

Sample Content for Operational Transfer Pricing

Processes and Functions supporting Sample Business Scenarios

Typographic Conventions

Type Style	Description
<i>Example</i>	Words or characters quoted from the screen. These include field names, screen titles, pushbuttons labels, menu names, menu paths, and menu options. Textual cross-references to other documents.
Example	Emphasized words or expressions.
EXAMPLE	Technical names of system objects. These include report names, program names, transaction codes, table names, and key concepts of a programming language when they are surrounded by body text, for example, SELECT and INCLUDE.
Example	Output on the screen. This includes file and directory names and their paths, messages, names of variables and parameters, source text, and names of installation, upgrade and database tools.
Example	Exact user entry. These are words or characters that you enter in the system exactly as they appear in the documentation.
<Example>	Variable user entry. Angle brackets indicate that you replace these words and characters with appropriate entries to make entries in the system.
EXAMPLE	Keys on the keyboard, for example, F2 or ENTER .

Contents

1	Introduction and Basics	6
1.1	About this Guide.....	6
1.2	Constraints	6
1.3	Related Documentation	7
1.4	Glossary.....	7
2	Business Example	8
2.1	Scope and Business Definition.....	9
3	Operational Transfer Pricing in Detail.....	13
3.1	Integrate Data Sources.....	16
3.1.1	Manufacturing Data	17
3.1.1.1	Manufacturing Data Input.....	17
3.1.1.2	Shared Services Allocated Data.....	19
3.1.1.3	Product Transfer Data	21
3.1.2	Business Data.....	22
3.1.2.1	Accounting Assumptions.....	22
3.1.2.2	Steering Table - Initial	22
3.1.2.3	Steering Table for Checking	23
3.1.2.4	Business Events Data	23
3.1.2.5	Actual Unit Costs	24
3.1.3	Transfer Pricing Configuration	25
3.1.3.1	TP Methods Configuration	25
3.1.3.2	Company Categorization by TP Function	26
3.1.3.3	Product Categorization by Brand	26
3.1.3.4	Markup, VAT and Duty Fee Rates	26
3.1.3.5	Product Resale Assumptions.....	27
3.1.4	Invoices Data from S/4 HANA	28
3.1.4.1	BSEG – Accounting Document Segment	28
3.1.4.2	Exchange Rates Data	29
3.1.5	Transfer Pricing Adjustments Data	30
3.1.5.1	Actual Data at Fiscal Year End	30
3.1.5.2	Industry Benchmark Data	31
3.1.5.3	Additional Calculation Figures [Calculated]	31
3.1.5.4	Additional Calculation Figures [Initial]	32
3.1.6	Processing Results.....	32
3.1.6.1	Transfer Product Results	32
3.1.6.2	Profit and Loss Comparison with Adjustments Results.....	34
3.2	Data Review and Update	35
3.2.1	Define Transfer Price	35
3.2.2	Update Markup and Tax Rates	36
3.2.3	Update Product Hierarchy	36
3.2.4	Update User Defined Margins for Adjustments	36

3.2.5	Update Initial Steering Tables.....	36
3.2.6	Check Steering Table Shares.....	36
3.2.7	Review ERP Invoice Data.....	37
3.3	<i>Processing</i>	37
3.3.1	Apply Steering Tables	38
3.3.1.1	Check Steering Table Shares	38
3.3.1.2	Select Shares for Additional Checking.....	38
3.3.1.3	Write Steering Table Shares for Checking.....	39
3.3.1.4	Collect Steering Table Shares	39
3.3.1.5	Steering Table Final Combination	39
3.3.2	Calculate Transfer Prices.....	39
3.3.2.1	Transfer Pricing Method Determination	39
3.3.2.2	Prepare ERP Costing Data	40
3.3.2.3	IC Recharging	41
3.3.2.4	Double Taxation Avoidance	43
3.3.2.5	Connect Planned and Actual Methodology	44
3.3.2.6	Join All Results.....	44
3.3.3	Generate Profit and Loss for Tax Purposes.....	45
3.3.3.1	Tax Compliance Adjustments.....	45
3.3.3.2	Reset Profit and Loss for Tax Purposes Comparison	46
3.4	<i>Reporting</i>	47
3.4.1	Review Results	47
3.4.2	FX Gains / Losses Report.....	48
3.4.3	Variance Analysis of Purchase Prices	48
3.4.4	Review Profit and Loss for Tax Purposes	49
3.4.5	Tax Changes After Adjustments.....	49
3.4.6	Profit After Tax Changes After Adjustments.....	50
3.4.7	Net Profit Margin per Company [%]	50
3.4.8	Total Costs per Product and Service	51
3.4.9	Profit Results per Company Baseline Scenario	51
3.4.10	Profit Results per Company Simulation.....	52
3.4.11	Cost Breakdown by Alternative Route	52
3.4.12	Alternative Route Profitability at Group Level	53
3.4.13	Profit Split by TP Function	54
3.4.14	Intercompany Transaction Flow and Profitability Analysis	54
3.4.15	PBT, Tax Expense and PAT by Company	55
3.4.16	Track Sold Quantities to 3rd Parties	55
3.4.17	Review Trace Forward Values	56
3.4.18	Manufacturing Costs by Product.....	56
3.4.19	Unit Cost per Product	57

Table of Figures

Figure 1: Digital Imperative.....	8
Figure 2: Sample Content Information and Calculation Model	9
Figure 3: Shared Services Allocation	10
Figure 4: Intercompany Product Costs Allocation	10
Figure 5: Calculation Model of Operational Transfer Pricing	11

1 Introduction and Basics

1.1 About this Guide

This guide provides documentation about the Sample Content for Operational Transfer Pricing, which can be installed on top of SAP Profitability and Performance Management. This sample content describes ideas and best practices for modeling an end-to-end operational transfer pricing calculation, using predefined data coming from manufacturing process with production plans, bill of materials and unit costs. During inter-company recharging process there is a calculation of VAT, Markups and Duty Taxes as well as the Tax Adjustments. Intercompany recharging process is performed by using network-based approach with relations between companies with its products acting as resources for partner companies that use those semi-finished products as resources. Markups, tax rates and duty fees are applied for each product through three different calculation types.

The structure of this document is organized around the following topics:

Business Example

This part of the guide covers the main features of the sample content. It describes the information model and calculation model.

Target Audience:

- Business experts
- Solution consultants
- Presales teams

Considerations

It is essential to be accustomed with the content of the corresponding guides and documents related to this topic before beginning with this example. For more information about the available guides and documents, as well as integration with other systems, roles, configuration information, users and authorization concept, see section [Related Documentation](#).

1.2 Constraints

This guide does not provide information about the installation of the sample content. For more information about this, see section [Related Documentation](#).

1.3 Related Documentation

The following table lists related documents.

Topic	Guide/Tool/Title	Links
• Installation and planning of your system landscape • Activities to keep the system running • Information about how to ensure the required security for your SAP landscape	Administration Guide	Administration Guide
• SAP Note for Sample Content for Operational Transfer Pricing	Sample Content for Operational Transfer Pricing	For more information, see the Overview of Available Sample Contents table including the links to the corresponding SAP Note. Note The link to the Overview of Available Sample Contents table points to the latest available SP version. If you want to open a previous version of this table, select the required SP version from the drop-down list in the header.
• Operation of SAP NetWeaver	Technical Operations Manual	https://help.sap.com/viewer/p/SAP_NETWEAVER_750
• Application Help	Detailed Application Help for SAP Profitability and Performance Management	SAP Profitability and Performance Management
• SAP HANA Administration Guide	Administration Guide for SAP HANA; supported SDA databases	https://help.sap.com/viewer/product/SAP_HANA_PLATFORM/
• SAP Notes		https://launchpad.support.sap.com/

1.4 Glossary

ABC	Activity-based costing
BI	Business intelligence
BW	Business warehouse
CM	Contribution margin
G/L	General ledger

2 Business Example

The market is at the dawn of the next big technology change where everything is connected, and software is embedded in people's lives. This technology change is bringing new opportunities and new threats. Cycle time for innovation is 5–10 times faster, and enterprises can no longer compete unless complexity is reduced. Business efficiency is ahead of the market and product and service profitability are constantly tracked and optimized.

That is why digital performance management will be the game-changer for companies that want to be successful in the digital economy. A digital performance management solution for 21st century business needs to measure and manage enterprise efficiency and drive product and service profitability in real time.

Built on SAP HANA, SAP Profitability and Performance Management is a next generation digital performance management solution that provides breakthrough real-time business data aggregation capabilities for SAP and non-SAP systems, a high-speed finance and risk calculation engine and comprehensive simulation and scenario management.

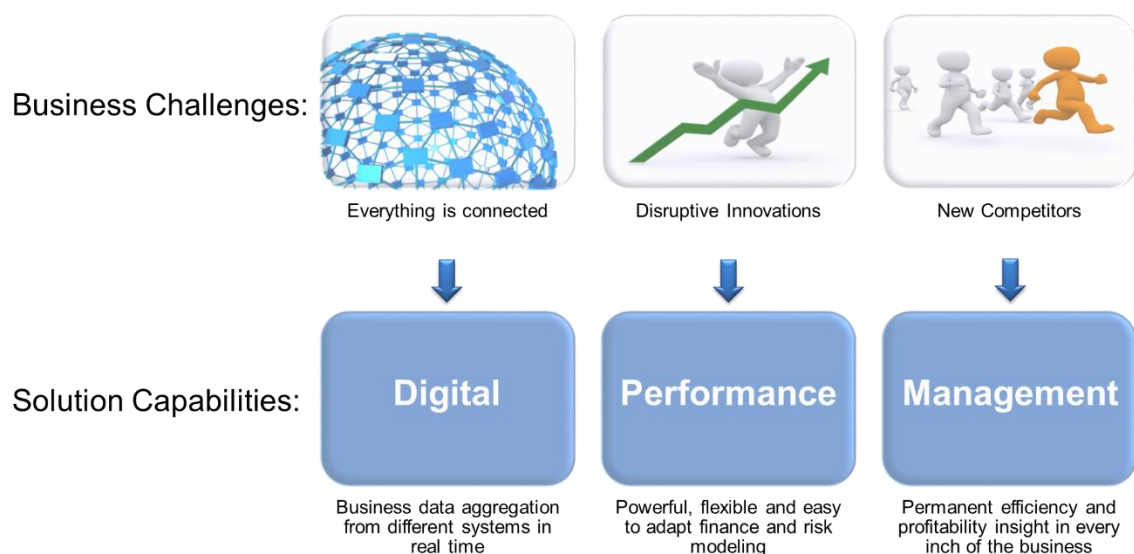


Figure 1: Digital Imperative

2.1 Scope and Business Definition

This sample content covers the intercompany recharging and cost and revenue sharing between companies, comprising certain aspects of data integration, data input, processing, and reporting.

This sample content gives business users the ability to manage and analyze tax costs and revenues, markups and markup costs, production and services costs and 3rd party revenues.

The following screenshot shows the function hierarchy of the sample content and the process template.

