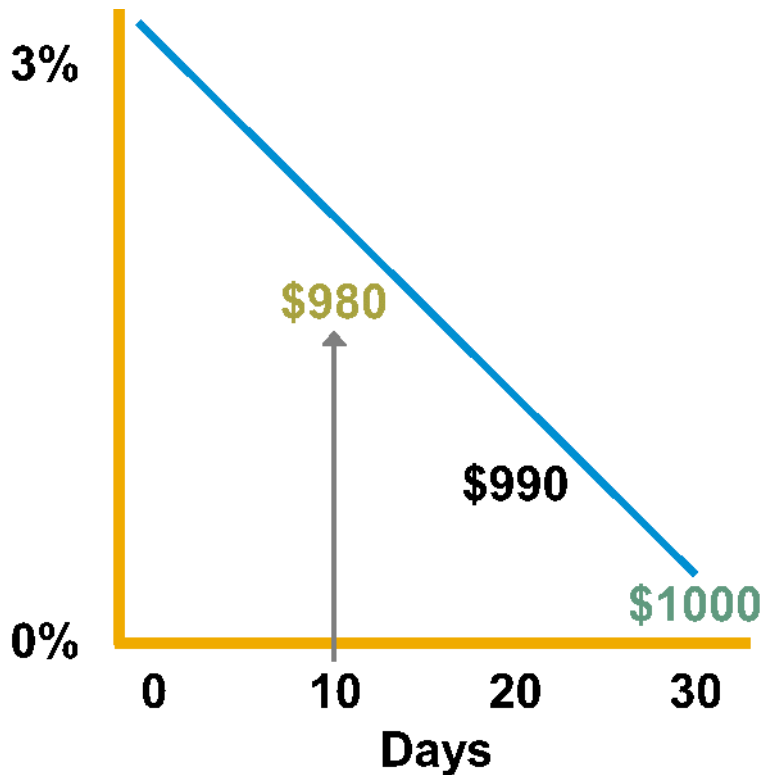
## Sliding Scale

Sliding scale is used with the **Face Value Discount**. A check box enables this functionality, which allows a discount offer to continue beyond the 10th day to the net term due day. A 2%,10 net 20 payment term allows a supplier to take discount at 1.98% sliding down to zero at the net due date.

Alternatively, if you can process a payment before the 10th day, a payment can be accelerated to increase the discount above 2%. This approach is called the upper slope of a discount term.

Example

The following example represents an APR 36.5% net 30 discount term and an invoice net amount of \$1000.



Parameter	Description
Sliding scale between net and discount term	Calculate the discount on a sliding scale between the net payment term and the discount payment term. Click to produce a dynamic discount, which is a variable discount based on the date chosen for payment; the later the payment date, the smaller the discount amount. Deselect this box to allow a flat discount, based on the discount rate.

SAP Business Network can recalculate payment information for accepted discount offers that are overdue. For more information, refer to [Sliding Scale Updates After Acceptance \[page 16\]](#).

## Processing Time

The processing time is the amount of time it takes to process a payment once approved. Awareness of processing time is important, as electronic payments typically take as little as a couple of days. Physical checks and global payments, regardless of approach, can take longer.

The choice impacts the discount calculation and schedule. Processing time is included in the calculation. The more electronic and automated is your payment processing, the longer you can hold cash for improved cash flow and increase the impact of discounts.

Payment and holiday schedules are also considered in discount calculations. For more information, see [Payment and Holiday Schedule Overview \[page 47\]](#).

Parameter	Description
Processing Time	<p>The maximum number of days it takes for you to pay a supplier after receiving an early payment request. For example, if it takes you five days to process payments after receiving early payment requests, enter 5. SAP Business Network adds the processing time to the current date to calculate the discount.</p> <p>This value corresponds to the time it takes for your payment provider (such as a bank) to move funds from your account to your supplier's account. This time period is often the ACH processing time.</p>
Discount Rate	<p>The invoice face amount discount percentage (the discount amount divided by the total amount) that SAP Business Network uses to calculate the payment discount each day.</p>

## Visibility and Transparency of Payments

With SAP Business Network transaction automation and processing of discount offers, it creates transparency, allowing both parties in a transaction to see accurately the timing and amount of a transaction. In doing so, if payments are made with a discount outside of the parameters of the payment term, this deviation is visible to your supplier.

## Discount Offer Configuration Options

# Standing Early Payment Term Offers

A Standing Early Payment Term Offer reflects an early payment term that automatically applies to all applicable invoices from one or more suppliers. This type of payment term is also referred to as SEPTO.

More about SEPTO:

- A Face Value Discount is taken as a percentage of the face value of the invoice.
- Sliding scale is available.
- The supplier must accept the offer on SAP Business Network.
- The supplier can opt out at any time, but the offer remains visible, in case they decide to accept the offer again in the future.

# Preaccepted Standing Early Payment Term Offer

A Preaccepted Standing Early Payment Term Offer is commonly used for any supplier with existing terms in ERP (early payment terms that were previously agreed to outside of SAP Business Network); also referred to as PA SEPTO.

The following rules apply to a supplier who is assigned to PA SEPTO:

- Can only view the details of the offer on SAP Business Network.
- Can't cancel or reject the offer.
- Must contact the buyer directly to opt out.

# Payment Term Offers

A Payment Term Offer is an agreed upon preconfigured payment term that can be applied on an invoice-by-invoice basis. Payment terms must be mirrored in the ERP configuration and passed via the cXML based payment proposal using a specific attribute.

More about the Payment Term:

- Can be configured as **APR**, **Face Value Discount**, or **Net**.
- Allows buyers and suppliers to agree on different payment terms at the invoice level.
- Provides more flexibility than standing payment terms allow.
- Requires cXML logic for the Payment Term Code attribute in PPRs.
- Set to **No Suppliers** to turn on functionality.
- Requires adapter version CI9 or newer.

# Buyer-Initiated Discount Term Offers

Buyer-initiated discount offers require action from the supplier. The supplier must choose a planned payment date (with the corresponding discount).

A buyer-initiated offer is a sliding scale discount you're offering a supplier. In doing so, a supplier can accept that discount offer at any time up to the net term due date; the amount is prorated. These offers are different than other offers as they're set by the parameters of the offer.

### Configure Discount Offer

---

Name:

Description:

Effective Start Date:

Effective End Date:

Range (low):

Range (high):

Discount Rate:  % +  % (Index Rate + Fixed Rate)

Processing Time:  days

**OFFERED TO**

No Suppliers

All Suppliers

Subset of Suppliers

## Additional Parameters for Buyer-Initiated Dynamic Discount Offers

Parameter	Description
Effective Date	The date the rule becomes active. The default is the current date.

Parameter	Description
<b>Rule End Date</b> (Optional)	The date this rule expires. Most buying organizations want to continue to receive discounts, so they leave this value empty.
<b>Range (low)</b> <b>Range (high)</b> (Optional)	<p>The lowest payment, highest payment, or range of payments to which this rule applies. For example, to specify a rule that applies to payments greater than \$3,000, enter 3000 in the <b>Range (low)</b> field.</p> <p>Your goal is to achieve a discount on as many payments as possible. If you specify a limit, consider creating another rule that picks up where this rule ends.</p>

## Creating a Buyer-Initiated Dynamic Discount Offer

Use this procedure to offer a sliding scale discount to a supplier.

### Context

A buyer-initiated offer is a sliding scale discount offered to a supplier. The supplier can accept that discount offer at any time up to the net term due date. The amount of the discount is prorated.

### Procedure

1. Go to the **Discount Offers** tab, then in the **Discount Offer** section, click **Add**, and choose the type of discount rule that you want to define.  
SAP Business Network displays the appropriate discount-offer rule page.
2. Enter the **Name** and **Description**
3. Enter the **Effective Start Date** and **Effective End Date**
4. Enter a dollar amount for **Range (low)** and **Range (high)**
5. Enter the APR **Discount Rate** and **Process Time**
6. Choose a currency.

## Supplier View of Buyer-Initiated Offers

A buyer-initiated dynamic discount offer is sent to some or all suppliers, and they can be accepted individually or on an invoice-by-invoice basis. Such offers are also referred to as Ad-hoc, Pay Me Now, or Dynamic Discounting.

## Note

Suppliers might refer to these offers as dynamic discounts, pay-me-now offers, or other terms specific to their industries.

After you send a payment proposal, and the payment meets one of your Discount Management rules, SAP Business Network sends an email notification to the supplier. The supplier follows the instructions in the notification to sign in.

The **Scheduled Payments** tab in the supplier's account shows discount offers for all payments. SAP Business Network displays **Buyer-Initiated Dynamic Discount**, but doesn't display the name you assigned to the term, such as **APR 30% net 30**, nor does it display the discount rate.

