



Oracle ERP Software Service for German Subsidiaries

A large number of US-based international companies are using Oracle ERP Software to serve their subsidiaries in Germany. The setup for the German subsidiary is usually determined by either a global or a European setup template. As most German legal entities are entitled to use IFRS – which is now very close to US-GAAP – this approach is usually sufficient to provide the data required for a German balance sheet and a profit & loss statement. However, every legal entity in Germany is also obligated to meet the requirements of the German generally accepted accounting principles ('GoBD' - Grundsätze ordnungsgemässer Buchführung) and the Value Added Tax Act (UStG). These requirements go far beyond the basic accounting rules according to IFRS.

The following topics have to be considered during a rollout to Germany:

1. Protection of setup data and master data against unauthorized changes and the documentation of authorized changes
2. Usage of document and accounting journal sequences to ensure the completeness and accuracy of all transactions
3. Reconciliation of subledgers with the general ledger and the granularity level of the reconciliation reports
4. Creation of specific legislative reports (i.e. Fixed Assets summary register, Central Bank Reporting – Z4&Z5)
5. VAT calculation, reconciliation, reporting and submission of the VAT declaration to the tax authorities
6. The content and format of the data required for an electronic tax audit – the German version of the Standard Audit File – Tax (SAF-T) which is called GDPDU

Based on feedback from international audit firms and our own experience, a global or European setup template is not always capable of dealing with all of these specific requirements. As a direct result, many German subsidiaries face significant issues during the annual audit.

PDG provides two predefined sets of services which are specifically designed for US-based companies to proactively resolve those challenges:

- **Non-Disruptive Global Setup Template Amendment Proposal**

Once we have reviewed your setup template, we provide a list of recommendations on how to slightly modify your setup template in order to make your German subsidiary compliant. We do of course ensure that the recommended changes are non-invasive and do not jeopardize any of your global business processes and reporting requirements. This service is usually provided during the template design phase of a global implementation / rollout project.

- **Ad-Hoc Workaround and Adjustment Proposal**

If you have been made aware of compliance issues by your German subsidiaries or their auditors, we provide assistance to resolve the reported problems. The resolution proposal usually encompasses a bundle of minor setup adjustments, manual workarounds and custom reports. Again, we take care that the recommended changes are non-invasive and do not jeopardize any of your global business processes and reporting requirements.

In addition, PDG provides services to complement the rollout activities to Germany with specific Oracle Localization knowledge and to support the employees of the German subsidiaries during the rollout project, the transition phase and post GoLive.

Some examples:

- Setup Support, i.e. for a secondary ledger according to HGB, Chart of Account Mappings, VAT calculation, VAT reconciliation and VAT submission
- Data Migration Support, to ensure an accurate and complete migration of transactional data from the legacy system to Oracle ERP Software (Open Items AP&AR, Fixed Assets, Opening Balances, etc.)
- User Training in German language and – if required- German training material
- Period Closing Support after GoLive

ERP

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PDG Rollouts for German Subsidiaries

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About PDG

PDG is an owner-managed, midsize IT consulting firm that has been successful in the market for more than twenty years. Both founding companies have been Oracle Partners since 1992 and 1993 respectively, focusing on Oracle products and technologies.

Over 70 qualified consultants with more than 500 man years of Oracle experience have accumulated in-depth Oracle implementation know-how, as well as industry and process expertise. PDG is therefore one of the largest German-language Oracle Partners worldwide.

PDG supported numerous international companies that have an American parent company in meeting the challenge „Rollout to Continental Europe“. The specific PDG know-how in the fields of „Finance“ and „Supply Chain“ coupled with the PDG consultants' decades of experience, proved to be of great benefit. As „Localization Specialist“ PDG is meeting the needs of international customers since decades, going beyond the standard functionality offered by Oracle



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