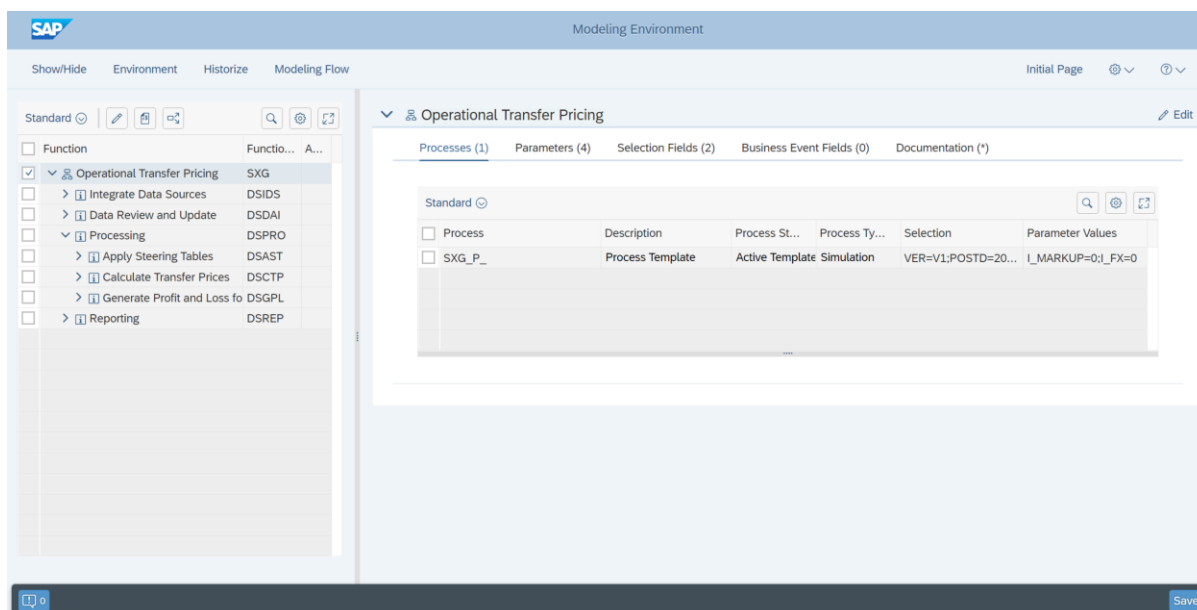


Figure 2: Sample Content Information and Calculation Model

The information in the following chapters can also be found as inline documentation of the model on the respective Documentation tabs.

The figure below shows the flow between companies in this process. The *Apply Steering Tables* processing segment allows the users to set routes within the company in the flexible way. Here we can find information about all possible combinations regarding which company sends its product and all possible routes within the group. As an initial standard scenario setting, there are three Sunshine Group types of companies covered in this environment – Manufacturing, Finishing and Distribution. Sunshine Berlin, Munich, Frankfurt, and Baltimore are *manufacturing* type of companies, Shanghai and Detroit *finishing* and Tokyo and Atlanta are acting as *distribution* type of companies.

Processing starts with using Manufacturing and Overheads related data and Shared Services Allocation data, using the outputs from Product and Service Costing use case calculation model. Afterwards, IC Recharging process starts with sending products as resources between companies. The final segment is Tax Compliance Adjustments which serves to generate P&L for Tax purposes.

It is assumed that shared services are allocated to each product and products P1, P2, P3, P4 and P5 are semi-finished products used as resources to produce next product in the chain, but products P3A and P5A can also be sold on the market. For representation of this process in the best way, bottom-up approach was used for production process, including bill of materials, process plans and activities and unit costs, combined with top-down approach used in inter-company recharging. With all these

process steps aligned, we end up with one process that covers production activities combined with providing services and intercompany recharging with VAT, Markup and Duty Fee calculations.

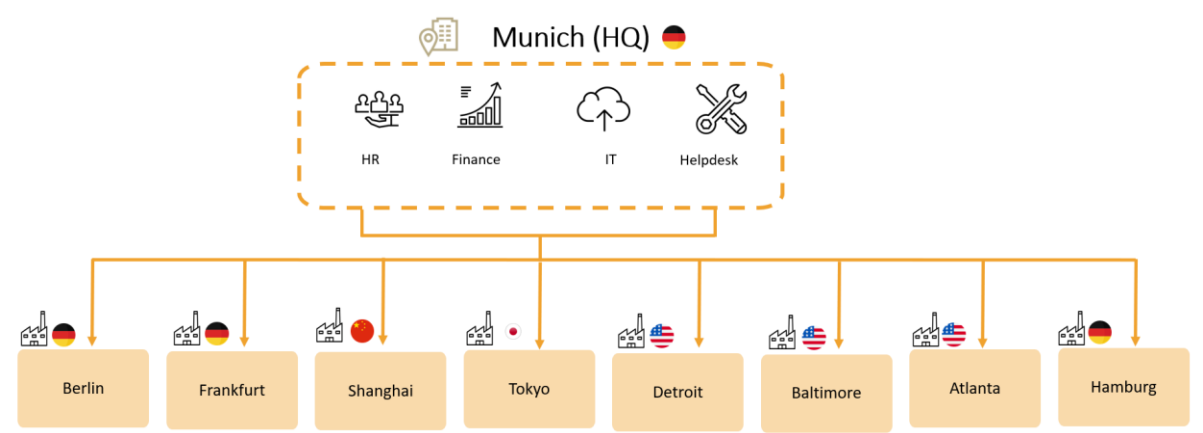


Figure 3: Shared Services Allocation

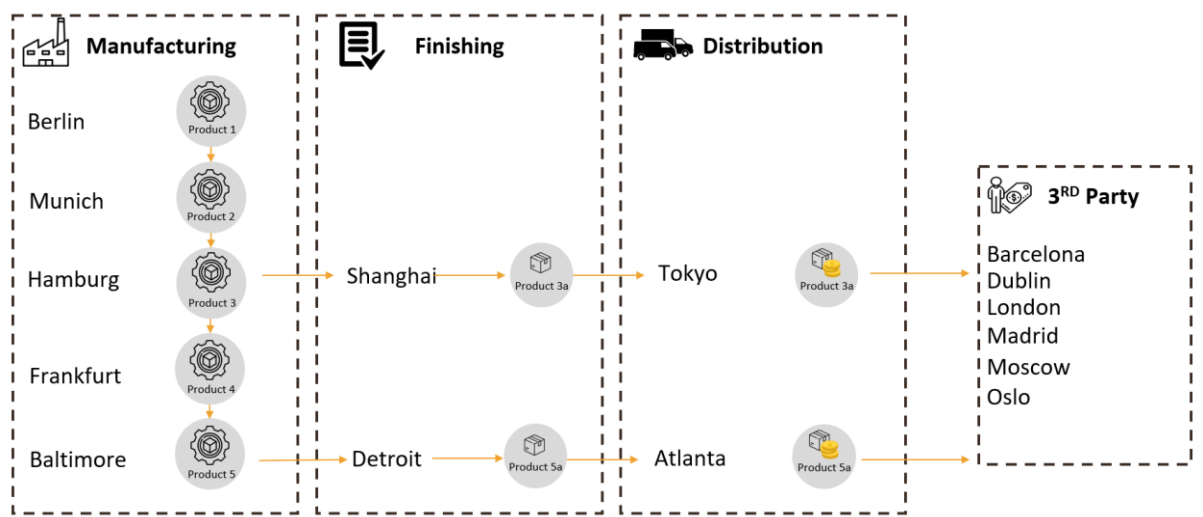


Figure 4: Intercompany Product Costs Allocation

The concrete process is as the following:

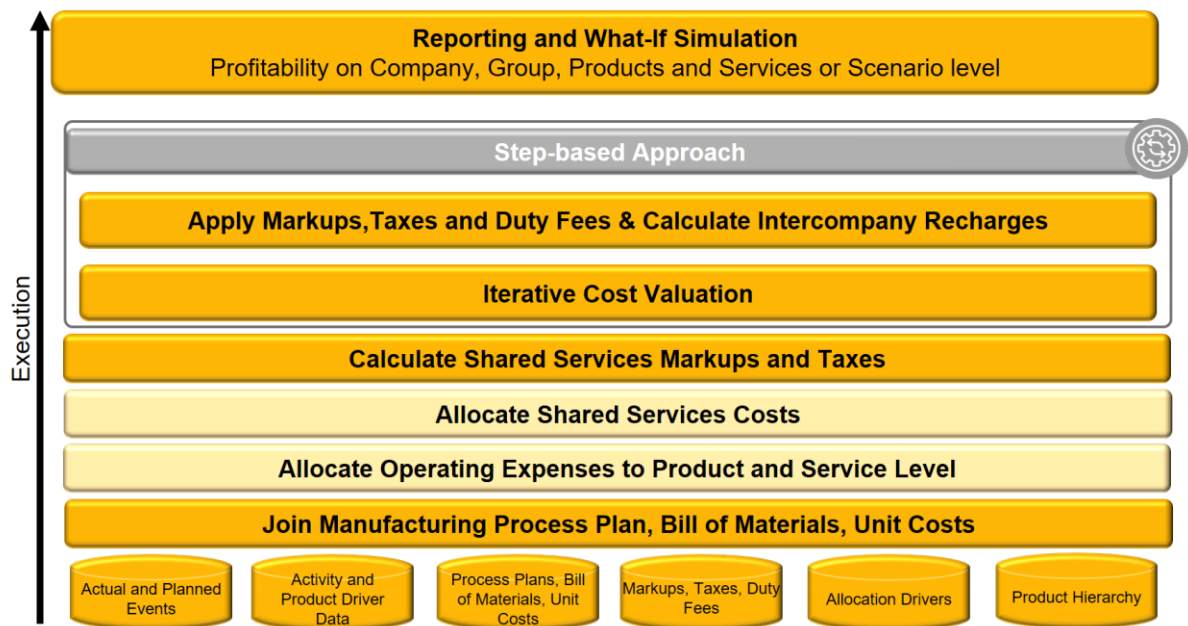


Figure 5: Calculation Model of Operational Transfer Pricing

The execution starts with joining of manufacturing plans for each product with Steering Table and Business Events tables, to determine what will be user-defined transfer routes.

The core part of the processing is Intercompany Recharging, whereby using step-based approach, each product's costs coming from Company are allocated as a Resource to Partner Company.

While product costing is not a focus topic of this sample content, the small sample production model contains the following noteworthy features:

- The Process Plan activities cover different types of resources like maintenance time and cost of engineers, work center and machine time, and measured resources like electricity, water, and the bill of materials.
- Dynamic inventory valuation is based on a scaled weighted average method for selected resources so that the inventory quantity and costs are calculated based on buying events with individual quantity and price information and can, therefore, change for every production order.
- Static inventory valuation is based on calculated unit costs.
- The *Unit Costs* data is equipped with a scenario field so that different costs for different scenarios can be entered. The what-if simulation contains a price shock scenario, where unit cost prices are changed to enable you to understand the effect on interim and final good costs.
- The production-based data consumed in the model covers five products, where standard scenario describes the following use case:
 - Product 1 is manufactured in Berlin and sent to Munich as resource
 - Product 2 is manufactured in Munich, uses Product 1 as resource and it's sent to Berlin which also uses it as resource

- Product 3 is manufactured in Berlin and used by Frankfurt as a resource to produce Product 4.
- Product 3A is sent to Shanghai (Finishing Company) and afterwards to Tokyo (Distribution Company).
- Product 4 is manufactured in Frankfurt, uses Product 3 as resource, and is sent to Baltimore which uses it as resource
- Product 5 is manufactured in Baltimore.
- Product 5A is sent to Detroit (Finishing Company) and in the end to Atlanta (Distribution Company).