If the supplier clicks a payment, SAP Business Network displays the **Discount Details** table:

Scheduled Payment PPR 4053	
Detail	
Payment Information	
Payment Date:	14 Apr 2016
Gross Amount:	\$1,000.00 USD
Discount Amount:	\$0.00 USD
Adjustment Amount:	\$0.00 USD
Net Amount:	\$1,000.00 USD

Payment Date	Settlement Date	Discount%	Discount Amount	Settlement Amount
<input type="radio"/> 15 Mar 2016	16 Mar 2016	1.50	\$15.00	\$985.00
<input type="radio"/> 16 Mar 2016	17 Mar 2016	1.45	\$14.50	\$985.50
<input type="radio"/> 17 Mar 2016	18 Mar 2016	1.40	\$14.00	\$986.00
<input type="radio"/> 18 Mar 2016	21 Mar 2016	1.25	\$12.50	\$987.50
<input checked="" type="radio"/> 21 Mar 2016	22 Mar 2016	1.20	\$12.00	\$988.00
<input type="radio"/> 22 Mar 2016	23 Mar 2016	1.15	\$11.50	\$988.50
<input type="radio"/> 23 Mar 2016	24 Mar 2016	1.10	\$11.00	\$989.00
<input type="radio"/> 24 Mar 2016	25 Mar 2016	1.05	\$10.50	\$989.50
<input type="radio"/> 25 Mar 2016	28 Mar 2016	0.90	\$9.00	\$991.00
<input type="radio"/> 28 Mar 2016	29 Mar 2016	0.85	\$8.50	\$991.50
<input type="radio"/> 29 Mar 2016	30 Mar 2016	0.80	\$8.00	\$992.00
<input type="radio"/> 30 Mar 2016	31 Mar 2016	0.75	\$7.50	\$992.50
<input type="radio"/> 31 Mar 2016	1 Apr 2016	0.70	\$7.00	\$993.00
<input type="radio"/> 1 Apr 2016	4 Apr 2016	0.55	\$5.50	\$994.50
<input type="radio"/> 4 Apr 2016	5 Apr 2016	0.50	\$5.00	\$995.00
<input type="radio"/> 5 Apr 2016	6 Apr 2016	0.45	\$4.50	\$995.50
<input type="radio"/> 6 Apr 2016	7 Apr 2016	0.35	\$3.50	\$996.50

Page 1 ▾ ▶

Each row in the table corresponds to a series of payment periods. The payment periods are listed from the closest day (at the top) to the last day (at the bottom), with the total payment corresponding for each day. Suppliers can see that the discount is greatest at the top and decreases as the days get closer to net at the bottom.

Suppliers choose a specific day for settlement by selecting a row. They weigh the benefit of early payment against the associated higher discount. After selecting a row, they click **Accept Early Payment Offer**.

After suppliers select a specific discount, the SAP Business Network sends a payment proposal to your payment system to schedule the payment.

## SAP Business Network Cash Optimizer

Suppliers can alternatively use the **Cash Optimizer**, which enables them to choose payments for early settlement based on the criteria they enter.

In the **Cash Optimizer**, suppliers enter the amount of working capital they need and the need-by date, and the **Cash Optimizer** shows the payments and discounts that satisfy that goal, while minimizing the discount. After selecting the transactions using the **Cash Optimizer**, a confirmation page displays the early payment details suppliers can confirm and immediately settle their transactions.

## Buyer Auto-Acceptance Offers

Buyer auto-acceptance offers allow you to configure parameter ranges to automatically accept a discount term offer. If the supplier's offer fits within your configured parameters, SAP Business Network automatically accepts the invoice, updated with discounted amounts. Values for which you can configure ranges for buyer auto-acceptance include **Amount** and **APR**.

The screenshot shows the 'Add Buyer Auto-acceptance Discount Management Rule' configuration page. The page title is 'Arriba Network' and 'Help' is visible in the top right corner. The main heading is 'Add Buyer Auto-acceptance Discount Management Rule' with 'OK' and 'Cancel' buttons. Below the heading, a note states: 'Your rules determine whether a supplier proposal can be automatically accepted.' The form includes the following fields and options:

- Name: \* (text input)
- Description: (text input)
- Effective Date: \* (date picker, set to 25 Feb 2019)
- Rule End Date: (date picker)
- Amount (low): (text input) Transaction amount lower limit
- Amount (high): (text input) Transaction amount upper limit
- APR (low): (text input) Transaction APR lower limit
- APR (high): (text input) Transaction APR upper limit

Below the form, there are two radio button options:

- Applies to All Suppliers.
- Applies to Subset of Suppliers.

Under the 'Applies to Subset of Suppliers' option, there is a table with the following structure:

Suppliers / Groups
No items

At the bottom of the table, there are 'Delete' and 'Add' buttons.

## Configuring Buyer Auto-Acceptance Offers

Use this procedure to configure the conditions for SAP Business Network to automatically offer discounts to suppliers.

### Procedure

1. Click ► **Account settings** ► **Manage Profile** ► then click ► **Arriba Discount Management** ► **Discount Offers** ►.

2. On the **Discount Offers** tab, in the **Discount Offers** table, click **Add** and choose the type of discount rule that you want to define.  
SAP Business Network displays the appropriate discount-offer rule page.
3. Enter a **Name** and **Description**.
4. Choose the **Effective Date** and **Rule End Date**.
5. Enter an amount range, in dollars, with **Amount (low)** and **Amount (high)**.
6. Enter an APR range, with **APR (low)** and **APR (high)**.
7. Choose whether this auto-acceptance rule **Applies to All Suppliers** or **Applies to Subset of Suppliers**.

# Discount Offers Suspension and Resumption

## Suspending Discount Term Offers

Use this procedure to stop offering discount terms in SAP Business Network.

### Context

When you suspend a discount term offer rule, SAP Business Network retains any scheduled (pending) early payments until you settle them. You can suspend some or all of your offers until you decide to resume them, or you can have the offer resume automatically at a specified date.

To manage your cash flow optimally, you might want to suspend some or all of your standing early payment terms and dynamic discount offers and resume them at a later date. For example, you might want to suspend discount offers at the end of the year, when your organization is focused on cash-preservation efforts. If you elect to suspend a discount term, inform the affected suppliers ahead of time, such as by telling them that discounts aren't offered during the month of December. Informing the suppliers ahead of time reduces the number of calls from them asking why discounts aren't available.

You can change the suspension and resume date at any time. Suppliers receive a notification of each change to the discount offers.

### Procedure

1. Click ► **Account settings** ► **Manage Profile** ► **Ariba Discount Management** ▾.
2. On the **Discount Offers** tab, find the **Discount Offer** section and select the discount offers you want to suspend.
3. Click **Suspend/Change**.
4. Specify the start date (required) and an optional resume date.
5. Click **OK**.

### Results

When you click **OK**, all affected suppliers receive an email notification about the offer suspension.

# Resuming Discount Term Offers

If a discount offer is currently suspended, you can resume it again immediately or on a specified date.

## Procedure

1. On the **Discount Offers** tab, select the discount offers you want to resume.
2. Click **Resume**.
3. By default, the date to resume shows the current date. Click **OK** to accept the current date, or click the calendar icon to choose a different date.

## Results

When you click **OK**, all affected suppliers receive an email notification about the offer resumption.

# Payment and Holiday Schedule Overview

The configuration of payment and holiday schedules includes a brief phase for the buyer administrator to gather requirements.

On the surface, the configuration of payment and holiday schedules appears simple, but it can be one of the most complicated areas to configure. Payment and holiday schedules affect the possible dates a transaction can be paid and the volume and value of discounts that can be achieved. Your default payment and holiday schedules are generally configured for domestic transactions.

If your company operates in a global environment, knowing the regional schedules of your suppliers in that region, which banks with which you do business, and currency are other aspects to consider before configuration. If you have multiple company entities in a region, the paying company codes are parameters to research before you implement schedules. Additionally, determine whether your company uses Paying Company Code or the processing time by currency feature before configuration. In addition, note whether any of your payments have cross-border currency changes.

As part of the requirements-gathering and strategy development, document your current payment practices, to provide for an accurate and complete strategy discussion with the Discount Management Consultant.

## Payment and Holiday Schedule Use Case Examples

As an example, suppose you use a discount for suppliers in France and only make payments on Wednesday. Therefore, your supplier sees only payment date options on Wednesdays.

The processing time you specify in the offer affects the invoice payment date by increasing the number of days it takes for the payment to settle in the supplier's bank account. For example, an ACH payment with a processing time of three days adds three days to the expected settlement date of your payment, and impacts the discount amount. Paying by check with a five-day processing time has the same result: you effectively pay later and earn a lesser discount.

If some suppliers are paid by check while others are paid by ACH, you might have two discount term offers that have the same discount terms but different processing times.

As an example, if you have five companies in France, you could collect those company codes and create a table in your ERP system named France. Then use the France table to create a schedule for that specific country/region.

Cut-off time also affects the payment schedule and discount amounts, as it effectively determines when each calendar day ends. Transactions fall into the next day if they are processed after the cut-off time. If processing takes place outside the U.S. with offshore operations, take such timing into consideration.

# Payment and Holiday Schedule Configuration

SAP Business Network uses your payment and holiday schedules to calculate settlement dates for early payment.

You can define schedules for up to three years in the future. The payment schedule lists the days or dates when payments can be made. The holiday schedule lists the exceptions to the payment schedule, such as weekends or corporate and bank holidays.

Payments are based on the projected settlement date from the calendars you configure, and from adjustments that are made to ensure that the settlement dates don't fall on bank holidays. If no payment schedule is set up, SAP Business Network doesn't account for weekends and other holidays that affect the settlement date.

You can configure a default payment and holiday schedule that applies to all of your suppliers, and additionally configure payment schedules and processing times by paying company.

When you set up the payment and holiday schedules, keep the following in mind:

- Calculations configure the discount amount based on the projected settlement date (the date the supplier is projected to receive funds after you initiate a payment).
- Calculations account for the bank holidays and weekly bank holidays you configure (for example, Saturdays and Sundays).
- All calendar updates take effect immediately. Discount settlement dates that were in effect before the calendar was set up aren't impacted by the calendar updates and remain the same.

## Payment Schedule and Processing Time by Paying Company

Buyers with global discounting programs must extend discount offers across multiple regions, with consideration that they operate with different bank holidays and varied cut-off, payment run, and processing times.





Ariba Discount Management Done

Discount Offers Offer History Notifications **Payment Schedules and Processing Times**

---

Processing Time Configuration

Use this section to configure a payment processing time per paying company and currency.



