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SAP Document and Reporting Compliance: How It Works on S/4HANA — and on the Old ERP

The two halves of DRC, what S/4HANA adds, and an honest set of notes for companies still running SAP ERP (R/3) with a mandate deadline in front of them.

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Dossier date	Practice area	Audience

01 Briefing

SAP Document and Reporting Compliance (DRC) is SAP's single framework for meeting tax obligations from inside the ERP. It has two halves: **electronic documents** — invoices and similar documents exchanged with authorities or trading partners in real time — and **statutory reporting** — the periodic returns and files. Where DRC runs decides how much of it you get, and that is the question facing every company still on the classic ERP with a mandate date approaching.

2 halves
Electronic documents in real time, statutory reporting on a calendar

1 monitor
One cockpit for every document and report, with statuses and errors

ERP: docs only
On SAP ERP, DRC covers electronic documents — not statutory reporting

2027
Mainstream maintenance for SAP ERP 6.0 ends; extended options run to 2030

It is not a bolt-on

DRC reads the documents your ERP already produces. Data quality upstream decides how well it works.

Scope differs by platform

S/4HANA gets the full framework and far more country scenarios; SAP ERP gets a subset.

The clock is the argument

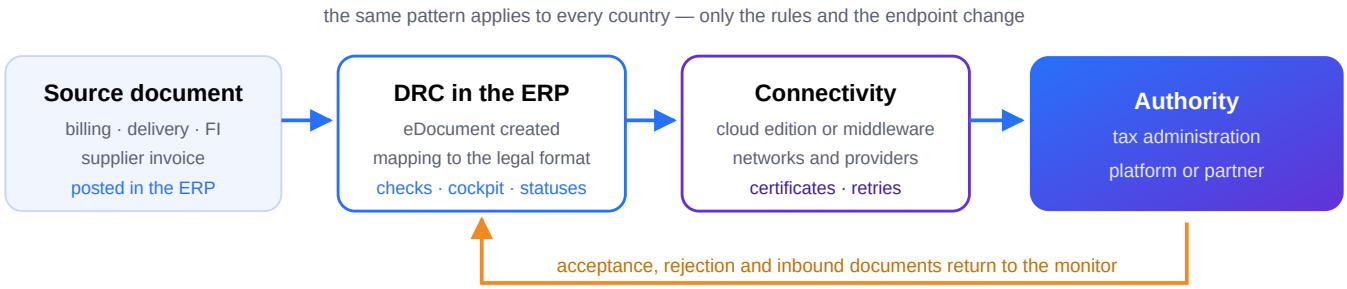
When maintenance ends, legal updates stop arriving — and mandates do not pause for migrations.

Key takeaway for finance and IT leaders

Two dates decide the strategy: **the mandate date for each country you operate in**, and **the date your ERP stops receiving legal updates**. If the mandate lands first, you need a compliance answer that does not depend on finishing a migration. If migration lands first, building twice is waste. Most groups need both answers — for different entities.

02 What DRC is, in one picture

A business document is posted. DRC creates a compliance counterpart, maps it to the legal format, sends it through a connectivity layer to an authority or a network, and brings the answer back to a monitor where somebody can act on it.



The two halves

	Electronic documents	Statutory reporting
Rhythm	Real time or near real time, per document	Periodic: monthly, quarterly, annual
Trigger	A billing document, delivery or supplier invoice is posted	A reporting calendar and a period
Typical content	E-invoices, delivery documents, status and payment messages	VAT returns, EC sales lists, audit files, statistical returns
Who watches it	Accounting and AP, daily	Tax, on the filing calendar
Failure looks like	A rejected invoice and an unhappy customer	A late or incorrect filing and a penalty

What triggers DRC, and where the rules come from

Element	What it is	Who maintains it
Source documents	Billing documents, FI invoices, deliveries, supplier invoices	Your business processes
Country content	Formats, validations and process steps delivered by SAP per scenario	SAP, through notes and support packages
Configuration	Which documents are in scope, mapping, tax codes, numbering	You, with your implementation partner
Connectivity	The route to the authority, network or provider	Shared: your IT and the service you choose
Operation	Daily monitoring, exceptions, corrections and evidence	Your accounting and tax teams

One framework, two disciplines. The same monitoring habit serves both, but the teams, deadlines and consequences differ. Projects that treat DRC as "the e-invoicing project" usually discover the reporting half late — or leave it on spreadsheets.