All this detailed information is made available for dynamic reporting and what-if simulations.

The end-to-end process orchestration reflects this model and gives end-users various interaction points upfront, in between and in the end. It therefore covers input data management, the scenario calculation, the result review, and what-if simulation.

Tax Compliance Adjustments starts with generating the P&L from actual data and continues with Tax adjustments calculation to finally generate P&L adjusted for Tax purposes.

3 Operational Transfer Pricing in Detail

The Operational Transfer Pricing sample content provides insights into how flexible it is for business users to gain transparency so that they can perform successful intercompany recharging between companies controlled by one entity. We start with collecting information from events data about the G/L accounts and corresponding costs of these companies and by using a network approach, we ensure that the complexity of the process is reduced and costs and subsequent revenues of these connected companies are shared between subsidiaries and headquarters and after each allocation, appropriate taxes and markups are applied. In this way, we ensure that adequate taxes are paid, and value is added in the jurisdictions where profits are generated, and risk is taken. This helps to achieve transparency and accuracy in reporting. The pressures of complying with complex global standards regarding taxation and intercompany recharging are taken into consideration in this sample content in terms of reporting, and a detailed value flow shared between companies.

This Sample Content for Operational Transfer Pricing (Environment ID=SXG, Version=15) covers an end-to-end example of an intercompany recharging model applicable to both actual and planning data. It incorporates a predefined process template with activities to run the model for what-if simulation purposes.

This sample content comes with the SAP Profitability and Performance Management software installation and can be executed out of the box.

It consists of one calculation unit function and is structured underneath by description functions in the following sections:

- *Integrate Data Sources*

Defines the information model for that user inputs manually or imports from external data sources.

- *Data Review and Update*

Allows additional inputs, especially for events data, bill of materials, unit costs, markup and tax rates and steps in the process.

- *Processing*

Processing consists of three parts: Apply Steering Tables, Calculate Transfer Prices, Generate P&L for Tax Purposes. Starting from Applying Steering Tables processing sub-segment, in this part the user is to be enabled to set production of products and routes within the company in the flexible way First. Moving forward to Calculate Transfer Prices sub-segment, the calculating here planned transfer prices that will be used for a transfer among the companies within a group and market prices toward 3rd party companies. To avoid double taxation process, an additional processing segment is configured to clear out the VAT costs accounted in each company within a group. That kind of bilateral economic agreement between two companies aims to avoid or eliminate double taxation of the same income in two countries. Followed by Calculate Transfer Prices, Generate P&L for Tax Purpose sub-segment is structuring actual financial data into positions for P&L for tax purposes, applying operating

and intercompany profit margins to calculate the adjustments accordingly. It can be noticed that in the last part of processing, iterative process with intercompany recharging and calculation of markups and taxes is started and calculates it based on input tables from *Integrate Data Sources*. Also, the tax adjustments are calculated based on the actual and industry benchmark data.

- **Reporting**

Provides several review reports with end-to-end traceability from G/L accounts through all applied drivers to the results. Reports can be used to get detailed information about profit and loss splits between companies, tax results focused on concrete general ledger accounts, profitability of services provided by these companies on several levels and value flow, production process or semi-finished products acting as resources which make other, final products.

The *Operational Transfer Pricing* calculation unit defines the process template **SXG_P_ - Process Template** with the following activities:

- **Data Review and Update**

- *Update Markups and Taxes*, where changes can be applied to review how changes of markups and taxes from one company for one product affects entire chain and profitability of companies within Sunshine Corporation.
- *Define Transfer Price*, where user can define a transfer price which will be used when product is being transferred from one company to another partner company.
- *Update Product Hierarchy*, where user can define transfer pricing method used for certain product.
- *Update Initial Steering Tables*, where changes can be applied on which company produces which product and then each route can be chosen for all transaction by inserting the share (0-100).
- *Check Steering Table Shares*, where possible issues can be identified and then if the mistake is spotted, shares can be changed.
- *Review ERP Invoice Data*, which is used for read-only access to the sources coming from ERP system of a client, so they could trace the invoice creation and payments

- **Execute Calculation**

- *Join All Results*, which runs the complete calculation of the Operational Transfer Pricing model for planned transfer pricing.

- **Report**

- *Net Profit Margin per Company in % [Side-by-Side Simulation]*, which shows the net profit margin for each product and posting date and serves as the best output of results to get a deeper insight into the profitability at company level.
- *Profit Split by TP Function*, which shows the profit split by each TP function (Semi-finished goods manufacturing, Finishing, Distribution and Sell).
- *Intercompany Transaction Flow and Profitability Analysis*, which provides a predefined report which shows the relations between Company and Partner Company and costs that occurred between them.
- *FX Gains / Losses Report*, which provides a predefined report which represents the costs that occurred from the calculation that consumes the data that is coming from ERP system of a client, so they could trace the invoice creation and payments.
- *PBT, Tax Expense and PAT by Company*, which provides a predefined report showing Profit before Tax, all Tax Expenses and Profit after Tax by each company.
- *Track Sold Quantities to 3rd Parties*, which provides a predefined result report that shows the information about products being sold to market and gaining Gross Revenue.
- *Review Trace Forward Values*, which provides visual representation of amounts flowing from one company to another partner company for each product.
- *Manufacturing Costs by Product*, which shows manufacturing results for each product.
- *Total Costs per Product & Service*, which shows total costs needed to produce each product.
- *Profit Results per Company Baseline Scenario*, which provides detailed granular insight into profitability at company level for Baseline Scenario.
- *Profit Results per Company Simulation*, which provides detailed granular insight into profitability at company level for Simulation Scenario.
- *Alternative Route Profitability at Group Level*, which shows profit breakdown for standard scenario and alternative route.
- *Cost Breakdown by Alternative Route*, which shows cost breakdown for standard scenario and alternative route.
- *Review Results*, which shows revenue per different product & services.
- *Variance Analysis of Purchase Prices*, which shows the difference between actual and planned behavior of the transfer pricing functions, products and services, resources, and to compare the difference with planned results.
- *Unit Cost per Product*, which shows unit cost per product and service with possibility of its selection and analyses.

- **Tax Compliance Adjustments**

- **Data Review and Update**

- *Update User Defined Margins for Adjustments*, where user can define target intercompany or operating margins depending on the transfer pricing method used for certain product.
- *Execute P&L for Tax Purposes*, which runs the whole Tax Adjustments part and P&L for Tax purposes and generates it.
- *Reporting for Tax Purposes*
 - *Review P&L for Tax Purposes*, which shows P&L before and after-Tax Adjustments.
 - *Tax Changes After Adjustments*, the chart which shows the tax which each company should pay to the Tax authorities.
 - *Profit After Tax Changes After Adjustments*, the chart which shows the Profit After Tax, after all the adjustments have been applied.
- *Reset P&L Comparison Results*, which resets the P&L to the state before the adjustments.

3.1 Integrate Data Sources

In this section, the necessary data sources are defined.

Note

This sample content works with own data and does not presume any customer-specific system landscape, application or interface.

The integration of data sources uses therefore functions of type Model Table to make test data available in an implementation project as one of the ways to connect to the real and concrete customer data sources and targets.

The complete information model is kept lean to ease the adaption in an implementation project.

In this section, you define the required data sources.

Note

This sample content does not work with specific customer data and cannot presume any customer-specific system landscape, application, or interface.

The complete information model is kept lean to ease the adaptation in an implementation project. For example, it assumes just ten fields as a general ledger data feed, which is enough in most cases and is much easier to provide than if 50 fields or more were required.

3.1.1 Manufacturing Data

In this section, you define the necessary data sources from sample manufacturing process and shared services distributed to the companies in the group. See Sample Content SXO (Product and Service Costing) to analyze the calculation process that could lead to the data output used as an input in these model tables.

3.1.1.1 Manufacturing Data Input

In this Model Table the fields show the production results from the companies within a group, with its production events, resources, unit costs per each product and company, etc.

It includes the following fields:

- *Amount (GC)*: Amount in global currency that represents costs or revenues.
- *Quantity*: This field is key figure that describes sold quantities.
- *Cost Type*: Calculation types in our case are Scaled Costs, Fixed Costs, Balance and Risk Scaled Weighted Average.
- *Unit Cost*: This field represents costs per one unit of a product or service in global currency.
- *Product & Service*: Defines the product or service which is being manufactured by following manufacturing plans.
- *Amount (TC)*: Amount in transaction currency that represents costs or revenues.
- *Resource Value*: Contains the key figure, which is used to allocate resources down to activities and it refers to the Resource Driver as a unit.
- *Resource Driver*: This field contains the unit description of the resource, like Minutes, Pieces, Liters, Minutes and KWHs.
- *Event Quantity*: The amount of an event, such as Buy, Sell, Produce, Transfer.
- *Scenario*: This field is used to represent different scenarios.
- *Activity*: Defines the activity which is using the Resource Value as a variable portion to allocate the resources.
- *GL Account*: This field is used to record revenues and costs at a granular level.
- *Global Currency*: This currency is used for group reporting. No matter, which currency is used in an implementation project, the common practice is to translate every amount into one and the same currency, so that in the complete calculation model only one currency (also called controlling area currency) is used.
- *Item Quantity*: This field represents the quantity of each item.
- *Item Unit*: This field represents the quantity of each item.

- *Iteration Step*: This field is a numeric field that shows the step number of iterations.
- *Parent Item Quantity*: This field represents the quantity of each parent item.
- *Parent Item Unit*: This field represents the unit of each parent item.
- *Partner Company*: This field represents the partner company.
- *Position Quantity*: How much of a resource is needed to produce product it refers to.
- *Posting Date*: This field gives flexibility to provide GL totals on a yearly, quarterly, monthly, or even daily basis to run the profitability and cost management process.
- *Production Plan*: The field which defines different versions of plan. For example, there are 5 different plans.
- *Quantity Assignment*: This field shows assigned quantities that are new or available again, for example, to backorders or assigned quantities from orders with low priority to those with a higher priority.
- *Resource*: Each product uses different resources for its production process. These resources differ, as in production process different resources are used, such as water, electricity, engineer and machines and are grouped by different calculation types.
- *Share (%)*: This field shows the percentage part of the whole, usually for monetary values in relation to companies, partner companies, clients, etc.
- *Supplier*: The field is used to suppliers providing different resources.
- *Supplier Share*: Share from each supplier, marks the quantity of resources used from each supplier.
- *Total Resource Consumption*: This field represents the amount of consumed resources, such as water, electricity, engineer and machines.
- *Transaction Currency*: Currency of given transaction.
- *Transfer Pricing Function*: There are four different TPF's and each refers to Partner Company in Company - Partner Company relationship, Partner Company being the company receiving a product.
- *Transfer Pricing Method*: A user can define Transfer Pricing Method he wishes to use for the product transfer between companies.
- *Unit*: Unit used for the resource.
- *Unit Cost (Global Currency)*: This field represents costs per one unit of a product or service in global currency.
- *Version*: In case of attaching a real general ledger, there is obviously no variance as a general ledger offers exactly one version of the truth. In that case the version field can get a fixed value. The intention to put that field in is, that sometimes "side-car" approaches are used, where beside real general ledger data also versioned data is provided and here the version field is useful.