Paying Company Code	Currency Code	Payment Method	Processing Time	Actions
test	USD	ACH	1	 
test	USD	AribaPay	1	 

[Add](#)

---

Paying Company Payment and Holiday Schedule Management

Use this section to configure payment and holiday schedule by paying company code.

<input type="checkbox"/> Schedule Name	Paying Company Code	Status	Actions
<input type="checkbox"/> AribaPay Test	test	Active	 

[Add](#)

---

Default Payment and Holiday Schedule Configuration

Define your default payment and holiday schedules.

Payment Schedule  
Configure calendar days or weekly patterns to use as the default payment schedule or view the previously configured default payment schedule [Configure](#) [View](#)

Holiday Schedule (Disabled)  
Configure calendar days that should be excluded from the default payment schedule or view the previously configured default holiday [Configure](#) [View](#)

You can configure payment and holiday schedules and processing times for each paying company. When you pass a `companyCode` attribute in the header of a cXML `PaymentProposalRequest` document, SAP Business Network applies the appropriate payment and holiday schedule and processing time to the scheduled payment.

The default payment and holiday schedule are applied to scheduled payments that don't have a `companyCode` attribute, or that have a `companyCode` attribute that isn't configured on SAP Business Network. Work with your IT department to pass the `companyCode` attribute in cXML `PaymentProposalRequest` documents.

## Additional Considerations

Companies generally define payment date in one of the following ways:

- The date the buyer does the payment run.
- The date the payment settles in the supplier account.

These definitions of payment date align with the concept of **Value date** in SAP ERP. **Value date** is calculated with or without consideration of a bank calendar, and helps set supplier expectations for payment settlement.

**Value date** in scheduled payments sent from SAP ERP become the `paymentDate` attribute in cXML `PaymentProposalRequest` documents.

A related SAP Business Network parameter, **User Buyer Payment Date**, is configured for you by SAP Ariba Customer Support during the enablement of your discounting capability. In general, SAP ERP buyers who calculate the value date without a bank calendar enable the **User Buyer Payment Date** parameter, while buyers who calculate the value date with a bank calendar don't enable it.

The payment processing time is defined as the maximum number of days it takes for a buyer to pay a supplier after a discount offer is accepted. If it takes a buyer and their bank five days after accepting a discount offer to process payments, SAP Business Network adds the five-day processing time to the current date, to calculate the projected settlement date.

Work with your IT department and SAP Ariba Customer Support to ensure that the configuration of **Buyer payment Date** and **Processing Time** align with the way your company defines **Payment Date**.

[Creating a Default Payment Schedule \[page 50\]](#)

[Creating a Default Holiday Schedule \[page 51\]](#)

[Configuring Payment and Holiday Schedules by Paying Company \[page 53\]](#)

[Configuring Processing Time by Paying Company \[page 54\]](#)

[Uploading a Calendar File \[page 56\]](#)

# Creating a Default Payment Schedule

Use this procedure to create a payment schedule that is applied when there's no custom payment schedule for a supplier.

## Context

You can create a default payment schedule that runs on specific dates, or set a weekly recurrence pattern. You can also set the cut-off time, start or stop the schedule, or upload your organization's calendar through a CSV file.

## Procedure

1. Click **Manage Profile** in the upper right corner of the dashboard.
2. On the **Configuration** page, click **Ariba Discount Management**.  
The **Ariba Discount Management** page appears.
3. In the **Default Payment and Holiday Schedule Configuration** section, click **Configure** to the right of **Payment Schedule**.
4. Set the payment schedule options.
  - a. Set the **Schedule Type** value to specify whether you run payments on a weekly recurrence pattern or on specific dates.
    - Choose **Recurrence** to select specific days of the week.
    - Choose **Run on the specific dates** to add specific dates or upload a calendar file.
  - b. Set the **Payment Cut-off Time** value to select a payment transmission cut-off time from the pull-down list.  
Payments that occur after the cut-off time are calculated for the next payment date. The time zone value comes from the **Locale Settings** page of your account.
  - c. Set the **Range of Recurrence** value to choose the beginning and ending dates for this schedule.
  - d. Set the **Holiday Exception** value to choose whether to run payments on the next business day after a holiday or on the next regularly scheduled payment day.  
For example, suppose that the regularly scheduled payment day is Friday and an early payment is requested for Sunday (a holiday).
    - If you choose **Run on the next business day**, the payment occurs on Monday (one day later), and instead of waiting until the next Friday.
    - If you choose **Run on the next scheduled payment day**, the payment occurs on Friday (five days later).
5. Click **OK** to save your changes.

## Results

After you create a schedule, the **View** button becomes available and you can display the schedule as read-only.

## Example

The following example shows a payment schedule that makes payments three times a week, with a cut-off time of 5:00 pm in Pacific time.

### Payment Schedule

---

Allow payment scheduling every day.

Schedule Type:

Sunday  Monday  Tuesday  Wednesday  Thursday  Friday  Saturday

Payment Cut-off Time:

Range of Recurrence: Start On:  End On:

Holiday Exception:  Run on the next business day if scheduled payment fails on a holiday  
 Run on the next scheduled payment day if scheduled payment fails on a holiday

## Creating a Default Holiday Schedule

Use this procedure to set holiday schedules for national holidays and other business purposes.

### Context

You can specify the bank and corporate holidays to exclude from your default payment schedule, or alternatively, upload your organization's calendar through a CSV file.

You might also want to configure holiday schedules to support end-of-year or end-of-month reconciliation periods, when management doesn't want to process discounts, or to create other temporary calendar periods when discounts must not be offered.

### Procedure

1. Click **Manage Profile** in the upper right corner of the dashboard.
2. On the **Configuration** page, click **Ariba Discount Management**.  
The **Ariba Discount Management** page appears.

3. In the **Default Payment and Holiday Schedule Configuration** section, click **Configure** to the right of **Holiday Schedule**.
4. Enter a name for the holiday, select a date, and then click **Add**.
5. To upload a calendar, enter the file location and then click **Upload**.
6. Click **OK** to save your changes.

## Results

After you create a schedule, the **View** button becomes available and you can display the schedule as read-only.

### Note

To remove a holiday from the schedule, choose the name from the list and then click **Delete**.

## Example

The following holiday schedule example shows that no payments can be made on Saturdays or Sundays nor on May 30, July 4, or September 5, 2016:

### Holiday Schedule

---

Allow payment scheduling everyday regardless of holidays or weekends.

Weekend:

Sunday
  Monday
  Tuesday
  Wednesday
  Thursday
  Friday
  Saturday

Other Holidays:

	Name	Date
<input type="checkbox"/>	<input type="text" value="Memorial Day"/>	<input type="text" value="30 May 2016"/>
<input type="checkbox"/>	<input type="text" value="Independence Day"/>	<input type="text" value="4 Jul 2016"/>
<input type="checkbox"/>	<input type="text" value="Labor Day"/>	<input type="text" value="5 Sep 2016"/>

**Upload a Calendar File**  
 The calendar file must contain a date column as the first column. The supported date format is mm/dd/yyyy. A second column to provide a name or description is optional.

# Configuring Payment and Holiday Schedules by Paying Company

## Context

SAP Business Network uses a paying company code to determine payment and holiday schedules and processing times by currency and payment method.

An **SAP Paying Company Code** might be different than the **Sending Company Code** found on the FI document associated with a supplier invoice:

- The "paying" company code is the one that settles the open items. Postings to the bank accounts and subaccounts are made to this company code.
- The "sending" company code is the company code against which the payable (open item) exists.
- In SAP Business Network, it's possible to make cross-company payments by configuring a relationship between a paying company code and a sending company code. In this case, the paying company pays on the behalf of the sending company. This practice is common in the U.S., but less so outside of the U.S. The common practice outside the U.S. is for the "sending" company code to also be a "paying" company code.
- If you use a different ERP system, contact your IT department to determine the appropriate mapping of fields and codes.

The following are considerations influencing how a buyer configures the payment and holiday schedules and processing times in discount management:

- If an outbound payment proposal sent to SAP Business Network doesn't include a company code, the default holiday and payment schedules apply.
- If the paying company code in an outbound payment proposal sent from SAP Business Network doesn't match a corresponding value configured in SAP Business Network, the default holiday and payment schedules apply.
- Use of the SAP Ariba Paying Company Code isn't necessary for a buyer who implements discounting in a single country/region. Only the default payment and holiday schedules require configuration.
- Even in multicountry implementations, use the default for the home country/region or for the U.S. organization, which likely has the most paying company codes.
- The default integration behavior is a one-to-one mapping of the **SAP Paying Company Code** to the SAP Ariba paying company code. However, buyers can elect to configure the SAP Ariba paying company code to equal the country/region of the paying entity or country/region of the underlying disbursing bank. For buyers with many paying company codes per country/region, this configuration choice reduces the redundant setup of holidays for each paying company.

### Note

This configuration does require customization of the SAP Ariba PI NetWeaver or SAP Integration Suite, managed gateway for spend management and SAP Business Network adapter to pass the country code instead of the SAP paying company code.


## Procedure

1. Click ► **Account settings** ► **Manage Profile** ►.
2. Click **Ariba Discount Management**.
3. Click the **Payment Schedules and Processing Times** tab.
4. In the **Paying Company Payment and Holiday Schedule** table, click **Add**.  
The **Add payment schedule** page appears.
5. Enter a **Paying company payment schedule name**.
6. Enter the **Paying company code** to identify the paying company.  
Ensure that the **Paying company code** is the same value you want to pass in the `companyCode` attribute of `cXML PaymentProposalRequest` documents.
7. **Configure a Payment Schedule**.  
More more information, see [Creating a Default Payment Schedule \[page 50\]](#).
8. **Configure a Holiday Schedule**.  
For more information, see [Creating a Default Holiday Schedule \[page 51\]](#).
9. Click **OK** to save the paying company payment and holiday schedules.