03 The document side, end to end

Outbound — invoices you issue

1 · Post — Billing or FI document created

2 · Generate — DRC creates the eDocument automatically

3 · Map & check — Converted to the country format and validated

4 · Send — Transmitted through the connectivity layer

5 · Track — Accepted, rejected or pending — visible in the monitor

Inbound — invoices and messages you receive

1 · Retrieve — Collected from the authority, network or provider

2 · Register — An inbound eDocument appears in the monitor

3 · Route — Passed to invoice verification or workflow

4 · Decide — Accepted and posted, or rejected with a reason

5 · Respond — The answer is returned within the legal window

What runs by itself, and what needs a person

Step	Normal operation	Human involvement
Creation	Automatic when the source document is posted	None, unless the document type is missing from configuration
Submission	Scheduled background job, or on demand from the monitor	Only for exceptions and manual scenarios
Responses	Recorded against the document automatically	Rejections need a fix at source, not a resend
Inbound processing	Retrieved on a schedule and routed	Approval, disputes and rejections within deadlines
Archiving	Documents and responses retained per policy	Periodic proof that a document can still be produced

The lifecycle in states

State	Meaning	Action expected
Created	The eDocument exists but has not been submitted	None if scheduled; investigate if it lingers
Sent / in process	Transmitted, awaiting the authority's answer	Alert if no response within the expected window
Accepted	The document is valid and delivered	Archive and move on
Rejected	A validation failed	Correct at source, reissue, and record the cause
Cancelled	Withdrawn according to the country's rules	Check whether a corrective document is also required
Error	Technical or mapping failure before the authority saw it	Owner by error type; fix and resubmit

Error handling is the real design work

Classify the errors

Master data, configuration, content and connectivity fail differently and need different owners. A single "error" queue guarantees delay.

Fix at source

A rejected invoice is usually a wrong tax code or a missing identifier. Resending without fixing produces the same rejection.

Watch it daily

Most incidents are not dramatic failures but silence: a queue that stopped and nobody noticed for a week.

A useful operating rule: every eDocument should reach a final state — accepted, rejected and reissued, or cancelled — **within the same period it was created**. Anything older than that belongs on an exception list with a named owner, because it will otherwise surface during the close or an audit.

04 The reporting side

The second half of DRC replaces the country-by-country report programs and the spreadsheets around them with one framework: a reporting entity, a catalogue of report types, a calendar with deadlines, and a run that produces, submits and posts.

1 · Define
Reporting entity, report categories, periodicity, company codes

2 · Select
Documents for the period, with the ability to exclude and defer

3 · Generate
The file or form, as many times as needed until correct

4 · Submit
Electronically where supported, or by upload to a portal

5 · Post
Tax payable posting, then the period is complete

What this changes for a tax team

Before	With the framework	Why it matters
A different transaction per country, learned by one person	One way of working, per country content	Holiday cover stops being a risk
Deadlines tracked in a spreadsheet	A compliance calendar with status per entity	Nothing is missed quietly
Numbers exported and adjusted outside the system	Drill-down from the report box to the document	Questions answered in minutes, with evidence
Corrections handled as a new manual file	Amendment runs that report only the delta	Fewer errors, and a traceable history
Submission confirmations kept in mailboxes	Status and evidence stored with the run	Audit readiness by default

The kinds of report this covers

VAT returns
The periodic return and its annexes, per country and registration.

Listings
EC sales and purchase lists, domestic listings and similar filings.

Audit files
Standard audit files and accounting extracts requested by authorities.

Statistical
Trade statistics and other periodic declarations fed by the same data.

Design decisions to settle early

- Which reports are in scope per country, and who signs them off.
- How the reporting entity maps to company codes and VAT registrations.
- Tax code and box mapping — the part that takes longest and matters most.
- Who may re-run, amend and post, and when the period is locked.

Where it meets the close

- Reporting depends on complete postings — so the VAT return inherits the close calendar.
- Reconciling the return to the ledger becomes a standard step rather than an investigation.
- Tax payable postings land in the same journal everyone else reads.

Worth knowing for platform decisions: this half of DRC is where the platform difference bites hardest. On S/4HANA it is available as described. On the classic SAP ERP it is **not** — see section 06.

05 What S/4HANA adds

DRC is not simply "available" on S/4HANA — it is **better** there, for reasons that come from the platform rather than from the compliance framework itself.