- *Activity Driver*: This field contains the unit description of the Activity, like Pieces, Hours, FTE's, etc.
- *Activity Value*: Contains the key figure, which is used to allocate activities down to products & services and it refers to the Activity Driver as a unit.
- *Amount Assignment*: This field represents the assigned amount.
- *Company*: Each production plan refers to one company working on manufacturing it.
- *Event Type*: The type of an event, such as Buy, Sell, Produce, Transfer.
- *Finance Source*: The field can have different values since the relevant accounting data does not always come from one general ledger in some system landscapes. This field is also available in reporting.

3.1.1.2 Shared Services Allocated Data

In this Model Table the allocated data from the process of distributing the shared services to the level of product and company that used them is demonstrated.

It includes the following fields:

- *Company*: Each production plan refers to one company working on manufacturing it.
- *Product & Service*: Defines the product or service which is being manufactured by following manufacturing plans.
- *Posting Date*: This field gives flexibility to provide GL totals on a yearly, quarterly, monthly, or even daily basis to run the profitability and cost management process.
- *Version*: In case of attaching a real general ledger, there is obviously no variance as a general ledger offers exactly one version of the truth. In that case the version field can get a fixed value. The intention to put that field in is, that sometimes "side-car" approaches are used, where beside real general ledger data also versioned data is provided and here the version field is useful.
- *Scenario*: The field is used to separate different scenarios.
- *Unit*: Unit used for the resource.
- *Amount (TC)*: Amount in transaction currency that represents costs or revenues.
- *Finance Source*: The field can have different values since the relevant accounting data does not always come from one general ledger in some system landscapes. This field is also available in reporting.
- *Transaction Currency*: Transaction currency is the currency used to calculate profitability in the sample content. This is because it is common practice to translate every amount into the same currency so that only one currency (controlling area currency) is used in the complete profitability model.

- **Amount (GC):** Amount in global currency that represents costs or revenues.
- **GL Account:** This field is used to record revenues and costs at a granular level.
- **Global Currency:** This currency is used for group reporting. No matter, which currency is used in an implementation project, the common practice is to translate every amount into one and the same currency, so that in the complete calculation model only one currency (also called controlling area currency) is used.
- **Headcount:** Number of people (employed) in a particular organization.
- **Iteration Step:** This field is a numeric field that shows the step number of iterations.
- **Number of HD Tickets:** This field represents the number of tickets at Help Desk; this field is used as driver.
- **Number of Invoices:** This field represents the number of invoiced received by a company; this field is used as driver.
- **Number of IT Tickets:** This field represents the number of tickets at IT; this field is used as driver.
- **Partner Company:** Data about the other side in company transactions is also kept and known. We use it to know the amount of tax and markup that shall be applied on specific service provided by a company to another, partner company within the same organization group.
- **Quantity:** This field represents the quantity of the product or other items.
- **Resource:** To abstract the data coming from General Ledger Systems and Planning systems from the Profitability model and ease reassignments, the resource driver data is based on an explicit Resource field instead of the original source system fields like GL Account, Cost Center, Profit Center, etc. The **Assign Resources** function takes care of enriching the original data by the resource field. So even if for the underlying GL Accounts quite frequently new accounts are added and others get obsolete, just the Resource Assignments data need to be updated by Execution Users and not the calculation model.
- **Retail Price:** Retail sale price for a specific product, used for Retail Minus calculation approach.
- **Share (%):** This field shows the percentage part of the whole, usually for monetary values in relation to companies, partner companies, clients, etc.
- **Target Operating Markup:** Markup expressed in percentage applied on specific product or service.
- **Transfer Pricing Function:** The Product and Service on which tax, markup and duty fee is being applied.
- **Transfer Pricing Method:** A user can define Transfer Pricing Method he wishes to use for the product transfer between companies.
- **Unit Cost (Global Currency):** This field represents costs per one unit of a product or service in global currency.
- **VAT:** VAT expressed in percentage applied on specific product or service.

- *Actual Operating Markup*: Markup expressed in percentage applied on specific product or service.
- *Brand*: There are brands defined for each product and service.
- *Calculation Type*: This field represents the type of the calculation, which can be Duty Tax, Markup, Regular costs or VAT.
- *Debit Credit Indicator*: Indicator which can be 'D' for Debit, 'C' for credit.
- *Defined Transfer Price*: The price at which one unit of a company sells products or services to another unit of the same company.
- *Driver Unit*: This field represents a unit used for driver, e.g. number of cases, FTE, etc.
- *Duty Fee*: Duty Fee expressed in percentage applied on specific product or service.
- *Event Quantity*: The amount of an event, such as Buy, Sell, Produce, Transfer.
- *Event Type*: The type of an event, such as Buy, Sell, Produce, Transfer.

3.1.1.3 Product Transfer Data

This Model Table function contains information about product transfer drivers by step between *Company* and *Partner Company*.

It includes the following fields:

- *Company*: Each production plan refers to one company working on manufacturing it.
- *Product & Service*: Defines the product or service which is being manufactured by following manufacturing plans.
- *Posting Date*: This field gives flexibility to provide GL totals on a yearly, quarterly, monthly or even daily basis to run the profitability and cost management process.
- *Iteration Step*: This field is a numeric field that shows the step number of iterations.
- *GL Account*: This field is used to record revenues and costs at a granular level.
- *Partner Company*: Data about the other side in company transactions is also kept and known. We use it to know the amount of tax and markup that shall be applied on specific service provided by a company to another, partner company within the same organization group.
- *Amount Assignment*: This field represents the assigned amount.
- *Quantity Assignment*: This field shows assigned quantities that are new or available again, for example, to backorders or assigned quantities from orders with low priority to those with a higher priority.
- *Resource*: To abstract the data coming from General Ledger Systems and Planning systems from the Profitability model and ease reassignments, the resource driver data is based on an explicit Resource field instead of the original source system fields like GL Account, Cost Center,

Profit Center, etc. The *Assign Resources* function takes care of enriching the original data by the resource field. So even if for the underlying GL Accounts quite frequently new accounts are added and others get obsolete, just the Resource Assignments data need to be updated by Execution Users and not the calculation model.

3.1.2 Business Data

In this section the data sources for GL data, business events and additional accounting assumptions are defined.

3.1.2.1 Accounting Assumptions

This Model Table function is used to provide information about assumptions and calculations between GL accounts.

It includes the following fields:

- *Calculation Type*: Calculation types in our case are Markup, VAT and regular cost.
- *GL Account*: Information about transaction on GL level are known and are used to allocate money on specific services provided by companies.
- *Debit Credit Indicator*: Indicator which can be 'D' for Debit, 'C' for credit.

3.1.2.2 Steering Table - Initial

This Model Table function contains information about production of products and routes within the company. Here we can find information about all possible combinations regarding which company produces which product and all possible routes within the group.

It includes the following fields:

- *Company*: Each production plan refers to one company working on manufacturing it.
- *Partner Company*: Data about the other side in company transactions is also kept and known. We use it to know the amount of tax and markup that shall be applied on specific service provided by a company to another, partner company within the same organization group.
- *Scenario*: The field is used to separate different scenarios.
- *Product & Service*: Defines the product or service which is being manufactured by following manufacturing plans.

- *Generic Company ID*: The calculation is usually executed on controlling area level, which spans across multiple companies and legal entities. In those cases this field can have different values and is still available in reporting.
- *Generic Partner Company ID*: The business partner of an event.
- *Share (%)*: This field shows the percentage part of the whole, usually for monetary values in relation to companies, partner companies, clients, etc.
- *Event Type*: The type of an event, such as Buy, Sell, Produce, Transfer.

3.1.2.3 Steering Table for Checking

This Model Table function serves to store the data after updating initial Steering Table update and to warn about possible issues.

It includes the following fields:

- *Generic Company ID*: The calculation is usually executed on controlling area level, which spans across multiple companies and legal entities. In those cases this field can have different values and is still available in reporting.
- *Generic Partner Company ID*: The business partner of an event.
- *Company*: Each production plan refers to one company working on manufacturing it.
- *Partner Company*: Data about the other side in company transactions is also kept and known. We use it to know the amount of tax and markup that shall be applied on specific service provided by a company to another, partner company within the same organization group.
- *Scenario*: The field is used to separate different scenarios.
- *Product & Service*: Defines the product or service which is being manufactured by following manufacturing plans.
- *Share (%)*: This field shows the percentage part of the whole, usually for monetary values in relation to companies, partner companies, clients, etc.
- *Event Type*: The type of an event, such as Buy, Sell, Produce, Transfer.

3.1.2.4 Business Events Data

This Model Table function is used to provide periodic events data, usually coming from a general ledger feed from the relevant accounts.

It includes the following fields:

- *Generic Company ID*: The calculation is usually executed on controlling area level, which spans across multiple companies and legal entities. In those cases this field can have different values and is still available in reporting.

- *Generic Partner Company ID*: The business partner of an event.
- *Scenario*: The field is used to separate different scenarios.
- *Product & Service*: Defines the product or service which is being manufactured by following manufacturing plans.
- *Event Type*: The type of an event, such as Buy, Sell, Produce, Transfer.
- *GL Account*: This field is used to record revenues and costs at a granular level.
- *Version*: In case of attaching a real general ledger, there is obviously no variance as a general ledger offers exactly one version of the truth. In that case the version field can get a fixed value. The intention to put that field in is, that sometimes “side-car” approaches are used, where beside real general ledger data also versioned data is provided and here the version field is useful.
- *Transfer Pricing Function*: The Product and Service on which tax, markup and duty fee is being applied.
- *Transfer Pricing Method*: A user can define Transfer Pricing Method he wishes to use for the product transfer between companies.
- *Posting Date*: This field gives flexibility to provide GL totals on a yearly, quarterly, monthly or even daily basis to run the profitability and cost management process.
- *Transaction Currency*: Transaction currency is the currency, which is chosen in the sample content to calculate profitability.
- *Iteration Step*: The step which defines relation between company and partner company for the usage of a product used in intercompany recharging process.
- *Event Quantity*: Quantity information as part of an event, for example the quantity of manufactured products.
- *Finance Source*: The field can have different values since the relevant accounting data does not always come from one general ledger in some system landscapes. This field is also available in reporting.

3.1.2.5 Actual Unit Costs

This Model Table function contains information about actual costs and events in the company. We use information from this table to compare it with the results of the modeling, which are calculated with respects to planned data.

It includes the following fields:

- *Version*: If you connect a real general ledger, you can enter a fixed value in the *Version* field since there is no variance because a general ledger provides only one version of the truth. This

field is included for cases where a "side-car" approach is used and versioned data is provided alongside real general ledger data.

- *Posting Date*: This field gives you the flexibility to provide GL totals on a yearly, quarterly, monthly or daily basis to run the profitability and cost management process.
- *Transfer Pricing Function*: There are four different TPF's and each refers to Partner Company in Company - Partner Company relationship, Partner Company being the company receiving a product.
- *Product & Service*: Defines the product or service that uses the activity value as a variable portion to allocate the activities.
- *Resource*: To abstract the data that comes from general ledger systems and planning systems from the profitability model and to make reassignments easier, the resource driver data is based on an explicit *Resource* field instead of the original source system fields (such as *GL Accounts*, *Cost Center*, *Profit Center*). The *Assign Resources* function enriches the original data using the *Resource* field. This means that even if new accounts are added or become obsolete in the underlying GL accounts, you only need to update the resource assignments data and not the calculation model.
- *Actual Amount (GC)*: Actual amount in global currency that represents costs or revenues.
- *Actual Quantity*: Actual quantity of a product, service or resource.
- *Actual Unit Costs (GC)*: Actual unit costs for e.g. products, services or resources in global currency.