## Results

Paying Company Payment and Holiday Schedule Management

Use this section to configure payment and holiday schedule by paying company code.

<input type="checkbox"/>	Schedule Name	Paying Company Code	Status	Actions
<input type="checkbox"/>	AribaPay Test	test	Active	 

# Configuring Processing Time by Paying Company

Use this procedure to configure the processing time used for a paying company code.

## Context

Processing time is configured during the creation of a discount term offer and helps to determine the settlement date and amount of a discounted payment. However, when a `PaymentProposalRequest` includes `companyCode`, the processing time specific to that code is used instead. To ensure that the correct processing time is used, configure a processing time for each **Paying company code** that you intend to use, exactly as configured in your ERP.

## Procedure

1. Click **Account settings** > **Manage Profile**.
2. Click **Ariba Discount Management**.
3. Click the **Payment Schedules and Processing Times** tab.
4. In the **Processing Time Configuration** table, click **Add**.  
The **Add processing time configuration** page appears.

Add processing time configuration OK Cancel

Paying company code:

Currency:

Payment Method:

Processing Days:

OK Cancel

5. Enter the **Paying company code** to identify the paying company.  
Set the **Paying company code** to the same value you want to pass in the `companyCode` attribute of `cXML PaymentProposalRequest` documents.
6. Click **Select Currency** to choose a currency.
7. Choose a **Payment method**.
8. Enter **Processing days**.

### Note

- Ensure that the **Processing days** you configure on SAP Business Network is the same value that you configured in your ERP.
- The configured number of processing days takes precedent over the processing time configured in your discount term offer.

## Results

Ariba Discount Management Done

Discount Offers Offer History Notifications **Payment Schedules and Processing Times**

### Processing Time Configuration

Use this section to configure a payment processing time per paying company and currency.

Paying Company Code	Currency Code	Payment Method	Processing Time	Actions
test	USD	ACH	1	
test	USD	AribaPay	1	

### Paying Company Payment and Holiday Schedule Management

Use this section to configure payment and holiday schedule by paying company code.

Schedule Name	Paying Company Code	Status	Actions
<input type="checkbox"/> AribaPay Test	test	Active	

### Default Payment and Holiday Schedule Configuration

Define your default payment and holiday schedules.

**Payment Schedule**  
Configure calendar days or weekly patterns to use as the default payment schedule or view the previously configured default payment schedule

**Holiday Schedule (Disabled)**  
Configure calendar days that should be excluded from the default payment schedule or view the previously configured default holiday

# Uploading a Calendar File

Use this procedure to transfer calendar information to your payment and holiday schedules.

## Context

Calendar applications allow you to export your calendar data to a CSV file and customize the output by selecting which fields to map from the program to the CSV file. You can then upload the data for use as the payment schedule.

### Note

This procedure uses Microsoft Outlook as an example calendar application. For other calendar applications, follow the application's instructions for exporting calendar information to a CSV file.

## Procedure

1. In Microsoft Outlook, open the calendar and click ► **File** ► **Import/Export** ►.
2. Follow the steps in the **Import and Export Wizard** to export the file to comma-separated values (CSV) format.
3. If needed, click **Map Custom Fields** to choose which columns to transfer (for example, **Subject**, **Start Date**, and **End Date**).
4. If needed, open the resulting CSV file for editing and make any desired changes.
5. Upload the CSV file to the **Payment and Holiday Schedule** page.

# Early Payment Limits

Early-payment limits allow your Treasury to safeguard the stability of your working capital position.

Treasurers are the custodians of a company's global cash and short-term cash forecast. Cash availability can fluctuate as companies divest or acquire business units or require major investment. Furthermore, dynamic discounting can be one of many investment strategies that requires a cap as the business environment changes. Dynamic discounting program managers require business controls help Treasury safeguard the stability of their working capital position.

As a result of these considerations, dynamic discounting buyers can now establish early payment limits by currency and paying company code. Once the limit is exceeded, suppliers must choose payment dates in next available period. This feature provides Treasury assurances that early payments have minimal and managed impacts to Days Payable Outstanding at period end.

SAP Business Network measures against the limit the total of all invoice amounts scheduled for payment, including invoices with and without outstanding offers. This way, SAP Business Network supports scenarios when Treasury's ability to pay early is challenged with a large influx of regularly scheduled payments.

SAP Business Network also provides the **Early Payment Limit** report. This report helps buyers analyze usage of limit, to take a variety number of actions to support their program, including the following:

- Appealing to treasury to increase the early payment limit, to allow realization of more discounts.
- Increasing the annual percentage rate, to balance early payment supply and demand.
- Moving suppliers from dynamic discounting to supply-chain financing, if the buyer's ability to pay early exceeds supplier demand consistently.

# Configuration Choices for Early Payment Limits

Early payment limits by currency and paying company code help ensure that your treasury department's ability to pay early isn't exceeded.

You can configure monthly payment limits per currency and paying company code that applies to all buyer-initiated discount offers. When the sum of accepted scheduled payments exceeds the defined limit in a given month, SAP Business Network prevents your suppliers from requesting further payments in that month.

You can also configure an early payment threshold that, when met or exceeded, causes SAP Business Network to send a notification to you, warning you that your early payment limit is approaching. Once the value of aggregated scheduled payments exceeds a configured limit, SAP Business Network prevents suppliers from requesting or proposing payments that exceed that limit, and sends another notification to you when the early payment limit is met or exceeded.

## Note

When creating or editing early-payment offers, you're warned with the following messages if the values of the early-payment limits aren't configured correctly:

- **The early payment limit by selected currency and paying company code already exists.**
- **The sum of each early payment limit by currency and paying company must be less than the limit by currency for all companies.**

You can run the **Early Payment Limit** report to analyze historic and anticipated usage against your configured limits.

Early payment limits automate a once manual and tedious process, and help you better maintain the stability of your outstanding payable days. This feature sets supplier expectations up front, rather than withdrawing offers before a payment run.

## Limitations

If an early payment limit is increased after a scheduled payment has already been marked as noneligible for discounts, SAP Business Network doesn't retroactively extend a discount offer on that payment proposal. SAP Business Network only extends discount offers to suppliers on new payment proposals. Be sure to manage your early-payment limits with careful consideration of how much cash you hold in reserve.

## Early Payment Limits Example

Consider a buyer who has configured a monthly early payment limit of \$25,000 with a notification tolerance of 10%. The buyer already has the following scheduled payments:

Doc ID	Total Amount	Scheduled Payment Date	Status	Counts Toward Payment Limit?
PPR1	\$5,000 USD	February 18	Not accepted by supplier.	Yes
PPR2	\$5,500 USD	February 18	Accepted by supplier.	Yes
PPR3	\$6,000 USD	February 14	Supplier didn't accept buyer-initiated discount offer.	Yes
PPR4	\$6,500 USD	February 13	Supplier accepted buyer-initiated discount offer.	Yes

Assume today's date is February 15. PPR2, PPR3, and PPR4 total \$18,000 USD and count against the \$25,000 USD monthly early payment limit. Suppliers can still accept PPR1 and accelerate payment in the month of February.

The buyer sends another scheduled payment and extends a buyer-initiated discount offer to a supplier:

Doc ID	Total Amount	Scheduled Payment Date	Status	Counts Toward Payment Limit?
PPR5	\$2,500 USD	March 15	Not accepted by supplier.	Yes

Now, assume today's date is February 18; PPR1 is paid. PPR1, PPR2, PPR3, and PPR4 total \$23,000 USD and the 10% notification tolerance is crossed. SAP Business Network sends the **Monthly Early Payment Limit Approaching** notification to the buyer. Suppliers can still accept PPR5 and accelerate payment in the month of February:

Doc ID	Total Amount	Scheduled Payment Date	Status	Counts Toward Payment Limit?
PPR1	\$5,000 USD	February 18	Paid	Yes
PPR2	\$5,500 USD	February 18	Paid	Yes
PPR3	\$6,000 USD	February 14	Paid	Yes
PPR4	\$6,500 USD	February 13	Paid	Yes
PPR5	\$2,500 USD	March 15	Not accepted by supplier	Yes

The buyer sends another scheduled payment and extends a buyer-initiated discount offer to a supplier:

Doc ID	Total Amount	Scheduled Payment Date	Status	Counts Toward Payment Limit?
PPR6	\$2,000 USD	March 15	Not accepted by supplier.	No

Suppliers can still accept PPR5 and PPR6 and accelerate payment in the month of February.

The supplier accepts PPR5 and chooses to accelerate payment in exchange for discount. The scheduled payment date for PPR5 is now February 28. With scheduled and accelerated payments now exceeding \$25,000 USD in the

current month, SAP Business Network sends the **Monthly Early Payment Limit Reached** notification to the buyer. The supplier can no longer accelerate payment of PPR6 in February:

<b>Doc ID</b>	<b>Total Amount</b>	<b>Scheduled Payment Date</b>	<b>Status</b>	<b>Counts Toward Payment Limit?</b>
PPR1	\$5,000 USD	February 18	Paid	Yes
PPR2	\$5,500 USD	February 18	Paid	Yes
PPR3	\$6,000 USD	February 14	Paid	Yes
PPR4	\$6,500 USD	February 13	Paid	Yes
PPR5	\$2,500 USD	February 28	Supplier accepted buyer-initiated discount offer.	Yes
PPR6	\$2,000 USD	March 15	Not accepted by supplier.	No

# Payment Amount Reconciliation Using the Early Payment Limit Report

## Context

In the early stages of implementing the discounting solution, generate an **Early Payment Limit** report and reconcile the amounts in the report as you test your deployment. Reconcile against a custom report generated from your ERP; always treat your ERP as the source of truth.

