Counteracting excessive payment delays

in commercial transactions

How to comply with new legal provision on SAP

Introduction

The amendment to the Law of March 8, 2013, on Counteracting Excessive Delays in Commercial Transactions came into force in early 2020. It aims to reduce payment congestion associated with a significant extension of the deadline for payment of liabilities. The legislation imposes quite a few restrictions related to business cooperation between the supplier and the customer. Currently, after a year of the amended law being in force, we can see more and more areas affected by the new regulations. It's worth making sure that the company's internal procedures are ready to meet the requirements. In the event of an audit by the Office of Competition and Consumer Protection, it will allow the necessary data to be obtained efficiently.

- ▸ **Higher interest** for the delay in commercial transactions
- ▸ **Shortening** of maximum payment deadlines
- ▸ **Increase** in the flat-rate recovery costs (rekompensata)
- ▸ **Mandatory reports** on payment deadlines to be deliereverd to authortiies on a yearly basis by biggest taxpayers starting from 2020
- ▸ **"Bad debts" tax relief** for PIT and VAT settlement

Most of changes need to be reflected on the financial system. SAP offers number of standard functionalities and solutions to cover those requirements.

Interest calculation

▶ Interest for late trading transactions will increase;

▶ It's recommended to design complete process on SAP and internal procedures.

Payment deadlines

▶ Depending on size and type of business partner (public, medical) different maximum payment terms are defined;

▶ It requires review and differentiating business partners and their invoices, contracts and payment terms.

Flat-rate recovery costs (rekompensata)

▶ Delay payments monitoring may stand as a base for charging the customer for flat-rate recovery costs;

▶ It may be supported with dunning processes and monitoring outstanding open items with standard SAP reports.

"Bad debts" tax relief for PIT and VAT settlement

▶ The creditor may reduce the taxable amount by the amount of the claim if it is not settled or marketed;

▶ The debtor is obliged to increase the taxable amount by amounts not paid to the creditor;

▶ legal provisions impose designing dedicated posting scenarios in FI.

Mandatory report on payment deadlines

▶ Mandatory report on payment deadlines:

– payments received and made
– payments not received and not made

▶ SAP note delivers a new report to display the total amount of excessive delay.

Monitoring of vendor and customer open items in SAP and dunning process

▶ SAP offers standard ABAP programs, which analyze open items related to payables and receivables;

▶ The dunning system enables to trace liable customers who have not paid their open invoices within a given time span.

Our offer

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Workshops ▶

At first we conduct remote workshop with the customer. The meeting aims to identify the scope important for the company, discuss general needs and current business processes. Initially, recommendations and possible solutions would be presented. As deliverable of the workshop, the customer receives a document with recommendations and a final estimation of the implementation scope identified during the meeting.

Implementation ▶

During the second step, we implement all functionalities agreed upon during workshops.

Such an approach allows us to address each customer's specific needs and the current state of their system configuration.

All recommendations are based on SAP standard functionalities, possible to implement and maintain with little effort.

It's also flexible from the perspective of budget planning required for SAP system adaptation for legal change.

Why Apollogic?

We have years of experience in implementing and maintaining SAP systems

We offer the possibility to extend the application according to your business needs

Our consultants are certified experts in finance and accounting

Comprehensive offer of financial solutions for SAP systems including SAF (JPK), White List, e-invoicing and other

Our approach is to follow SAP standard whenever it's possible

We provide workshops and trainings for end users

Contact us for more information!

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