3.1.3 Transfer Pricing Configuration

In this section the necessary data sources for intercompany recharging process are defined.

3.1.3.1 TP Methods Configuration

This Model Table function contains information about transfer pricing methods used between different transfer pricing functions within Sunshine Corporation for each product.

It includes the following fields:

- *Transfer Pricing Function*: There are four different transfer pricing functions, and each refers to Partner Company in Company - Partner Company relationship, Partner Company being the company receiving a product.
- *Brand*: There are brands defined for each product and service.
- *Product & Service*: Defines the product or service that uses the activity value as a variable portion to allocate the activities.

- *Transfer Pricing Method*: A user can define Transfer Pricing Method he wishes to use for the product transfer between companies.
- *Active Flag*: Active flag marks whether the Transfer Pricing Method defined for product is used or not.

3.1.3.2 Company Categorization by TP Function

This Model Table is used to assign partner companies to suitable transfer pricing function.

It includes the following fields:

- *Partner Company*: The business partner of an event.
- *Transfer Pricing Function*: There are four different TPF's and each refers to Partner Company in Company - Partner Company relationship, Partner Company being the company receiving a product.

3.1.3.3 Product Categorization by Brand

This Model Table is used to assign brands to each product & service in this Sample Content.

It includes the following fields:

- *Product & Service*: Item of transfer.
- *Brand*: There are brands defined for each product and service.
- *Transfer Pricing Function*: There are four different TPF's and each refers to Partner Company in Company - Partner Company relationship, Partner Company being the company receiving a product.

3.1.3.4 Markup, VAT and Duty Fee Rates

This Model Table function is used to provide information about markups and taxes applied on transactions between companies on specific services.

It includes the following fields:

- *Version*: In case of attaching a real general ledger, there is obviously no variance as a general ledger offers exactly one version of the truth. In that case the version field can get a fixed value. The intention to put that field in is, that sometimes "side-car" approaches are used, where beside real general ledger data also versioned data is provided and here the version field is useful.
- *Company*: Each product refers to one company working on it.

- **Partner Company:** Data about the other side in company transactions is also kept and known. We use it to know the amount of tax and markup that shall be applied on specific service provided by a company to another, partner company within the same organization group.
- **Scenario:** The field is used to separate different scenarios.
- **Product and Service:** The Product and Service on which tax, markup and duty fee is being applied.
- **Target Operating Markup:** Markup expressed in percentage applied on specific product or service.
- **Duty Fee:** Duty Fee expressed in percentage applied on specific product or service.
- **VAT:** VAT expressed in percentage applied on specific product or service.

The function is configured as editable, which is a prerequisite to allow manual plan and forecast data changes in the end-to-end process later.

3.1.3.5 Product Resale Assumptions

This Model Table function is used to hold information about product prices used for calculation of Retail Minus approach, as well as defined transfer prices which can be used when products are being transferred from one company to another.

It includes the following fields:

- **Transfer Pricing Function:** There are four different TPF's and each refers to Partner Company in Company - Partner Company relationship, Partner Company being the company receiving a product.
- **Product & Service:** Defines the product or service that uses the activity value as a variable portion to allocate the activities.
- **Retail Price:** Retail sale price for a specific product, used for Retail Minus calculation approach.
- **Actual Operating Markup:** Markup expressed in percentage applied on specific product or service.
- **Defined Transfer Price:** Transfer Price which can be updated by user and applied on specific product or service.

The function is configured as editable, which is a prerequisite to allow manual plan and forecast data changes in the end-to-end process later.

3.1.4 Invoices Data from S/4 HANA

This data segment represents the sources coming from ERP system of a client, so they could trace the invoice creation and payments. It is really important for the companies on the global scale to follow the movements in currency rates and to save money if possible, so the costs that could occur in the meanwhile could be minimized. BSEG table has the environment fields set in the same way they are structured in the S/4 HANA, so the clients could easily connect their real tables to feed this data source.

3.1.4.1 BSEG – Accounting Document Segment

BSEG is a standard SAP Cluster table which is used to store Accounting Document Segment data and is available within SAP systems depending on the version and release level, and it is usually a part of CRM modules in SAP. Every invoice has the items that were charged on each of those, purchasing related, so it is the proof how the companies have done the resource procurement. Clearing date and currency of the supplier is also stored in a couple of fields that will tell the traceable story of every purchasing invoice.

It includes the following fields:

- **Posting Key:** This field represents the flag to distinguish whether the transaction is from accounts payable or accounts receivable transaction.
- **Company Code:** This field represents a specific company, which financial data are taken into consideration, but it can have different values since Value Chain Sustainability Management can be executed at controlling area level, which spans multiple companies and legal entities and the field is also available in reporting.
- **Number of Line Item Within Accounting Document:** This is a numerical field used to show a number which each line item has in an accounting document.
- **Amount in Document Currency:** This field represents a line item amount in document currency, which can be entered during document entry.
- **Fiscal Year:** This field represents the year for accounting purposes.
- **Currency for Automatic Payment:** This field represents a currency used in automatic payments. Automatic payments can be written in the foreign (transaction) currency of a voucher or in an alternate currency, which is a currency different from the domestic or foreign currency of a voucher.
- **Account Type:** This field represents a type of an account, which generally might be Materials, General Ledger, Asset, Debtors (Customers) or Creditors (Vendors)
- **Client:** This field is used to specify SAP system client, which serves as mandatory input for execution of function conversion.
- **Baseline Date for Due Date Calculation:** This field represents a date from which a system can calculate the periods mentioned in the terms of payment.

- *Sales Document*: The number of a document that describes business transactions that are represented in the system for the sale of advertising services.
- *Sales Document Item*: An element of a sales document that contains item type-specific information.
- *Material Number*: This field represents a unique identifier for materials.
- *Clearing Date*: The date that the payment was made by the Clearing Document
- *Document Number of the Clearing Document*: The number of the process in SAP FI Module to clear open transactions.
- *Company ID of Trading Partner*: This field represents Company ID standard for the whole group. When you post to this account, the company ID is transferred to the line item so that the elimination functions can be carried out within consolidation.
- *Amount for Updating General Ledger*: The field represents a monetary value to update the transaction figures in general ledger accounts in the general ledger.
- *Update Currency for General Ledger Transaction Figures*: A currency used to update the transaction figures in general ledger accounts in the general ledger, which can be in local currency and transaction currency.

3.1.4.2 Exchange Rates Data

This Model Table function is used to provide information about exchange rates for specific dates according to different exchange rate types. We use this table for exchanging rates from transaction currency to global currency. When conversion types are defined at the level of calculation unit, they will reference this model table, and those rules are used in the Conversion function Convert Invoices to Group Currency (COGLC).

It includes the following fields:

- *Client*: This field is used to specify SAP system client, which serves as mandatory input for execution of function conversion.
- *Exchange Rate Type*: A key used to define exchange rates in the system.
- *From Currency*: This field provides information about currency from which amount will be exchanged from.
- *To – Currency*: This field provides information about currency to which amount will be exchanged to.
- *Effective Date for Exchange Rate*: The range of time during which an exchange rate is applied to a currency.
- *Exchange Rate*: The value of one currency for the purpose of conversion to another.
- *Ratio for the “From” Currency Units*: The corresponding exchange rate type from one currency

- *Ratio for the “To” Currency Units:* The corresponding exchange rate type to another currency
- *Posting Date:* Gives you the flexibility to provide GL totals on a yearly, quarterly, monthly or daily basis to run the profitability and cost management process.

3.1.5 Transfer Pricing Adjustments Data

In this section the necessary data sources for intercompany tax compliance process are defined. That process can be performed after fiscal year end, to compare actual and planning transfer prices, calculated in the system, or frequently, following inventory management in the company and comparing values at invoice level.

3.1.5.1 Actual Data at Fiscal Year End

This Model Table function contains actual (historical) information about GL Data for each Sunshine Company with revenues, products and partner company data on specific posting dates.

It includes the following fields:

- *Transfer Pricing Function:* There are four different TPF's and each refers to Partner Company in Company - Partner Company relationship, Partner Company being the company receiving a product.
- *Product & Service:* Service provided by company to partner company that rates will be applied to.
- *Posting Date:* Gives you the flexibility to provide GL totals on a yearly, quarterly, monthly or daily basis to run the profitability and cost management process.
- *GL Account:* This field is used to record revenues and costs at a granular level.
- *Partner Company:* Data about the other side in company transactions is also kept and known. We use it to know the amount of tax and markup that shall be applied on specific service provided by a company to another, partner company within the same organization group.
- *Company:* Each production plan refers to one company working on manufacturing it.
- *Global Currency:* This currency is used for group reporting. No matter, which currency is used in an implementation project, the common practice is to translate every amount into one and the same currency, so that in the complete calculation model only one currency (also called controlling area currency) is used.
- *Amount (GC):* This field is used as a key figure to determine the amount from each transaction recorded in Group currency.
- *Quantity:* This field represents the quantity of the product or other items.

3.1.5.2 Industry Benchmark Data

This Model Table function contains information about comparable data regarding product and service prices which are received from external source and are used as input in adjustment calculation process regarding tax compliance and arm's length transfer prices.

The quantity from actual data will be compared with the quantity ranges from the industry standard at different markets where these companies do their business. The calculated difference will be presented as pricing adjustment in the Off-Balance Sheet Data.

It includes the following fields:

- *Product and Service*: Defines the product or service which is being manufactured by following manufacturing plans.
- *Company*: Each production plan refers to one company working on manufacturing it.
- *Financial Data Source*: This field represents the source from which financial data is taken, such as financial statements, industry benchmarks, economic data, etc.
- *Bottom Limit Quantity*: The minimum possible quantity of a product or a service.
- *Upper Limit Quantity*: The maximum possible quantity of a product or a service.
- *Price per Unit*: This field represents a price paid for one unit of a product or service.
- *Posting Date*: Gives you the flexibility to provide GL totals on a yearly, quarterly, monthly or daily basis to run the profitability and cost management process.

3.1.5.3 Additional Calculation Figures [Calculated]

This Model Table function is used to provide information needed for tax calculation in the tax adjustment process.

It includes the following fields:

- *Company*: Each production plan refers to one company working on manufacturing it.
- *Product and Service*: Defines the product or service which is being manufactured by following manufacturing plans.
- *Income Tax Rate (%)*: This field presents income tax rate as percentage value.
- *Target Intercompany Margin (%)*: The target delta profit between company codes.
- *Target Operating Margin (%)*: The target profit a company makes on sales after paying for variable costs of production, such as wages and raw materials, but before paying interest or tax.
- *Transfer Pricing Method*: A user can define Transfer Pricing Method he wishes to use for the product transfer between companies.

It is called "Calculated" because it will be inserted with data when transfer pricing method becomes referenced from planning section of processing part, after running the Writer function *WRTPM - Write Transfer Pricing Method for Tax Adjustment Processing*.

3.1.5.4 Additional Calculation Figures [Initial]

This Model Table function is used to provide information needed for tax calculation in tax adjustment process.

It includes the following fields:

- *Company*: Each production plan refers to one company working on manufacturing it.
- *Product & Service*: Defines the product or service which is being manufactured by following manufacturing plans.
- *Income Tax Rate (%)*: This field presents income tax rate as percentage value.
- *Target Intercompany Margin (%)*: The target delta profit between company codes.
- *Target Operating Margin (%)*: The target profit a company makes on sales after paying for variable costs of production, such as wages and raw materials, but before paying interest or tax.
- *Transfer Pricing Function*: There are four different TPF's and each refers to Partner Company in Company - Partner Company relationship, Partner Company being the company receiving a product.