### Note

The **Early Payment Limit** report can display a maximum of 500 rows of data.

The following are the high-level tasks you perform:

## Procedure

1. Run the **Early Payment Limit** report.

For details to create an **Early Payment Limit** report, see [Early Payment Limit Reports](#) and [Creating a Report Template](#).

Your old and new cash flows are constantly changing as suppliers accept offers and your ERP sends new payment proposals to SAP Business Network. Be sure to get the latest snapshot of data.

Month	Currency	Limit	Original Cash Flow	New Cash Flow
Aug-18	Euro	1,950.00	1,000.00	1,952.00
Sep-18	Euro	1,950.00	4,000.00	3,000.00

2. Download the scheduled payments for the period you want to reconcile.

Go to the **Schedule Payments** tab and filter by the first and last day of the month you are reconciling.

Scheduled Payments

Search Filters

Supplier: (no value) v

Payment Proposal ID: [ ]

Invoice Number: [ ]

Payment Date Range: Other v

Start Date: 1 Aug 2018

End Date: 30 Aug 2018

Min. Amount: [ ]

Max. Amount: [ ]

Status: All v

Method: All v

Number of Results: 100 v

Scheduled Payments (3)

ID	Reference	Supplier	Payment method	Scheduled Payment Date	Settlement Date	Remaining	Invoice Amount	Status	Early Pay Status
63000001455	INV1455	s11	ACH	30 Aug 2018		20 Days	1,000.00 EUR	Canceled	Not Eligible
63000001454	INV1454	s11	ACH	30 Aug 2018		20 Days	1,000.00 EUR	Scheduling	Not Eligible
63000001450	INV1450	s11	ACH	13 Aug 2018		3 Days	952.00 EUR	Scheduling	Processed (Buyer-Initiated)

3. Insert a Currency column into the spreadsheet of scheduled payments..

SAP Business Network combines the currency and value into a single column for Invoice Amount. You will need to add a column to your spreadsheet using the following excel formula:

```
=right ( H2 , 3 )
```

Before:

A	B	C	D	E	F	G	H	I	J
ID	Reference	Supplier	Payment method	Scheduled Payment Date	Settlement Date	Remaining	Invoice Amount	Status	Early Pay Status
63000001455	INV1455	s11	ACH	30-Aug-18		20 Days	1,000.00 EUR	Canceled	Not Eligible
63000001454	INV1454	s11	ACH	30-Aug-18		20 Days	1,000.00 EUR	Scheduling	Not Eligible
63000001450	INV1450	s11	ACH	13-Aug-18		3 Days	952.00 EUR	Scheduling	Processed (Buyer-Initiated)

After:

A	B	C	D	E	F	G	H	I	J	K
ID	Reference	Supplier	Payment method	Scheduled Payment Date	Settlement Date	Remaining	Invoice Amount	Currency	Status	Early Pay Status
63000001455	INV1455	s11	ACH	30-Aug-18		20 Days	1,000.00 EUR	EUR	Canceled	Not Eligible
63000001454	INV1454	s11	ACH	30-Aug-18		20 Days	1,000.00 EUR	EUR	Scheduling	Not Eligible
63000001450	INV1450	s11	ACH	13-Aug-18		3 Days	952.00 EUR	EUR	Scheduling	Processed (Buyer-Initiated)

4. Insert an Amount column into the spreadsheet.

SAP Business Network combines the currency and value into a single column for Invoice Amount. Add a column to your spreadsheet for the Amount, using the following excel formula:

```
=value ( left ( H2 , len ( H2 ) - 4 ) )
```

A	B	C	D	E	F	G	H	I	J	K	L
ID	Reference	Supplier	Payment method	Scheduled Payment Date	Settlement Date	Remaining	Invoice Amount	Amount	Currency	Status	Early Pay Status
63000001455	INV1455	s11	ACH	30-Aug-18		20 Days	1,000.00 EUR	1000	EUR	Canceled	Not Eligible
63000001454	INV1454	s11	ACH	30-Aug-18		20 Days	1,000.00 EUR	1000	EUR	Scheduling	Not Eligible
63000001450	INV1450	s11	ACH	13-Aug-18		3 Days	952.00 EUR	952	EUR	Scheduling	Processed (Buyer-Initiated)

5. Create a pivot table to sum Amount by Currency and Status.

Create a pivot table after selecting the Amount, Currency, and Status columns.

Row Labels	Sum of Amount
EUR	
Canceled	1,000.00
Scheduling	1,952.00
EUR Total	2,952.00
(blank)	
(blank)	
(blank) Total	
Grand Total	2,952.00

**PivotTable Fields**

Choose fields to add to report:

Search

Amount  
 Currency  
 Status

More Tables...

Drag fields between areas below:

**Filters** | **Columns**

**Rows** | **Σ Values**

Currency | Sum of Amount  
Status |

6. Reconcile the data by excluding Canceled from your calculation.

SAP Business Network does not include **Canceled** payment proposals in the New Cash Flow calculation, nor does it take **Canceled** payment proposals into consideration in the real-time early payment limit check.

Month	Currency	Limit	Original Cash Flow	New Cash Flow
Aug-18	Euro	1,950.00	1,000.00	1,952.00
Sep-18	Euro	1,950.00	4,000.00	3,000.00

# Creating, Editing, and Deleting Early Payment Limits

Use this procedure to manage your early payment limits.

## Context

Create early payment limits to limit the total value of buyer-initiated discount offers your suppliers can schedule in a given month. Specify a percentage of the early payment limit that, when met or exceeded, triggers a notification that warns you that you're approaching your limit for the current period.

## Procedure

1. Click ► **Account settings** ► **Manage Profile** ►.
2. Click **Early Payment Limits**.
3. In the **Configure early payment limits per currency** section, click **Add early payment limit**.

---

Specify the maximum total value of scheduled payments for a currency in a given period. When the early payment limit is met or exceeded, buyer-initiated early payment offers are stopped, and the Ariba Network only offers early payments in the next available period.

Currency:\*

Paying Company Code:  ⓘ

Cash Limit:\*  ⓘ

Notification Threshold(%):\*  ⓘ

Period:\*  ▼

4. Click **Select Currency**, locate the currency for which you want to create an early payment limit, and click **Select**.
5. **Optional:** Enter an alphanumeric value in the **Paying Company Code** field.  
Leaving this field blank includes all paying company codes.
6. Enter in the **Cash Limit** of the total value of scheduled payments to not exceed in a given period.
7. Enter in the **Notification Threshold(%)** the percentage of the early payment limit that, when met or exceeded, triggers a notification to you.

8. Choose the **Period** for which this early payment applies.
9. Click **OK**.
10. Click **Done**.
11. Click **Done**.

## Results

Configured early payment limits appear in the **Early Payment Limits** table. Choose an early payment limit from this table and click **Edit** to modify it. You can change the values in the **Cash Limit** and **Notification Threshold** fields. Optionally, you can also change the frequency of notifications in the **Period** field.

You can delete your configured early payment limit by selecting an early payment and click **Delete**. You're prompted if you want to delete the selected early payment limit, click **OK**. After confirming, the selected early payment limit is deleted.

# Configuring Early Payment Limit Notifications

Use this procedure to configure who receives notification when their payment cash limit is exceeded.

## Context

Designate a recipient of the early payment limit notifications. These notifications are sent when the total value of scheduled payments in given period reaches your configured tolerance and again when your early payment limit is met.

## Procedure

1. Click ► **Account settings** ► **Manage Profile** ►.
2. Click **Notifications**.
3. In the **Payment Cash Limit** section, choose **Send a notification when used cash amount is approaching configured payment cash limit**, and enter the email address to which you want the notifications delivered.

Payment Cash Limit	<input checked="" type="checkbox"/> Send a notification when used cash amount is approaching configured payment cash limit	<input type="text"/>
--------------------	--	----------------------

4. Click **Save**.

# Early Payment Tax Adjustment Rules

SAP Ariba Discounting allows you to conform to regulatory requirements in many countries/regions, including countries/regions that require suppliers to issue credit memos when an early payment discount is agreed upon after a tax invoice is issued.

You can pass discount basis on payment proposals from your ERP to SAP Business Network, allowing your discount capability to exclude taxes and other ERP-defined elements from the discount calculation. SAP Business Network passes discount amount, tax rebates, and revised settlement amounts back to the buyer. Supplier ERPs then accept a discount offer, and display adjustments resulting from tax rebates clearly in the remittance advice.

You can configure the combinations of tax categories and tax location code (which can be mapped to an ERP-defined country, region, or province) for which SAP Business Network calculates a tax rebate.

For countries/regions that require suppliers to issue credit memos when an early payment discount is agreed upon after issuing tax invoice, configure SAP Business Network to auto-generate credit memos that align to the supplier's original tax invoice. These dynamic discounting credit memos are generated at the time of payment, upon receipt of your remittance.

The credit memo copies content from the original tax invoice, adjusts taxable amount, prices, and tax amount using the discount %, and applies any country/region-specific e-signatures or business rules. You receive dynamic discounting credit memos through your cXML invoice interface and can attach the cXML, PDF, or journal entry representing the suppliers original invoice (e.g. SAP Fiscal Accounting (FI) document).

## Note

- Auto generation of dynamic discounting credit memos is limited to supplier-submitted invoices in SAP Business Network. In SAP Business Network, enable the rule **Do not offer discounts when Ariba Network can't find an online invoice**. See [Workflow for Enabling SAP Business Network to Auto-Generate Credit Memos \[page 78\]](#) for more information.
- Dynamic discounting credit memos can't be generated for service invoices, service sentry sheets, invoices with allowances, or deleted, rejected, or failed invoices.
- Dynamic discounting credit memos aren't available for SAP Ariba Buying and Invoicing; you must integrate via cXML through SAP PI NetWeaver or your own middleware.