What S/4HANA brings	Why it matters for compliance	Business effect
The Universal Journal	One record carrying financial, cost, tax and dimension data together	Reports and documents read one consistent source; fewer reconciliations
Both halves of DRC	Electronic documents **and** statutory reporting in the same framework	One operating model for tax and accounting
Fiori apps	Dashboards for documents, reports and the compliance calendar	Business users work without transaction codes
Wider country scope	Substantially more compliance scenarios delivered than on the classic ERP	New mandates arrive as content, not as projects
Reconciliation with authorities	Consistency checks comparing your data with the authority's records	Differences found before an inspection finds them
Extensibility	Documented enhancement points for local specifics	Custom needs met without abandoning the standard
Cloud connectivity	The cloud edition carries submissions and network exchange	Less middleware to build and maintain

Compliance benefits from the close — and vice versa

A faster, cleaner close produces complete data earlier, which makes reporting straightforward. In the other direction, daily document monitoring surfaces master-data defects long before they reach the close. The two disciplines reinforce each other when they share owners and a calendar.

What does *not* come for free

- Country content still has to be activated, configured and tested.
- Tax codes and document types still need mapping.
- Connectivity, certificates and authorisations remain real work.
- Somebody still has to watch the monitor every day.

Not all S/4HANA is the same

Deployment	What to expect for DRC	Implication
S/4HANA on-premise	Full framework, full extensibility	Most control; you own upgrades and notes
Private cloud edition	Full framework, extensibility with guardrails	Similar design, managed infrastructure
Public cloud edition	Nearly the full task list, with standardised extensibility	Faster adoption; local specials need a documented workaround
Central Finance	Statutory reporting side only	Document compliance stays with the source systems

The honest summary

Migrating to S/4HANA does not make you compliant, and staying on the classic ERP does not make you non-compliant. What S/4HANA changes is **how much of the work is standard content** versus custom build — and, over a five-year horizon with mandates arriving every year in several countries, that difference compounds.

06 Notes on DRC in SAP ERP (R/3)

"R/3" is the classic name; the system in question today is normally **SAP ERP 6.0** with an enhancement package, often still called ECC. DRC does run there — but only partly, and with a deadline attached.

What you get, and what you do not

Capability	SAP ERP (ECC / R/3)	SAP S/4HANA
Electronic documents (e-invoicing and similar)	**Yes** — the eDocument framework is available	**Yes**
Statutory reporting (VAT returns, audit files)	**No** — not part of DRC on SAP ERP; classic country programs remain	**Yes**
Country scenarios covered	**Reduced** — a notably smaller set than S/4HANA	The full delivered scope
User interface	The eDocument Cockpit in SAP GUI	Fiori apps plus the cockpit
Consistency checks with authority data	Not available	Available for selected countries
New mandates as delivered content	Only while maintenance and country delivery continue	Ongoing

Always confirm the position for **your specific country, release and support package** before committing: coverage is decided per compliance scenario, not per product.

Prerequisites and practical notes

Before you start

- A recent **enhancement package and support package** level; older stacks may not qualify at all.
- Activation of the relevant business functions and country content, with the associated notes and configuration sets.
- **Interface framework** set up for mapping, with its own authorisations and monitoring.
- A connectivity route — cloud service, middleware or a certified provider — plus certificates and firewall rules.
- A test path: your own quality system plus the authority's test environment where one exists.

What feels different day to day

- Work happens in **SAP GUI**: no dashboards, no calendar view, fewer analytics.
- Statutory reporting stays where it is — classic reports, local tools or spreadsheets.
- More gaps are closed with **custom development**, which becomes your maintenance liability.
- Data quality issues are harder to see early, because the reconciliation aids are not there.

The clock that decides everything

Mainstream maintenance for SAP ERP 6.0 runs to **the end of 2027**, with a chargeable extension to **2030**; after that, customer-specific maintenance continues **without new legal updates**. Compliance content is a legal update. A landscape without legal updates cannot absorb the next mandate, the next format version or the next schema change — and those arrive every year.

If you are staying on SAP ERP for now

Scope narrowly

Implement the documents the mandate requires — not a platform. Resist building the reporting half that DRC will give you later on S/4HANA.

Keep it standard

Every enhancement is code you migrate or discard later. Document why each one exists.

Design for reuse

Master data, tax determination and monitoring discipline carry over to S/4HANA. Connectivity and mappings may not.

07 Choosing a path when both clocks are running

Put the two dates side by side per entity — **when the mandate applies** and **when that system is due to be replaced** — and the options narrow quickly.