It is called "Initial" because transfer pricing method is not assigned until transfer pricing method becomes referenced from planning section of processing part. This model table is used as a starting point for that assignment process, which is implemented in the function *JOMTP - Include Transfer Pricing Method in Tax Adjustment Processing*.

3.1.6 Processing Results

In this section the model tables holding all results at iteration step level that are defined and used during iterative recharging process.

3.1.6.1 Transfer Product Results

This Model Table function holds results for Intercompany Recharging Process. Data in it is written iteratively from Writer function *Write Step Results (WRSTR)*.

It includes the following fields:

- *Company*: Each production plan refers to one company working on manufacturing it.

- *Quantity*: This field represents the quantity of the product or another item.
- *Amount (TC)*: Amount in transaction currency that represents costs or revenues.
- *Amount (GC)*: Amount in global currency that represents costs or revenues.
- *Posting Date*: Gives you the flexibility to provide GL totals on a yearly, quarterly, monthly or daily basis to run the profitability and cost management process.
- *Version*: In case of attaching a real general ledger, there is obviously no variance as a general ledger offers exactly one version of the truth. In that case the version field can get a fixed value. The intention to put that field in is, that sometimes “side-car” approaches are used, where beside real general ledger data also versioned data is provided and here the version field is useful.
- *Scenario*: The field is used to separate different scenarios.
- *Product & Service*: Defines the product or service which is being manufactured by following manufacturing plans.
- *Transfer Pricing Function*: There are four different TPF's and each refers to Partner Company in Company - Partner Company relationship, Partner Company being the company receiving a product.
- *Transaction Currency*: This field represents the currency in which the transaction originated if this is different to the base currency.
- *Global Currency*: This currency is used for group reporting. No matter, which currency is used in an implementation project, the common practice is to translate every amount into one and the same currency, so that in the complete calculation model only one currency (also called controlling area currency) is used.
- *Retail Price*: Retail sale price for a specific product, used for Retail Minus calculation approach.
- *Defined Transfer Price*: The price at which one unit of a company sells products or services to another unit of the same company.
- *Debit Credit Indicator*: This field represents an indicator which can be 'D' for Debit, 'C' for credit.
- *Transfer Pricing Method*: A user can define Transfer Pricing Method he wishes to use for the product transfer between companies.
- *Iteration Step*: This field is a numeric field that shows the step number of iterations.
- *Partner Company*: Data about the other side in company transactions is also kept and known. We use it to know the amount of tax and markup that shall be applied on specific service provided by a company to another, partner company within the same organization group.
- *Event Type*: The type of an event, such as Buy, Sell, Produce, Transfer.
- *Event Quantity*: The amount of an event, such as Buy, Sell, Produce, Transfer.

- **Finance Source:** The field can have different values since the relevant accounting data does not always come from one general ledger in some system landscapes. This field is also available in reporting.
- **Amount Assignment:** This field represents the assigned amount.
- **Quantity Assignment:** This field shows assigned quantities that are new or available again, for example, to backorders or assigned quantities from orders with low priority to those with a higher priority.
- **Resource:** To abstract the data that comes from general ledger systems and planning systems from the profitability model and to make reassignments easier, the resource driver data is based on an explicit **Resource** field instead of the original source system fields (such as **GL Accounts**, **Cost Center**, **Profit Center**). The **Assign Resources** function enriches the original data using the **Resource** field. This means that even if new accounts are added or become obsolete in the underlying GL accounts, you only need to update the resource assignments data and not the calculation model.
- **Target Operating Markup:** Markup expressed in percentage applied on specific product or service.
- **Duty Fee:** Duty Fee expressed in percentage applied on specific product or service.
- **VAT:** VAT expressed in percentage applied on specific product or service.
- **Brand:** There are brands defined for each product and service.
- **Calculation Type:** This field represents the type of the calculation, which can be Duty Tax, Markup, Regular costs or VAT.
- **GL Account:** This field is used to record revenues and costs at a granular level.
- **Actual Operating Markup:** Markup expressed in percentage applied on specific product or service.
- **Unit Cost (Global Currency):** This field represents costs per one unit of a product or service in global currency.

3.1.6.2 Profit and Loss Comparison with Adjustments Results

This Model Table is used to store the results calculated in tax compliance adjustments processing, specifically to use this model table for later analysis of results from off-balance sheet positions.

It includes the following fields:

- **Scenario:** The field is used to separate different scenarios.
- **Off-Balance Sheet Position:** Assets or liabilities that do not appear on a company's balance sheet.
- **Off-Balance Sheet Position Amount:** Amount of assets or liabilities that do not appear on a company's balance sheet.

- *Company*: Each production plan refers to one company working on manufacturing it.
- *Product & Service*: Defines the product or service which is being manufactured by following manufacturing plans.
- *Income Tax Rate (%)*: This field presents income tax rate as percentage value.
- *Target Intercompany Margin (%)*: The target delta profit between company codes.
- *Target Operating Margin (%)*: The target profit a company makes on sales after paying for variable costs of production, such as wages and raw materials, but before paying interest or tax.
- *Transfer Pricing Method*: A user can define Transfer Pricing Method he wishes to use for the product transfer between companies.

3.2 Data Review and Update

In this section, additional Query functions for the comfortable review and maintenance of data by execution users are defined.

In the process, these review and maintenance activities happen before the Calculation is executed.

- *Define Transfer Price*
- *Update Markup and Tax Rates*
- *Update Product Hierarchy*
- *Update User Defined Margins for Adjustments*
- *Update Initial Steering Tables*
- *Check Steering Table Shares*
- *Review ERP Invoice Data*

Edit access queries offer sometimes only a subset of the test data for editing to show-case that functionality.

3.2.1 Define Transfer Price

This Query function is used to provide read and write rights for function Product Resale Assumptions, which serves as an input. Data can be updated.

See [Product Resale Assumptions](#) function for details about the fields.

3.2.2 Update Markup and Tax Rates

This Query function is used to provide read and write rights for function Markup, VAT and Duty Fee Rates, which serves as an input. Data can be updated.

See [Markup, VAT and Duty Fee Rates](#) function for details about the fields.

3.2.3 Update Product Hierarchy

This Query function is used to provide read and write rights for function TP Methods Configuration, which serves as an input. Data can be updated.

See [TP Methods Configurations](#) function for details about the fields.

3.2.4 Update User Defined Margins for Adjustments

This Query function is used to provide read and write rights for Defined Margins for Adjustments, which serves as an input. User can update the data and run the results with that adjusted data in the further processing.

See Model Table [Additional Calculation Figures \[Calculated\]](#) for more details about these fields.

3.2.5 Update Initial Steering Tables

This Query function is used to provide read and write properties for Steering Tables - Initial. In this query we can choose which company produces which product and we can choose each route for all transaction by inserting the share (0-100). Share tells us how much of total production (transaction) is produced (sold) in each company.

See Model Table [Steering Table – Initial](#) for more details about these fields.

3.2.6 Check Steering Table Shares

This Query function is used to provide read and write properties for Steering Tables for Checking, which follows the update of Initial Steering table. In this query, the system warns us about possible issues (i.e. when the share is 100 for just one company or when the total share is less than 100). If the mistake is spotted, we can again change the shares in this query.

See Model Table [Steering Table for Checking](#) for more details about these fields.

3.2.7 Review ERP Invoice Data

This Query function is used for read-only access to the sources coming from ERP system of a client, so they could trace the invoice creation and payments. It is really important for the companies on the global scale to follow the movements in currency rates and to save money if possible, so the costs that could occur in the meanwhile could be minimized. BSEG table has the environment fields set in the same way they are structured in the S/4 HANA, so the clients could easily connect their real tables to feed this data source.

See Model Table [BSEG – Accounting Document Segment](#) for more details about the fields.

3.3 Processing

In this section the core functions of the model to execute the calculation are defined.

In the process this execution happens, after the input data is reviewed and updated.

It comprises the following sections:

- *Apply Steering Tables* section contains management-oriented approach that is going to be applied in functions. After choosing routes, those configurations are applied in functions of the model to companies and partner companies during updating data inputs.
- *Transfer Pricing Method Determination*, which sets transfer pricing methods at any level in product hierarchy, at transfer pricing function, brand or product and service level.
- *Prepare ERP Costing Data*, which is used to calculate invoice amounts in transactional currency of Supplier, so the payment and accounting difference would reflect in currency changes cost or income.
- *IC Recharging*, which holds functions for iterative recharging process defined by steps between Company and Partner Company.
- *Double Taxation Avoidance* configured to clear out the VAT costs accounted in each company within a group. That kind of bilateral economic agreement between two companies aims to avoid or eliminate double taxation of the same income in two countries.
- *Connect Planned and Actual Methodology*, where data about planned pricing methodology and used pricing methodology are combined.
- *Tax Compliance Adjustments* for additional tax adjustments and comparison between actual and planned transfer pricing, besides Credit/Debit Notes Adjustments, invoice-based adjustments, at product and service level.
- *Reset P&L for Tax Purposes Comparison*, which by defining two additional P&L for Tax Purposes offers the possibility to set calculated results equal to standard scenario results and then starting the process once again.

Note

The calculations described above are made and triggered as the step-by-step process activities *Join All Results* and *Calculate Off-Balance Sheet Positions*. No aggregation takes place during the calculation described above and no fields are removed. In other words, no information is destroyed, and all results are available at a granular level, providing complete traceability from the source of revenues and costs through all driver-based allocations, down to the final result at product and service level.

3.3.1 Apply Steering Tables

In this section the management-oriented approach is applied in functions. After choosing routes, companies, and partner companies during updating data inputs, those configurations are applied in functions of the model.

It comprises the following functions:

- *Check Steering Table Shares*
- *Select Shares for Additional Checking*
- *Write Steering Table Shares for Checking*
- *Collect Steering Table Shares*
- *Steering Table Final Combination*

Please note as well that nowhere during the calculation process any aggregation happens or fields are taken out, in other words “no information is destroyed” and all results are available on granular level showing the complete traceability from the source of revenues and costs through all driver-based allocations down to the final result on product and service level.

3.3.1.1 Check Steering Table Shares

In the Join function *Steering Table – Initial*, a model table is taken, grouped by the most important dimensions in order to sum up the shares determined by user, in order to derive the shares that sum up to 100 which are relevant and complete and the ones under or over 100 in order to give the users the second chance to complete the steering table data.

3.3.1.2 Select Shares for Additional Checking

This Join function explicitly select shares that don't sum up to 100 percent and will be used as an input in the next function, to allow the user to edit it in additional model table.

3.3.1.3 Write Steering Table Shares for Checking

This Writer function takes selected shares that don't sum up to 100 percent, from the previous Join function, and writes it to *Steering Table for Checking* model table, to allow the user to edit those incomplete shares.

3.3.1.4 Collect Steering Table Shares

This Join function gathers steering table shares from the initially set table and additional model table which was used for checking shares that were not summed up to 100 initially. The user had the opportunity to correct them, and now they are collected and centralized in this function.

3.3.1.5 Steering Table Final Combination

This Join function merges *Business Events Data* with *Collect Steering Table shares* to get transactions connected with the companies and partner companies chosen in steering tables. The output of this function will be used later in the functions where the business events data should be taken.

