

GAL - product description

1. General

- 1.1. As per guidelines from the Israel Tax Authority (ITA), effective April 1st, 2024, all organizations generating invoices in adherence to specific criteria must obtain a Tax Assignment Number (TAN) from the tax authorities. This TAN should be prominently featured on the invoices provided to customers. Furthermore, it is compulsory to input the supplier's invoice TAN when entering an invoice into the system, ensuring eligibility for the receipt of input VAT.
- 1.2. Starting from April 2024, obtaining a TAN is mandatory for every invoice with VAT when the amount before VAT is 25,000 ILS or more, and the recipient of the invoice is either a licensed dealer or a customer that has specifically requested a tax assignment number.
- 1.3. "GAL" (Government, Authority Local -Taxes) is an ABAP based solution (Addon) that answers these requirements. The prerequisites needed to install GAL on an SAP machine are ECC 6.0 version onward (all S/4 releases are included).
- 1.4. A list of frequently asked questions (FAQ) in Hebrew can be found [here](#), or at the express address d-pro.biz/gal/FAQ

2. Content

- 2.1. GAL responds to ITA requirements in the context of Israeli invoices on the following levels:
 - 2.1.1. Modules:
 - For outgoing invoices to customers - full support in FI, SD modules. Support of RE-FX exists yet charged separately.
 - For incoming invoices from suppliers - full support in FI and MM modules .
 - Extensions (API) to additional modules such as RE, DBM, CML, Insurance , and more are not included in this offer.
 - Full support of Parking invoices (both logistics and finance).
 - Support of complex business scenarios such as tax invoice against proforma, tax reduction, and invoice list and others.
 - Full support of interfaces:
 - Incoming FI customers' invoices that were created in external systems.
 - Incoming suppliers invoices (both FI/LO)
 - General interfaces that use the SAP relevant BAPIs
 - 2.1.2. Realization:
 - Applying to the ITA system to obtain a TAN for a customer invoice that meets the criteria.
 - Applying to the ITA system to validate the supplier TAN typed in incoming invoices.
 - 2.1.3. Code for adapting the PCN874 report (Online invoice reporting) to meet the ITA requirements.
 - 2.1.4. Guidelines and development infrastructure (API) to support the change of the various forms in light of the required changes.
 - 2.1.5. Support development guidelines and infrastructure (API) for changing related interfaces/programs.
- 2.2. As part of the solution, GAL contains the following layers:

- 2.2.1. A variety of customizations to adapt the solution to the unique and changing needs of the organization:
 - Defining the relevant document types.
 - Defining the relevant amounts (time-dependant)
 - Defining excluded customers/suppliers and tax codes
 - Possibility to determine whether the incorrect TAN on the part of the supplier will result in a warning or an error message that will prevent the transfer of the problematic invoice for payment.
- 2.2.2. Logs - all the processes that happen in the foreground will be accompanied by online screen logs. Messages from background processes will be saved in the SAP Application Log.
- 2.2.3. Monitor - a tool for monitoring and handling problems.

3. Modules

3.1. FI module processes

- 3.1.1. When creating a customer invoice: transactions FB70 (registration of outgoing invoices) and FB01 (registration of a document), contact the ITA systems in order to obtain a TAN, in accordance with the defined criteria. Some of the criteria are fixed (such as a customer invoice that includes VAT) and some are flexible (such as document type, amount, etc.). The TAN is saved in the system in a dedicated DB table and the REST call information is also saved in the accessible application blogs.
- 3.1.2. When receiving a supplier's invoice transactions FB60 (registration of incoming invoices) and FB01 (registration of a document), contact the ITA system in order to check the correctness of the typed TAN. This, in accordance with the defined criteria - some of them are fixed (such as a supplier document that includes VAT) And some of them are flexible (such as VAT type, amount, etc.). The supplier's allocation number is saved in the system in a dedicated table and the contact data is also saved in the accessible application blogs.
- 3.1.3. VAT report PCN874 - transaction / ATL/PCN 874 (new VAT file) - adding the TAN for input VAT records and transactions. In case of an invalid TAN, a corresponding message is added to the log.

3.2. SD module processes

- 3.2.1. When creating a customer invoice: transactions VF04 (maintenance of a debit list for payment) and VF01 (create a billing document), contact the ITA system in order to receive a TAN, according to the defined criteria. Some of the criteria are fixed (such as a customer document that includes VAT) and some are flexible (such as document type, amount, etc.). The tax allocation is saved in the system in a dedicated table and the contact data is also saved in the accessible application blogs.

3.3. MM module processes

- 3.3.1. MIRO transaction supplier invoice (incoming invoice entry), contact the ITA system in order to check the correctness of the typed tax allocation number. This, in accordance with the defined

criteria - some are fixed (such as a supplier document that includes VAT) and some are flexible (such as a VAT type, amount and the like)

4. Security

The product adheres ITA security measures in the following ways:

- 4.1. Connection to ITA
 - 4.1.1. Out of the box, organizations will get a full connectivity to the ITA system depending on their ability to open a port to ITA's endpoints and their ability to secure that port and the data it conveys.
 - 4.1.2. In case the organization does not allow information to get directly outside SAP, a framework to work with middleware (XI, iBolt, Dell Boomi, and Workato to name a few), is offered. In this use-case, the middleware will manifest the REST call to ITA instead of SAP. The middleware will act as a proxy agent that carries the payload generated by the product back and forth to the ITA system. This REST vs REST integration (often referred to in SAP XI as REST client REST service) should not take too much to develop, as it merely carries the content rather than generating it. Using customization, the ITA endpoints could be altered to those alternative endpoints generated by the middleware.
 - 4.1.3. Using the same architecture and in case needed, the middleware may take over the token negotiation protocol (OAuth2) with ITA systems.
- 4.2. Tokens protection
 - 4.2.1. Out of the box, tokens are saved in a secured dB table within SAP and secured using the SAP Authentication, Authorization and Audit trail mechanisms.
 - 4.2.2. In case the Token should be saved outside the SAP framework, an alternative option is offered using encrypted external dB with which the product is exchanging Tokens.

5. Artifacts

The product will be accompanied by the following products:

- 5.1. A kick-off meeting that includes explanations about the product and its maintenance will be held with the customer's representatives.
- 5.2. Installation manual, user manual and routine maintenance manual will be provided to the customer.
- 5.3. If required, two meetings (up to two hours each) will be scheduled with the client's representatives to answer questions.

6. Product Compatibility

GAL is designed to support all SAP ERP versions from version 6.0 as well as future versions of SAP ERP.