Option	What it means	Fits when	Watch out for
1 · Build on SAP ERP	Implement the eDocument scenarios on the current system	Mandate lands well before the migration, and the country is supported	Work that may be discarded; no reporting half; the maintenance clock
2 · Bridge externally	A provider or platform handles the mandate; the ERP feeds it data	The country is not covered on your release, or time is very short	Data quality still yours; fees; a second integration to unwind later
3 · Accelerate migration	Move the affected entities to S/4HANA before the deadline	Migration is already funded and only sequencing is open	A compliance deadline is a poor reason to rush a finance migration
4 · Split by entity	Bridge where the deadline is tight, build properly where it is not	Large groups with different dates per country	Two operating models for a period — govern them deliberately

Decision rules that hold up in practice

- If the mandate is **more than two years out** and migration is planned, design it once on the target platform.
- If the mandate is **within a year** and the entity is not near the front of the migration queue, bridge it.
- If the country is **not supported** on your current release, that decides it — do not build it yourself.
- Never let a compliance deadline set the go-live date of a finance migration.
- Count the cost of the bridge for its **whole expected life**, not the first year.
- Whatever you choose, fix the master data now — it is the only investment that is never wasted.

What to compare, honestly

Dimension	Build on the current ERP	Bridge with a provider
Time to compliance	Medium — depends on release and country content	Usually fastest
Cost profile	Project cost now, lower run cost	Lower now, recurring fees later
Reuse after migration	Partial: configuration and mappings often do not travel	The provider link may continue — or become redundant
Control and evidence	Inside your system, your audit trail	Split between you and the provider; contract matters
Risk	Maintenance and legal-update horizon	Dependency, and data quality that remains yours

A worked example: one group, four answers

Entity	Mandate	Platform position	Recommendation
France, large	Already live	S/4HANA	Build properly; extend the same design to the rest
Germany, mid-size	Issuing from Jan 2027	Classic ERP, migration in 2028	Bridge — the mandate arrives first
Spain, large	Oct 2027	Migration starting 2027	Design on the target platform; avoid building twice
Türkiye, sales unit	Live for years	Classic ERP, no migration date	Keep the integrator; review contract and archive terms

The question that settles most debates: "If this mandate did not exist, when would we migrate this entity?" If the honest answer is "within two years", bridge the mandate and protect the migration plan. If it is "no date yet", build properly on the current system and treat it as a five-year investment — with eyes open about the maintenance horizon.

08 Implementation essentials, either way

Most of the work is the same on both platforms. The difference is how much of it is delivered content and how much you build.

Workstream	What has to be right	Where it usually goes wrong
Master data	Tax numbers, addresses, routing identifiers, customer and supplier registration status	Treated as a one-off clean-up instead of ongoing governance
Tax determination	Tax codes mapped to the country's categories, exemptions and special regimes	Edge cases — withholding, exempt supplies, reverse charge — discovered in testing
Document types	Which billing and FI documents create which eDocument	Credit notes, self-billing and intercompany flows forgotten
Mapping	Every mandatory field populated from real data, not defaults	Hard-coded values that pass testing and fail in production
Connectivity	Endpoints, certificates, retries, alerting, and the same in each environment	Certificates without owners; test settings reaching production
Authorisations	Who may submit, cancel, reject and re-run	Roles designed late, blocking go-live
Monitoring	A daily routine with named owners and an escalation path	A cockpit nobody opens after hypercare ends
Testing	Real scenarios: rejections, cancellations, duplicates, outages, period end	Only the happy path, only with sample data
Change cycle	A plan for absorbing notes, format versions and new validations	Treated as finished at go-live

The test scenarios that actually matter

- A rejection caused by master data, fixed and resubmitted end to end.
- A cancellation after acceptance, including whatever corrective document the country requires.
- A credit note, a self-billed document and an intercompany invoice.
- An outage: the queue stops, then releases in the right order.
- A document created on the last day of the period and processed in the next.
- An inbound document that must be answered within a deadline.

Pitfalls we see repeatedly

- **Compliance scoped as an IT project**, with no tax owner for the rules.
- **Custom code where content exists**, usually because nobody checked the delivered scope.
- **Two monitors**: one for documents, one for reports, watched by nobody in common.
- **Archiving assumed** to be handled by the provider or the authority.
- **No reconciliation** between what was invoiced, what was sent and what was reported.
- **Go-live without an exception process**, so the first rejection becomes a crisis.

First-time acceptance
Documents accepted without rework

Ageing exceptions
Documents unresolved beyond a day

Filing timeliness
Reports submitted before the deadline

Reconciliation
Invoiced vs. submitted vs. reported

09 How 30 Advisory can help

This is our core practice: **SAP DRC and tax compliance**, delivered with the finance design that makes it work. We are equally comfortable implementing on S/4HANA and advising a group that is still on the classic ERP with a deadline in front of it.