3.3.2 Calculate Transfer Prices

This processing segment is calculating planned transfer prices that will be used for a transfer among the companies within a group and market prices toward 3rd party companies.

Sub-segments of this major part of the calculation unit are the following:

- *Transfer Pricing Method Determination*
- *Prepare ERP Costing Data*
- *IC Recharging*
- *Double Taxation Avoidance*
- *Connect Planned and Actual Methodology*

3.3.2.1 Transfer Pricing Method Determination

This processing segment is used to set transfer pricing methods with respect to different user-defined approach, choosing them at any level in product hierarchy, at transfer pricing function, brand or product and service level.

3.3.2.1.1 Prepare Product Hierarchy

This Join function is used to combine products and services, companies, partner companies and transfer pricing functions to let user to set the transfer pricing methods in the flexible manner.

3.3.2.1.2 Group Transfer Pricing Methods

This Join function is used to group the transfer pricing methods by the most important business dimensions, and it will be used later in the process of determining transfer pricing method at different levels.

3.3.2.1.3 Determine Available Transfer Pricing Methods

This Join function is used to define Transfer Pricing Method for each Product & Service transfer for different Transfer Pricing Functions. The user can set transfer pricing method at the level of transfer pricing function, brand or product & service in the flexible manner and the following functions in the processing segment will use the results of this function.

3.3.2.1.4 Choose Transfer Pricing Method per Product

This Join function is used to determine which transfer pricing method the system will use if there are multiple transfer pricing methods set for one product & service, brand or transfer pricing function. Prioritization is done in the following way:

- If the brand and product and service do not have transfer pricing method set, then transfer pricing method applied to specific transfer pricing function applies to all brands and product & services that belong to that transfer pricing function. This case has the lowest priority and it is used only if the following two cases are not valid.
- If the product and service does not have transfer pricing method set, then transfer pricing method applied to specific brand applies to all product & services that belong to that brand. This case has the middle priority and it is used only if the following case is not valid.
- If the product and service has transfer pricing method set, then transfer pricing method applies to specific product & service with the highest priority.

3.3.2.2 Prepare ERP Costing Data

This processing segment is used to calculate invoice amounts in transactional currency of Supplier, so the payment and accounting difference would reflect in currency changes cost or income.

3.3.2.2.1 Convert Invoices to Global Currency

This Conversion function takes care that the difference calculated in transactional currency becomes converted to a global currency, so it could be reported at the group level. Based on the currencies given in Exchange Rates Data table (MTEXC) the exchange rates are taken.

3.3.2.2.2 Include FX Gains / Losses

This Join function is used to collect both FX changes and manufacturing data input in order to proceed with the transfer pricing process later with the effects of the changes visible in the other segments of the processing.

3.3.2.3 IC Recharging

In this section the core functions of the model to execute the intercompany recharging calculation are defined.

In the process this execution happens, after the input data is reviewed and updated.

It comprises the following functions:

- *Initialize Transfer Results*
- *Iterative Recharging*
- *Determine Receiver Data*
- *Determine Sender Data*
- *Distribute Product Costs*
- *Join Product Results and Assumptions*
- *Calculate Markup, VAT and Duty Taxes*
- *Finalize Step Results*
- *Write Step Results*
- *Execute IC Recharging*

Two additional functions included in this processing sub segment are used for including transfer pricing method in tax adjustments for the generating P&L for tax purposes later in the processing part.

3.3.2.3.1 Initialize Transfer Results

This Writer functions only deletes data from model table "*Transfer Product Results*" before triggering iterations.

3.3.2.3.2 Iterative Recharging

This View function does iterations and therefore is crucial in iterative recharging process.

3.3.2.3.3 Determine Receiver Data

This Join function is used to define Partner Company which gets the Product from Company.

No fields are taken out and all information is kept.

3.3.2.3.4 Determine Sender Data

This Join function is used to get the costs for each product encountered when producing / finishing / distributing or selling the Products by each company.

No fields are taken out and all information is kept.

3.3.2.3.5 Distribute Product Costs

Distribution of all relevant costs from Company to a Partner Company, using direct allocation with factors.

3.3.2.3.6 Join Product Results and Assumptions

This function receives data from previous function in the process (*Distribute Product Costs*) and joins them with table *Accounting Assumptions*, which holds relevant data for GL accounts concerning VAT, Markup and Intercompany transactions (both revenues and costs).

3.3.2.3.7 Calculate Markup, VAT and Duty Taxes

This function calculates different amounts: Register, Markup Revenues, Markup Costs, VAT and Duty Tax for each product transfer.

3.3.2.3.8 Finalize Step Results

This function calculates unit costs by dividing amounts with quantity assignments, so that the output represents fair unit costs at the level of company, product / service and resource.

3.3.2.3.9 Write Step Results

This function is used to start the calculation of markups and taxes in the process. Main purpose of this function is writing records of each iteration in *Transfer Product Results* model table, which holds all results of the process.

For more information about *Transfer Product Results* table, look in function tree for *Transfer Product Results*.

3.3.2.3.10 Execute IC Recharging

This Join function is used to gather the results and start the entire *Product Manufacturing* and *IC Recharging process*.

No fields are taken out and all information is kept.

3.3.2.4 Double Taxation Avoidance

This processing segment is configured to clear out the VAT costs accounted in each company within a group. That kind of bilateral economic agreement between two companies aims to avoid or eliminate double taxation of the same income in two countries.

3.3.2.4.1 Consume Initial VAT Costs

This Writer function selects the VAT costs calculated in the intercompany recharging process, that is cumulative in each iteration step and needs to be cleared to the specific partitioned transactions, so the companies would not charge VAT costs more than once per transaction.

3.3.2.4.2 VAT Calculation – Processing Data

This Model table accepts the data written with the previous Writer function and holds it during the processing of Double Taxation avoidance, to correct the VAT costs per each transaction.

3.3.2.4.3 Iterative VAT Calculation

This View function triggers the execution of VAT correction, by setting advanced settings as a iterative process until all costs are cleared out appropriately.

3.3.2.4.4 Prepare VAT Calculation

This View function aggregates the data at the levels needed to perform the calculation of VAT Expenses without Double taxation, in the following Join function.

3.3.2.4.5 Calculate VAT Expenses without Double Taxation

This Join function takes cumulatively aggregated VAT costs charged during recharging process and regulates the amounts to the level specific transfer, to prevent double taxation.

3.3.2.4.6 Write VAT Results into Processing Table

This Writer function writes the step-based results of correct VAT expenses into the processing model table.

3.3.2.4.7 Prevent Double Taxation Avoidance

This Join function triggers the calculation of the right VAT costs as a correction of the initially cumulatively calculated. It will be Joined later in Join All results, executable function.

3.3.2.5 Connect Planned and Actual Methodology

The following two functions are used to connect planned transfer pricing methods with analysis of Off-Balance Sheet data that is based on actual data, used for Tax Compliance Adjustments processing segment, in order to align those to analysis approaches.

3.3.2.5.1 Include Transfer Pricing Method in Tax Adjustment Calculation

This Join function connects planned transfer pricing methods with analysis of Off-Balance Sheet data, which is used for *Tax Compliance Adjustments* processing segment, in order to align those to analysis approaches (planning and actual).

3.3.2.5.2 Write Transfer Pricing Method for Tax Adjustment Calculation

This write function stores additional calculation figures and planned transfer pricing methods with analysis of Off-Balance Sheet data, which is used for *Tax Compliance Adjustments* processing segment, in order to align those to analysis approaches (planning and actual).

3.3.2.6 Join All Results

This Join function gathers information from the whole processing part and includes Data generated in *Manufacturing and Overheads Data Input*, *Shared Services Allocated Data* and *IC Recharging* with *Prevent Double Taxation Avoidance* and includes *Transfer Pricing Method* in Off-Balance Sheet

Calculation part and completes the picture of all the costs and revenues recorded by the Sunshine group.

When this function is executed, it triggers all the functions above and produces logically complete outputs for the following reporting functions (queries).

3.3.3 Generate Profit and Loss for Tax Purposes

This processing segment is structuring actual financial data into positions for P&L for tax purposes, applying operating and intercompany profit margins to calculate the adjustments accordingly.

Sub-segments of this major part of the calculation unit are the following:

- *Tax Compliance Adjustments*
- *Reset Profit and Loss for Tax Purposes Comparison*

3.3.3.1 Tax Compliance Adjustments

In this section the core functions of the model to execute the calculation with actual data and compare it to planned data are defined.

After the input data is reviewed and updated, the process is triggered with the last executable function *Profit and Loss for Tax Purposes Comparison*.

It comprises the following functions:

- *Compare Actual Prices with Industry Benchmark*
- *Collect Data for Top-Down Adjustments*
- *Prepare Off-Balance Sheet Data*
- *Calculate Off-Balance Sheet Positions*
- *Execute Profit and Loss for Tax Purposes*

3.3.3.1.1 Compare Actual Prices with Industry Benchmark

This Join function calculates the difference between product & service price derived from actual financial data comparing it with the industry standard pricing (arm's length price) of the same product & service and with comparable quantity from each invoice. Industry Benchmark data has quantity ranges and the pricing adjustment is calculated comparing it with the category based on quantity that each invoice has recorded.

3.3.3.1.2 Collect Data for Top-Down Adjustments

This Join function is used to collect and aggregate actual financial data from the P&L at a Company level with the possibility to drill down to Partner Company and Product & Service level.

3.3.3.1.3 Prepare Off-Balance Sheet Data

This Join function is used to categorize specific revenues and costs into hierarchical manner and to structure them properly in the Reports that are set on top of P&L for Tax Purposes.

3.3.3.1.4 Calculate Off-Balance Sheet Positions

This calculation function contains multiplications, summation and all corresponding calculations that need to be performed to complete P&L for Tax Purposes calculation. It is used to collect all calculated figures and to finally generate side-by-side comparison of the Standard Scenario and P&L for Tax Purposes Scenario.

3.3.3.1.5 Execute Profit and Loss for Tax Purposes

This Writer function inserts calculated results for P&L for Tax Purposes into one central table that will be used later in the reporting queries for P&L Comparison.

3.3.3.2 Reset Profit and Loss for Tax Purposes Comparison

In this section two additional P&L for Tax Purposes functions are defined, so the data can be equalized for the both scenarios, in order to set calculated results, the same as standard scenario results in order to start the process once again.

After the input data is reviewed and updated with Join function "*Equalize both Scenario Values*", the data will be written in the last executable function "*Reset P&L Comparison Results*".

It comprises the following functions:

- *Equalize both Scenario Values*
- *Reset Profit and Loss Comparison Results*

3.3.3.2.1 Equalize both Scenario Values

This function uses data from Standard scenario and sets it to P&L for Tax Purposes scenario off-balance positions, in order to equalize the results so user can track the changes better in the reporting queries later in the process.

3.3.3.2.2 Reset Profit and Loss Comparison Results

This Writer function writes the equalized data from the previous function in the central model table for this feature "*Profit and Loss Comparison with Adjustments Results*", in order to reset the results and make P&L for Tax Purposes scenario the same as for standard data.

3.4 Reporting

In this section additional Query functions for comfortable review of results by execution users are defined.

In the process, these review and reporting activities happen after the Calculation is executed.