Work with your IT department to configure your ERP to send tax adjustment information on payment proposals. Do not activate dynamic discounting credit memos, unless your IT department updates your invoice integration to filter the credit memo cXML and attach the credit memos to your original FI documents. See *cXML Solutions Guide* for additional information.

[Early Payment Tax Adjustments \[page 67\]](#)

## Early Payment Tax Adjustments

Early payments often need adjustments for certain government taxes.

To align to Value Added Tax (VAT) regulations and similar indirect tax laws, SAP Business Network discounting calculates early payment VAT adjustments when buyers make discount term offers to suppliers. SAP Business

Network's tax rule engine for early payment discounts can be configured to recognize and apply tax adjustments. These adjustments are made to Provincial Sales Tax (PST) in British Columbia, Manitoba, and Saskatchewan, but not Goods and Services Tax (GST), Harmonized Sales Tax (HST), or Quebec Sales Tax (QST).

## Early Payment Tax Adjustments in Canada

Suppliers in British Columbia, Manitoba, and Saskatchewan can adjust Provincial Sales Tax (PST) when the buying organization takes advantage of an early payment discount.

Consider the following example of an invoice sent from a supplier to a buyer in British Columbia:

1000.00 CAD Purchase number of goods or service

50.00 CAD GST

70.00 CAD PST (British Columbia)

1120.00 CAD Total Invoice Amount

1000.00 CAD Discount Basis

If the buyer offers early payment with a 0.1% daily discount rate, the discounting capability makes the following offer to the supplier:

Settlement Date	Discount %		Discount Amount	Tax Adjustment	Settlement Amount
	X %	Discount Basis	X % of Discount Basis	X% of PST (B/C)	
15 Aug 2016	2.1%	1000.00 CAD	21.00 CAD	1.47 CAD	1197.53 CAD
16 Aug 2016	2.0%	1000.00 CAD	20.00 CAD	1.40 CAD	1198.60 CAD
17 Aug 2016	1.9%	1000.00 CAD	19.00 CAD	1.33 CAD	1199.67 CAD

After the supplier selects the offer, the SAP Business Network includes the selected amounts in the payment proposal sent to both buyer and supplier. It also includes these values in the **Early Payment Detail** report for suppliers, helping to reconcile early payments and make appropriate tax adjustments.

## Early Payment Tax Adjustments in Countries/Regions That Don't Require Credit Memos for Ad-Hoc Dynamic Discounts

Many countries/regions with VAT or similar indirect taxes require suppliers to issue credit memos when an early payment discount is agreed upon, after an invoice is issued. For countries/regions that don't require such a credit memo, SAP Business Network discounting capability offers a solution.

Consider the following example of an invoice sent by a German supplier to a German buying organization:

1000.00 EUR purchase number of goods

190.00 EUR VAT (19%)

1190.00 EUR Total Invoice Amount

1000.00 EUR Discount Basis

If the buyer offers early payment with a 0.1% daily discount rate, the discounting capability makes the following offer to the supplier:

Settlement Date	Discount %		Discount Amount		Settlement Amount
	X %	Discount Basis	X % of Discount Basis	Tax Adjustment X% of VAT (DE)	
15 Aug 2016	2.1%	1000.00 EUR	21.00 EUR	3.99 EUR	1165.01 EUR
16 Aug 2016	2.0%	1000.00 EUR	20.00 EUR	3.80 EUR	1166.20 EUR
17 Aug 2016	1.9%	1000.00 EUR	19.00 EUR	3.61 EUR	1167.39 EUR

After the supplier selects an offer, SAP Business Network displays the supplier's selection and includes the selected amounts in the payment proposal sent to both buyer and supplier. SAP Business Network also includes these values in the supplier-facing **Early Payment Details** report, which helps suppliers reconcile early payments.

These payment details make the appropriate tax adjustments offline manually in countries/regions that don't require credit memos for early payment discounts, such as Germany, Austria, and Switzerland.

## Early Payment Tax Adjustments in Countries/Regions That Require Credit Memos for Ad-Hoc Dynamic Discounts

Many countries/regions with Value Added Tax (VAT) or similar indirect taxes require issuing credit memos when a buyer and supplier agree to an early payment discount after issuing a tax invoice. The dynamic discounting credit memos functionalities are used by buyers who transact with suppliers in such countries/regions.

Consider the following example of automatic credit memo creation:

1. You send a purchase order to a supplier.
2. Your supplier sends you a tax invoice that includes 1000.00 EUR purchase with 200.00 EUR VAT (20%), totaling 1200.00 EUR amount due.
3. The buyer sends a payment proposal to the supplier that includes a 1000.00 EUR Discount Basis, a 200.00 EUR VAT, and also extends a buyer-initiated early payment discount offer to the supplier.
4. The supplier accepts the discount offer and sends an updated payment proposal to the buyer. The proposal includes a 20.00 EUR discount (2% of the 1000.00 EUR discount basis) and a 4.00 EUR VAT adjustment (2% of the 200.00 EUR Tax Amount).
5. The buyer sends a remittance to the supplier that includes the 1200.00 EUR original amount due, a 20.00 EUR Discount (2%), and a 4.00 EUR adjustment (2% of VAT), totaling 1176.00 EUR Amount Paid.

### Note

SAP buyers might send the sum of 20.00 EUR (true discount amount) and 4.00 EUR (tax adjustment) in the discount amount. SAP Business Network detects this sum and advises the supplier that the discount amount matches the payment request amount.

6. SAP Business Network automatically generates a credit memo for the 20.00 EUR Discount and 4.00 EUR VAT adjustment for the supplier and sends it to the buyer.

# Tax Adjustment Rules

## Creating Tax Adjustment Rules

Use this procedure to configure rules to calculate tax rebates.

### Context

Configure combinations of tax category and tax location code for which SAP Business Network calculates tax rebates.

### Procedure

1. Click the ► **Account settings** ► **Manage Profile** ► tab.
2. Click **Tax Adjustment Configuration**.

Tax Category	Tax Location Code	Created By	Status
<input type="radio"/> VAT	DUE	Travis Mitro	Active
<input type="radio"/> VAT	ZAF	Travis Mitro	Active
<input type="radio"/> PST	CA-BC	Andrew Baxter	Active
<input type="radio"/> GST	CA-YU	Andrew Baxter	Active

3. Click **Add Tax Adjustment Rules**.
4. Select an option from the **Choose Tax Category** pull-down menu.

#### Note

This value corresponds to the `category` attribute of the `TaxAdjustmentDetail` element in `PaymentProposalRequest` cXML documents that you send to your suppliers.

5. Enter a **Tax Location Code**.

### Note

This value corresponds to the `region` attribute of the `TaxAdjustmentDetail` element in `PaymentProposalRequest` cXML documents that you send to your suppliers.

6. Click **OK**.
7. Click **Done**.

## Deleting Tax Adjustment Rules

Use this procedure to remove tax adjustment rules.

### Context

Delete previously configured tax adjustment rules when you no longer need them.

### Procedure

1. Click the ► **Account settings** ► **Manage Profile** ► tab.
2. Click **Tax Adjustment Configuration**.
3. Click **Add Tax Adjustment Rules**.
4. In the **Rules** table, choose the tax rule you want to delete and click **Delete**.

# Dynamic Discounting Credit Memos

Use of SAP Business Network Discount Management is considered Discount Term Offers in which the buyer or supplier can accept or reject a discount at any time. These offers are considered Qualification 2, as the agreement is made after submission of the invoice.

- Qualification 1 or Scenario 1 – The early payment term is agreed to before submission of the original invoice by the supplier.
- Qualification 2 or Scenario 2 – The early payment term is agreed to after submission of the original invoice by the supplier.

## Note

It's important to discuss with your tax advisor and business management the process and procedure to ensure how your business processes credit memos.

Dynamic Discount Credit Memos are also documents to be used as audit artifacts to document for tax officials why the tax amount provided is lower than originally documented because of the discount. They're not part of the transaction activity.

If you have questions specific to a country/region, SAP Ariba can provide a confidential document from our research. This document requires signing a nondisclosure agreement (NDA) for release of the document.

If you want to offer payments discounting in countries/regions that require credit memos to adjust tax, your enablement team must assign the "Credit Memo Auto Generation" task to the suppliers you want to enable. Those suppliers must then accept a services-specific terms-of-use agreement. This legal language works with the tax invoicing section of the general terms-of-use, and spells out the process and limitations of the service.