1 · Prepare

- **Two-clock assessment**: mandate dates per entity against platform and migration dates, with the supported-scope check per country and release.
- Recommendation per entity: build, bridge, accelerate or split — with cost and risk.

2 · Explore

- Fit-gap against delivered content; design of tax determination, document types and mapping.
- Target operating model: who watches what, with which deadlines and escalation.

3 · Realize

- **DRC configuration** and connectivity, inbound and outbound, with monitoring and authorisations designed in.
- Master-data remediation and the reconciliation between invoicing, submission and reporting.

4 · Deploy

- Testing against authority test environments and real partner scenarios, including failure paths.
- Cut-over, training for tax and accounting teams, and an evidence pack for auditors.

5 · Run

- **Ongoing compliance monitoring**: notes, format versions, new validations, KPI reporting and hypercare.
- Carrying the design forward into the S/4HANA migration when it comes, rather than rebuilding it.

Typical deliverables

Scope & platform map
Country coverage per entity, release and deadline.

Path recommendation
Build, bridge or accelerate — with numbers behind it.

DRC design
Mapping, connectivity, monitoring, roles and archiving.

Run book
Daily routine, exception handling and the change cycle.

Why 30 Advisory

- **Founder-led**: direct work with founders and senior consultants.
- **Tax rules and SAP design in one team** — the combination this topic requires.
- **Multi-country execution** across Europe (Italy, Türkiye, Spain).
- **Boutique agility**: clear timelines, honest feedback.

Engagement models

Time & Materials — transparent daily rates per senior profile.

Fixed Price / SoW — milestone-based delivery.

Partnering — independently or alongside your system integrator.

Still on the classic ERP?

A short assessment tells you which of your countries are actually supported on your release, what the gap costs, and whether bridging or building is cheaper over the life of the system.

Let's Build Together

Book a 1-hour diagnostic on your compliance scope and platform.

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10 Roles, roadmap and next steps

Who owns what

Role	Responsibility	What they need
Tax	Interpreting the rules, scoping countries, signing off filings	Visibility of status per entity and period
Accounting	Document errors, rejections, inbound invoices, reconciliation	A daily exception list with clear causes
Finance IT	Configuration, mapping, connectivity, certificates, notes	Test environments and a change window
Master data	Identifiers, addresses, registration status	Validation rules at the point of entry
Internal audit	Controls over submission, correction and retention	Evidence produced by the system, not assembled

A realistic roadmap

Horizon	What to do	What you should see
Weeks 1–4	Scope per entity and country; check supported coverage for your release; map the two clocks	A decision on path per entity, with evidence
Months 1–3	Master data remediation; tax determination and document type design; connectivity decision	Fewer surprises later, and a testable design
Months 3–6	Build and test, including failure paths; define the daily operating routine	End-to-end documents accepted in test
Ongoing	Absorb notes and format versions; track KPIs; feed the design into the migration	Compliance that survives the next change

Next steps

1. **List the entities** with their country mandates and their ERP release.
2. **Check delivered coverage** per country on that release — not on the product in general.
3. **Confirm the maintenance horizon** and what it means for legal updates.
4. **Decide build, bridge or accelerate**, entity by entity.
5. **Start the master-data work** regardless of the path chosen.
6. **Put one monitoring routine** in place for documents and reports together.

Questions to put to SAP or your implementation partner

- Which compliance scenarios are delivered for **our countries, on our release and support package**?
- What is required to stay current: notes, support packages, or an upgrade?
- Which connectivity option applies per country, and what does it cost to run?
- What happens to our scenarios when mainstream maintenance ends?
- Which parts of our design will transfer to S/4HANA, and which will be rebuilt?
- Where is the archive, and how do we retrieve a document from three years ago?

Sources & disclaimer

Product: SAP documentation and published material on SAP Document and Reporting Compliance, including that the solution's scope differs by deployment — on SAP ERP the electronic-document framework is supported while statutory reporting is not, with a materially smaller set of compliance tasks than SAP S/4HANA. Country coverage is defined per compliance scenario and release; confirm yours with SAP.
Maintenance: published maintenance timelines for SAP ERP 6.0 (mainstream maintenance to the end of 2027 for the relevant enhancement packages, optional extended maintenance to 2030 at a surcharge, customer-specific maintenance thereafter without new legal updates). Confirm your contractual position with SAP.
Practice: the operating-model advice, decision rules and pitfalls reflect 30 Advisory's delivery experience on SAP compliance and finance engagements.
Prepared by 30 Advisory, September 2026. Information only — not legal or tax advice. Platform scope and maintenance terms change; verify before committing a plan.