- *Review Results*
- *FX Gains / Losses*
- *Variance Analysis of Purchase Prices*
- *Review Profit and Loss for Tax Purposes*
- *Tax Changes After Adjustments*
- *Profit After Tax Changes After Adjustments*
- *Net Profit Margin per Company [%]*
- *Total Costs per Product and Service*
- *Profit Results per Company Baseline Scenario*
- *Profit Results per Company Simulation*
- *Cost Breakdown by Alternative Route*
- *Alternative Route Profitability at Group Level*
- *Profit Split by TP Function*
- *Intercompany Transaction Flow and Profitability Analysis*
- *PBT, Tax Expense and PAT by Company*
- *Track Sold Quantities to 3rd Parties*
- *Review Trace Forward Values*
- *Manufacturing Costs by Product*
- *Unit Cost per Product*

3.4.1 Review Results

This Query has the most important business dimensions that could be used to drill-down results received as an output from the last function, either profits, quantities, or unit costs.

The following fields are preconfigured in this report:

- *Amount (GC)*
- *Quantity*
- *Unit Cost (Global Currency)*
- *Product & Service*
- *GL Account*
- *Iteration Step*

The following fields are available and will show on selection in this report:

- *Company*
- *Partner Company*

- *Transfer Pricing Function*
- *Transfer Pricing Method*
- *Version*
- *Scenario*
- *Resource*
- *Event Type*
- *Country*
- *Posting Date*

3.4.2 FX Gains / Losses Report

This Query function represents the costs that occurred from the calculation that consumes the data that is coming from ERP system of a client, so they could trace the invoice creation and payments. It is important for the companies on the global scale to follow the movements in currency rates and to save money if possible, so the costs that could occur in the meanwhile could be minimized. BSEG table has the environment fields set in the same way they are structured in the S/4 HANA.

The following fields are preconfigured in this report:

- *Global Currency*
- *FX Gains (Losses)*
- *Company*
- *Accounting Currency*
- *Supplier*

The following fields are available and will show on selection in this report:

- *Resource*
- *Scenario*
- *Product & Service*
- *GL Account*

3.4.3 Variance Analysis of Purchase Prices

This Query function shows the difference between actual and planned behavior of the transfer pricing functions, products and services, resources, and to compare the difference with planned results.

The following fields are preconfigured in this report:

- *Actual Amount (GC)*
- *Amount (GC)*
- *Variance in Amount (GC)*
- *Variance in Amount (GC) (%)*
- *Actual Quantity*

- *Quantity*
- *Variance in Quantity*
- *Variance in Quantity (%)*
- *Actual Unit Costs (GC)*
- *Variance in Unit Costs*
- *Unit Cost (Global Currency)*
- *Variance Unit Costs (%)*
- *Transfer Pricing Function*
- *Product & Service*
- *Resource*

The following fields are available and will show on selection in this report:

- *Company*
- *Partner Company*
- *Transfer Pricing Method*
- *Version*
- *Scenario*
- *Event Type*
- *GL Account*
- *Posting Date*

3.4.4 Review Profit and Loss for Tax Purposes

This Query function gives the insight in the P&L for Tax Purposes.

The following fields are preconfigured in this report:

- *Off-Balance Position Amount*
- *Company*
- *Product & Service*
- *Scenario*
- *Off-Balance Positions*

The following fields are available and will show on selection in this report:

- *Transfer Pricing Method*

It is suggested using the *Data Grid* layout to present results.

3.4.5 Tax Changes After Adjustments

This Query function shows the calculated Tax for each company after all adjustments are applied.

The following fields are preconfigured in this report:

- *Off-Balance Position Amount*
- *Tax Amount*
- *Company*
- *Scenario*

The following fields are available and will show on selection in this report:

- *Off-Balance Positions*
- *Product & Service*
- *Transfer Pricing Method*

You can set the layout to “Column” using the *Personalize* button. It is suggested using this specific chart type in layout to present results.

3.4.6 Profit After Tax Changes After Adjustments

This Query function shows the calculated Profit After Tax for each company after all adjustments are applied.

The following fields are preconfigured in this report:

- *Off-Balance Positions Amount*
- *Scenario*
- *Company*

The following fields are available and will show on selection in this report:

- *Off-Balance Positions*
- *Product & Service*
- *Transfer Pricing Method*

You can set the layout to “Column” using the *Personalize* button. It is suggested using this specific chart type in layout to present results.

3.4.7 Net Profit Margin per Company [%]

This Query function is used to provide insight into Net Profit Margin per company.

The following fields are preconfigured in this report:

- *Amount*
- *Revenue*
- *Net Profit Margin (%)*
- *Company*
- *Scenario*

The following fields are available and will show on selection in this report:

- *Partner Company*
- *Posting Date*
- *GL Account*
- *Version*
- *Transfer Pricing Method*
- *Supplier*
- *Resource*
- *Product & Service*

You can set the layout to “Column” using the *Personalize* button. It is suggested using this specific chart type in layout to present results.

3.4.8 Total Costs per Product and Service

This Query function shows total costs per unit per product. All relevant costs are divided by total amount of quantity.

The following fields are preconfigured in this report:

- *Company*
- *Amount (GC)*
- *GL Account*
- *Product & Service*

The following fields are available and will show on selection in this report:

- *Scenario*
- *Posting Date*
- *Partner Company*
- *Version*
- *Resource*
- *Supplier*
- *Transfer Pricing Method*

You can set the layout to “Stacked Bar” using the *Personalize* button. It is suggested using this specific chart type in layout to present results.

3.4.9 Profit Results per Company Baseline Scenario

This Query function shows total costs at company level. All relevant costs are divided by total amount of quantity.

The following fields are preconfigured in this report:

- *Amount (GC)*

- [Company](#)

The following fields are available and will show on selection in this report:

- [Scenario](#)
- [Partner Company](#)
- [Version](#)
- [Resource](#)
- [Supplier](#)
- [Transfer Pricing Method](#)
- [Product & Service](#)
- [GL Account](#)

You can set the layout to “Stacked Bar” using the [Personalize](#) button. It is suggested using this specific chart type in layout to present results.

3.4.10 Profit Results per Company Simulation

This Query function shows total costs at company level. All relevant costs are divided by total amount of quantity.

The following fields are preconfigured in this report:

- [Amount \(GC\)](#)
- [Company](#)

The following fields are available and will show on selection in this report:

- [Scenario](#)
- [Partner Company](#)
- [Version](#)
- [Resource](#)
- [Supplier](#)
- [Transfer Pricing Method](#)
- [Product & Service](#)
- [GL Account](#)

You can set the layout to “Stacked Bar” using the [Personalize](#) button. It is suggested using this specific chart type in layout to present results.

3.4.11 Cost Breakdown by Alternative Route

This Query function comprises of the following dimensions to show cost breakdown for both standard scenario and alternative route, to track different results comparing two of them.

The following fields are preconfigured in this report:

- *Amount*
- *Partner Company*
- *Product & Service*
- *Scenario*

The following fields are available and will show on selection in this report:

- *Version*
- *Resource*
- *Cost Type*
- *Event Type*
- *Supplier*
- *Posting Date*
- *Country*
- *GL Account*
- *Company*

It is suggested using the *Value Flow* layout to present results.

3.4.12 Alternative Route Profitability at Group Level

This Query function comprises of the following dimensions to show profit breakdown for both standard scenario and alternative route, to track different results comparing two of them.

The following fields are preconfigured in this report:

- *Amount (GC)*
- *Scenario*

The following fields are available and will show on selection in this report:

- *GL Account*
- *Company*
- *Product & Service*
- *Partner Company*
- *Version*
- *Posting Date*
- *Resource*
- *Supplier*

You can set the layout to “Column” using the *Personalize* button. It is suggested using this specific chart type in layout to present results.

3.4.13 Profit Split by TP Function

This Query function is used to provide insight into Net Profit Margin per each Product.

The following fields are preconfigured in this report:

- *Transfer Pricing Function*
- *Company*
- *Amount (GC)*

The following fields are available and will show on selection in this report:

- *GL Account*
- *Scenario*
- *Posting Date*
- *Partner Company*
- *Transfer Pricing Method*
- *Version*
- *Event Type*
- *Supplier*

You can set the layout to “Multiple Pie” using the *Personalize* button. It is suggested using this specific chart type in layout to present results.

3.4.14 Intercompany Transaction Flow and Profitability Analysis

This Query function is used to provide insight into transaction between Company and Partner Company.

The following fields are preconfigured in this report:

- *Company*
- *Amount (GC)*
- *Partner Company*

The following fields are available and will show on selection in this report:

- *GL Account*
- *Scenario*
- *Version*
- *Posting Date*
- *Product & Service*
- *Transfer Pricing Method*
- *Event Type*
- *Supplier*

You can set the layout to “Stacked Bar” using the [Personalize](#) button. It is suggested using this specific chart type in layout to present results.

3.4.15 PBT, Tax Expense and PAT by Company

This Query function is used to provide insight into Tax results for each company.

The following fields are preconfigured in this report:

- [Profit/Loss Before Income Taxes](#)
- [Total Tax Expense](#)
- [Total Tax Expense \[Formula\]](#)
- [Profit After Taxes](#)
- [Company](#)

The following fields are available and will show on selection in this report:

- [Partner Company](#)
- [Product & Service](#)
- [GL Account](#)
- [Scenario](#)
- [Version](#)
- [Posting Date](#)
- [Transfer Pricing Method](#)

You can set the layout to “Area” using the [Personalize](#) button. It is suggested using this specific chart type in layout to present results.

3.4.16 Track Sold Quantities to 3rd Parties

This Query function is used to provide insight into sold products and sold quantities to 3rd parties.

The following fields are preconfigured in this report:

- [Amount \(GC\)](#)
- [Quantity](#)
- [Partner Company](#)
- [Product & Service](#)
- [Posting Date](#)

The following fields are available and will show on selection in this report:

- [Event Type](#)
- [Company](#)
- [Scenario](#)

- *GL Account*
- *Version*
- *Transfer Pricing Method*

It is suggested using the *Value Flow* layout to present results.

3.4.17 Review Trace Forward Values

This Query function is used to provide insight into transaction flow between companies.

The following fields are preconfigured in this report:

- *Amount (GC)*
- *Company*
- *Product & Service*
- *Partner Company*

The following fields are available and will show on selection in this report:

- *Event Type*
- *GL Account*
- *Resource*
- *Version*
- *Scenario*
- *Posting Date*
- *Transfer Pricing Method*
- *Supplier*

It is suggested using the *Value Flow* layout to present results.

3.4.18 Manufacturing Costs by Product

This Query function is used to provide insight into profitability when using alternative resources.

The following fields are preconfigured in this report:

- *Product & Service*
- *Amount (GC)*
- *Scenario*

The following fields are available and will show on selection in this report:

- *Resource*
- *Company*
- *GL Account*

- *Partner Company*
- *Transfer Pricing Method*
- *Version*
- *Event Type*
- *Supplier*
- *Posting Date*

You can set the layout to “100% Stacked Bar” using the *Personalize* button. It is suggested using this specific chart type in layout to present results.

3.4.19 Unit Cost per Product

This Query function shows the unit costs per product and service, with the opportunity to select the specific product and service in variable, and to analyze it via different business dimensions which are available in free fields.

The following fields are preconfigured in this report:

- *Unit Cost (Global Currency)*
- *Product & Service*
- *Resource*

The following fields are available and will show on selection in this report:

- *GL Account*
- *Posting Date*
- *Scenario*

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