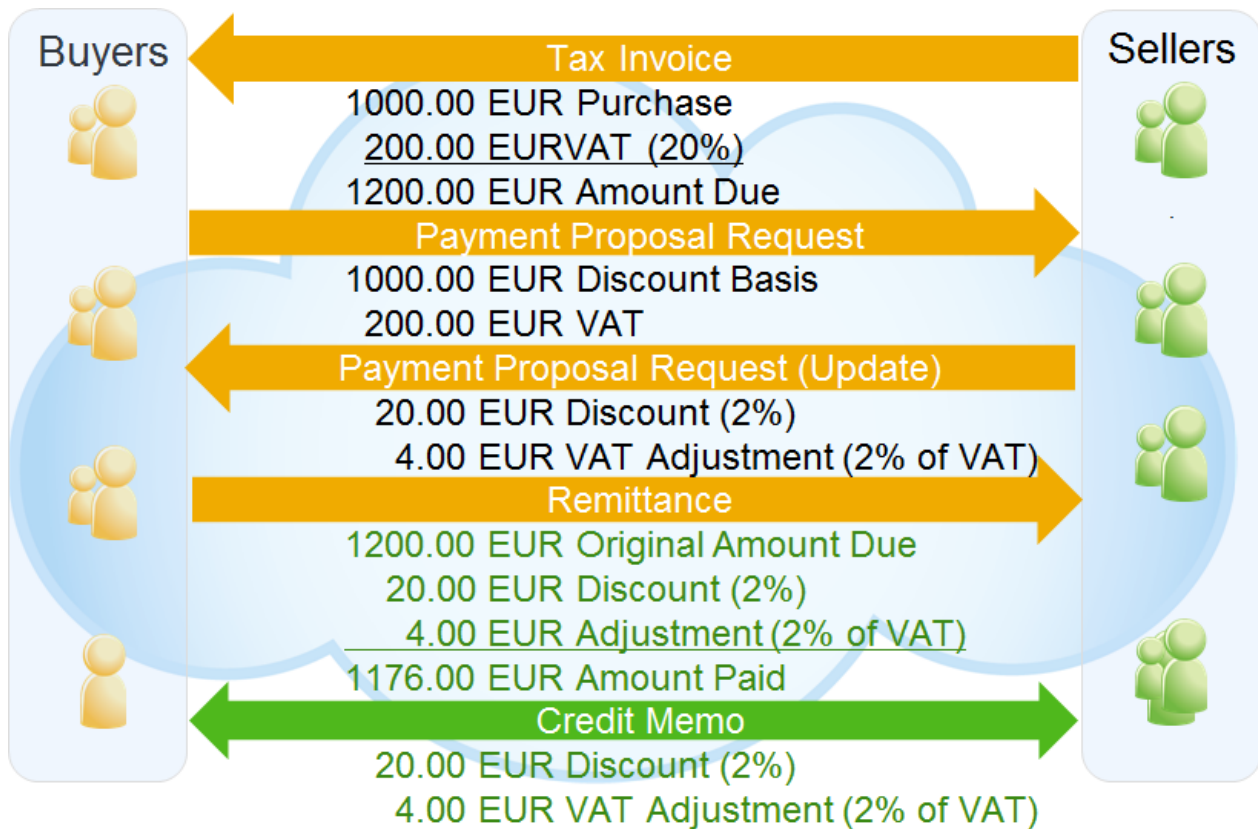
Service providers such as SAP Ariba are bound by law to include such language in most countries/regions with VAT. This legal agreement results in less risk of confusion about the supplier's obligation with respect to tax. SAP Business Network doesn't generate the dynamic discounting credit memos on the supplier's behalf until the supplier accepts the services-specific terms-of-use agreement.

The supplier acceptance affects your initial deployment and testing of the discounting solution. If you create a test supplier account, only a testing account (for example, ANID 000000000-T) is created, not a production account, nor can a production account be created later.

However, if SAP Ariba creates a test supplier account, it creates accounts for both test and production. The production account is then deactivated but can be reactivated later. Because Dynamic Discounting Credit Memo testing requires you to assign tasks to suppliers and those tasks must be completed in a production account, SAP Ariba must create test suppliers for this testing.

Capturing early-payment discounts is a growing priority for companies globally. Many tax authorities with VAT or similar indirect tax methods, however, require suppliers to issue credit memos when an early payment discount is granted **after** the issuance of the invoice. In the past, many United States-based service providers offering dynamic discounting solutions wrongly encouraged buyers and suppliers to issue credit memos manually offline. This operational challenge stopped for a time the adoption of dynamic discounting outside of the United States.

SAP Business Network can now issue dynamic discounting credit memos on the supplier's behalf so that buyers and suppliers have access to a scalable, simple approach to take advantage of early payment discounts in countries/regions that mandate credit memos.



[Supplier Activities for Dynamic Discounting Credit Memos \[page 73\]](#)

[Dynamic Discounting Document Archiving Approaches \[page 74\]](#)

[Dynamic Discounting Credit Memos: Additional Considerations \[page 76\]](#)

## Supplier Activities for Dynamic Discounting Credit Memos

Most of the activity is done by the suppliers with regards to configuring the dynamic discounting credit memo capability.

SAP Business Network makes dynamic discounting easy for suppliers by handling the following functions:

- Automatically creating a dynamic discounting credit memo, using the supplier's original tax invoice.
- Copying the content from the supplier's original tax invoice when creating these credit memos. This action ensures that the credit memo content corresponds exactly with the supplier's original invoice. Creating this copy reduces the risk of confusion for suppliers, buyers, and the respective tax authority when transactions are audited.

- Applying the same business controls to dynamic discounting credit memos as tax invoices, to ensure authenticity, integrity, correct content, legibility, and archiving. Such an approach ensures that suppliers, buyers, and respective tax authorities all have confidence that the transactions are clean, exception free, and legitimate.
- Allowing suppliers to set a minimum “Supplier Auto-acceptance Rule” for dynamic discounting. When a minimum is set, SAP Business Network can take advantage of only those transactions that impact working capital, rather than cluttering the process with dynamic discounting credit memos that are of small value.
- Providing suppliers with an **Early Payment (Details)** report that helps them make the appropriate early tax adjustments without needing to process the credit memos issued on their behalf. The supplier's accounting department might be able to make the tax adjustments in bulk at the time and frequency defined by their accounting team and tax advisor. This is the same approach SAP Business Network offers suppliers in countries/regions that don't require credit memos for dynamic discounting, including Austria, Canada, Germany, and Switzerland.
- Leveraging the supplier's chosen method to archive the suppliers original e-invoice submitted on SAP Business Network. Suppliers who subscribe to the SAP Business Network e-archiving solution need not archive either the original invoice nor the dynamic discounting credit memo issued by SAP Business Network on their behalf. Both documents are stored and are available to the supplier and the tax authority in the SAP Business Network archive database residing in Sweden. Alternatively, suppliers can archive their e-invoices and dynamic discounting credit memos in ZIP format. They can download the archives manually or configure their SAP Business Network account to deliver them automatically using HTTPS post.

## Related Information

[Generating Early Payment \(Details\) Reports](#)

# Dynamic Discounting Document Archiving Approaches

SAP Business Network provides methods for suppliers to archive dynamic discounting credit memos.

SAP Business Network's dynamic discounting solution allows you to earn discounts when suppliers take advantage of early payment offers. However, many tax authorities that regulate VAT or similar indirect tax methods require suppliers to issue credit memos to adjust tax when they take an early payment discount **after** issuing the invoice.

SAP Business Network issues dynamic discounting credit memos automatically so that you and your suppliers meet the legal requirements of local tax authorities. However, you must archive these dynamic discounting credit

memos, just like e-invoices, to meet per country/region legal requirements. SAP Business Network provides you with the following approaches to archive these documents:

## **Archive Zip File**

The first approach uses an archive zip file. The zip file includes cXML and PDF versions of each document to satisfy the regulatory requirement to provide human readable versions. If you use an SAP Business Network procurement application, you can receive archive zip files through https to store in your local archive system.

## **Early Archive (PI NetWeaver)**

This approach applies if you integrate with SAP Business Network through a cXML invoice interface to SAP. As of CI-9 SP1 The Netweaver PI adapter attaches the cXML and PDF versions of the discounting credit memo to the FI document related to the original invoice.

## **ReadSoft or OpenText Rule Configuration**

This approach applies if you integrate to SAP Business Network through a cXML invoice interface to SAP. Since SAP Business Network includes dynamic discounting credit memos in the standard invoice interface flow, you can create a Readsoft or Open Text document processing rule to store and archive the credit memo. No IT support is necessary if AP configure such rules that identify discounting credit memos with the right cXML attribute, `<InvoiceDetailHeaderIndicator isPriceBasedLineLevelCreditMemo="yes" />`.

The challenge with the preceding approaches is that you must put in place a combination of people, processes, and technology to store, process, and migrate the archive files to your archive system.

Also, your archiving system and processes must meet state-of-the-art security requirements, including preventing loss, destruction, corruption, or changes to stored data. For archives that serve many different legal entities, you might find it necessary to obtain a third-party audit or other evidence of adequate security measures (such as recognized trust mark). You therefore might need a more robust approach.

## **SAP Business Network Free Long-Term Archiving Service (Best Practice)**

You can archive invoices and credit memos by subscribing to SAP Business Network's long-term archiving service. With this archiving option, once you accept the archiving terms of use, you don't have to take further action, unless the tax authority makes an inquiry.

Although you might have one or more solutions for storing electronic data and documents, you might not have the regulatory monitoring in place or the change-management routines to handle new requirements for a particular country/region.

SAP Business Network removes the technology, documentation, and requirement-monitoring burden for you. Our product-management processes made available through our partner, Trustweaver, integrates legal and technical

expertise to ensure that any upcoming legal changes are known, analyzed, and implemented in a timely manner reducing compliance risk for you and your suppliers.

SAP Business Network's archiving service is particularly relevant for if you reside in a country/region that requires credit memos for dynamic discounting tax adjustment, because you won't have corresponding credit memos in your ERP. In fact, the inclusion of discounting credit memos disrupts processing of your invoice archive files unless IT adjusts the integration to link the credit memo cXML and PDF to the original voucher in your ERP system.

## Dynamic Discounting Credit Memos: Additional Considerations

SAP Business Network can issue dynamic discounting credit memos on the supplier's behalf.

With dynamic discounting credit memos, buyers and suppliers have access to a scalable, simple approach to take advantage of early payment discounts in countries/regions that mandate credit memos. SAP Business Network creates dynamic discounting credit memos when it receives a buyer's remittance advice that matches the supplier's early payment request.

Buyers who start transacting in countries/regions without a requirement for credit memos often ask why SAP Business Network copies data from the original invoice for dynamic discounting credit memos. In such countries/regions, there is no dependency on the original invoice submitted. These buyers are therefore accustomed to making offers on any invoice, independent of its origin, using the limited information passed on a payment proposal request. However, countries/regions that do mandate the creation of credit memos for early payment discounts often have strict requirements for legal compliance.

Automatic generation of dynamic discounting credit memos is limited to supplier-submitted invoices on SAP Business Network in countries/regions that requires credit memos.

Regarding dynamic discounting credit memos, our tax advisor says the following:

- A credit note can be issued by the supplier in terms the applicable VAT Act in order to account for the discount allowed to the customer.
- The credit note needs to meet all the requirements set out there in order to be compliant for these purposes.
- A compliant corrective document (credit note) is necessary.
- The credit note is preferably issued on the same date on which the payment is made.

When a supplier enrolls in SAP Business Network, the supplier agrees to the following:

- The supplier's invoice data doesn't yet constitute a tax invoice.
- Once SAP Business Network applies an electronic signature to the said data, an electronic invoice is issued in the supplier's name on their behalf.
- The supplier ensures that the "Invoice Data" is compliant with applicable law as to its form and content, accurate, and complete.

Furthermore, country/region-specific VAT laws typically specify credit memo requirements down to the line item level. For example, the Inland Revenue Agency of Singapore specifies that to be valid for GST purposes, a credit note must clearly show the following:

1. An identifying number such as. a serial number.
2. The date of issue.

3. Your name, address, and GST registration number.
4. Your customer's name and address.
5. The reason for the credit (such as "returned goods").
6. A description sufficient to identify the goods and services for which the credit is being allowed.
7. The quantity and amount credited for each description.
8. The total amount credited, excluding tax.
9. The rate and amount of tax credited.
10. The total amount credited, including tax.

Since buyers typically capture only the minimum data necessary to enter the data in their ERP, SAP Business Network as service provider can't consider the buyer's ERP as reliable source of the data.

#### Note

One exception to the rule is buyer data generated from a self-billing invoice.

Thus, the supplier agreement, the date found on the original tax invoice, and SAP Business Network business rules are applied to both the original invoice and the credit memo.

# Workflow for Enabling SAP Business Network to Auto-Generate Credit Memos

The end-to-end workflow for auto-generated credit memos starts with configuring the feature and ends with running the related report.

You can enable SAP Business Network to auto-generate credit memos on the behalf of your suppliers when an early payment discount is taken after the issuance of a tax invoice.

1. Configure dynamic discounting credit memo tolerances and countries/regions.
2. Assign the **Dynamic Discounting Credit Memos** task to your suppliers.

## Note

Because dynamic discounting credit memos require the presence of an online invoice, enable the rule **Do not offer discounts when Ariba Network can't find an online invoice**.

3. Run the **Failed Dynamic Discounting Credit Memo Creation** report to view information about dynamic discounting credit memos that can't be automatically generated.

## Note

Credit memo generation is activated per country/region. SAP Business Network determines the country/region by using the original invoice data, including supplier VAT ID and the `FROM` attribute. For additional information about how SAP Business Network determines the country/region, see [SAP Business Network Guide to Invoicing](#).

[Configuring Dynamic Discounting Credit Memo Tolerances and Countries/Regions \[page 78\]](#)

[Enabling Your Suppliers for Dynamic Discounting Credit Memos \[page 80\]](#)

[Preventing SAP Business Network from Offering Discounts When an Online Invoice Can't Be Found \[page 82\]](#)

## Configuring Dynamic Discounting Credit Memo Tolerances and Countries/Regions

Use this procedure before you assign the **Dynamic Discounting Credit Memos** activity to your suppliers.

### Context

## Procedure

1. Click **Account settings** > **Manage Profile**.
2. Click **Ariba Discount Management**.
3. Click **Discount management rules**.
4. Choose **Apply tolerance to dynamic discounting credit memos created on behalf of your suppliers**.
5. Enter values for **% Exception tolerance** and **Absolute Amount Tolerance**.

SAP Business Network generates dynamic discounting credit memos for your supplier when the discount amount on a remittance is within the range delimited by these tolerances.

Discount management rules

Dynamic discounting credit memo rules

Apply tolerance to dynamic discounting credit memos created on behalf of your suppliers. ⓘ

% Exception tolerance

Absolute Amount Tolerance

Do not offer discounts when Ariba Network can't find an online invoice. ⓘ

Country-based Dynamic discounting credit memo rules

Choose country:

Countries

Country	Status	Activated By	Activated On	Last Modified By	Last Modified On
<input type="radio"/> Albania [ALB]	Active	Travis Mitro	13 Mar 2019	Travis Mitro	13 Mar 2019
<input type="radio"/> United Arab Emirates [ARE]	Active	Travis Mitro	27 Apr 2018	Travis Mitro	27 Apr 2018
<input type="radio"/> American Samoa [ASM]	Inactive	Travis Mitro	13 Oct 2017	Travis Mitro	13 Oct 2017
<input type="radio"/> Germany [DEU]	Active	Travis Mitro	27 Apr 2018	Travis Mitro	27 Apr 2018
<input type="radio"/> United States [USA]	Active	Travis Mitro	28 Feb 2019	Travis Mitro	28 Feb 2019
<input type="radio"/> South Africa [ZAF]	Active	D Pro	13 Dec 2016	Travis Mitro	23 May 2017

6. Choose a country/region from the dropdown and click **Add Country Rules**.  
Newly added countries/regions are **Active** by default. Choose a country/region and click **Deactivate** if you don't want SAP Business Network to auto-generate credit memos for the supplier in that country/region.
7. Click **Save**.
8. Click **Done**.
9. Click **Done**.

## Next Steps

See [Enabling Your Suppliers for Dynamic Discounting Credit Memos \[page 80\]](#).

# Enabling Your Suppliers for Dynamic Discounting Credit Memos

Use this procedure to assign the **Dynamic Discounting Credit Memos** task to your suppliers.

## Prerequisites

You've configured your dynamic discounting credit memos tolerances and countries/regions. See [Configuring Dynamic Discounting Credit Memo Tolerances and Countries/Regions \[page 78\]](#).

## Context

### ⚠ Restriction

You can assign tasks only to suppliers in a production account.

## Procedure

1. Click **Supplier Enablement**.
2. Choose one or more suppliers and vendors from the **Suppliers and Vendors** table and click **Assign**.
3. Choose **Dynamic Discounting Credit Memos** and click **Assign**.

**ASSIGN ACTIVITIES**

You have selected 1 supplier to assign activities. Choose the activities you want to assign:

**Activities**

Activity Name
<input type="checkbox"/> Account
<input type="checkbox"/> Purchase Order
<input type="checkbox"/> Invoice
<input type="checkbox"/> Catalog
<input type="checkbox"/> Payment
<input type="checkbox"/> Discount Management
<input type="checkbox"/> AribaPay
<input type="checkbox"/> Supply Chain Financing
<input checked="" type="checkbox"/> Dynamic Discounting Credit Memos

**Assign** **Cancel**

4. Choose those same suppliers and vendors from the **Suppliers and Vendors** table and click **Start**.

## Results

The selected suppliers see the **Dynamic Discounting Credit Memos** task on their dashboard and are instructed to enable and configure the functionality.

# Preventing SAP Business Network from Offering Discounts When an Online Invoice Can't Be Found

Use this procedure to require an online invoice to offer a discount.

## Context

Because automatically generated dynamic discounting credit memos copy data from the original invoice, SAP Business Network can't generate dynamic discounting credit memos for scheduled payments associated with offline invoices. If you use the dynamic discounting credit memo functionality to support your discount program, you might want to enable this rule to prevent SAP Business Network from offering discounts when an online invoice can't be found.

## Procedure

1. Click **Administration**.
2. Click **Ariba Discount Management**.
3. Click **Discount management rules**.
4. Choose **Do not offer discounts when Ariba Network can't find an online invoice**.

# Customization of Early Payment Notifications

You can customize email notifications used for two types of offers: standing early payment terms and buyer-initiated dynamic discounts.

The customizations for early payment notifications include:

- HTML text editing and formatting.
- Choice of language and country/region for authoring the email.

## Guidelines for Custom Content

Custom content in discount letters follows the same guidelines as for trading relationship requests. For guidelines on creating custom content in English, in other languages, and for specific countries/regions, see *Enabling Suppliers on SAP Business Network*.

## Creating or Editing a Discount Offer Letter

You can create custom discount-offer letters for standing early payment terms and buyer-initiated dynamic discounts.

### Procedure

1. In the upper right corner of the dashboard, click your name and choose **Manage Profile** from the dropdown.
2. On the **Configuration** page, click **Ariba Discount Management**.
3. On the **Notification Configuration** tab, choose **Add > Create/Edit Custom Content >** next to the discount letter type.
4. Choose a language from the **Choose Language** dropdown.

#### Note

You must first create English content before you can create content in other languages.

5. **Optional:** Choose a country/region from the **Choose Country** dropdown.  
This option is available only after you create English content.
6. Enter the content in the text editor box.  
You can specify text attributes such as font, font size and color, and background color.
7. Click **Save** to create the letter.

Below the text editor box, the **Customized Content** section shows the first sentence of each letter you create and indicates the language and country/region used. You can also continue to edit or delete the letter from this list.

8. Click **Done** to save your changes.

## Previewing a Discount-Offer Letter Template

You can view the discount-offer letter template used for standing early payment term offer or buyer-initiated dynamic discount.

### Context

If you created custom content for discount-offer letters, you can view the discount-offer letter template for each language and country/region.

### Procedure

1. Click **Manage Profile** in the upper right corner of the dashboard.
2. On the **Configuration** page, click **Ariba Discount Management**.
3. Click the **Notification Configuration** tab.
4. Choose the discount letter type you want to create (standing early payment offer or buyer-initiated dynamic discount).
5. Click **Actions** > **Preview Template**.
6. Select the language and the country/region for the preview.

#### Note



The default template is English content.

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