

# Treasury - Changeover to the Euro



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## Icons

Icon	Meaning
	Caution
	Example
	Note
	Recommendation
	Syntax

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## Treasury - Changeover to the Euro

The documentation for the changeover to the euro covers the following Treasury components:

Component	Application abbreviation
Money Market	MM
Foreign Exchange	FX
Derivatives	DE
Securities	SE
Loans	LO
Cash Management	CM

### Multicurrency Capability in SAP Treasury

In the R/3 Treasury component, the different amounts relating to a financial transaction are managed in parallel. These amounts serve different purposes and can be in different currencies. The following basic currency categories exist:

- **Local currency** (all TR-TM components)  
Currency of a company code (domestic currency) in which local books are kept.
- **Transaction currency** (MM/FX/DE/SE/CM)  
Currency in which a transaction is processed and posted.
- **Issue currency** (SE)  
The currency in which a security is issued and in which security positions are managed.
- **Quotation currency** (SE)  
The currency in which the price of a security is quoted at a certain exchange.
- **Contract currency** (LO)  
Currency in which loan positions are managed and loan transactions are processed.

All these currency categories are affected by the changeover to the euro. However, different circumstances apply in each case, and they need to be treated differently for conversion.

It is up to the company to decide when to change over the **local currency**, since this is the company's own accounting currency. When a company changes the local currency over to euro, all the local currency amounts in the system must be converted into euros as at a certain key date, and the related currency keys and exchange rates need to be adjusted.

The changeover date for the **issue currency** is determined solely by the issuer. Once this date has been announced, the changeover needs to be carried out accordingly. This means that the issue currency changeover is selective and only applies to the security issue in question (in other words, for the corresponding security ID number).

## Treasury - Changeover to the Euro

In the participating countries, it is assumed that from the beginning of the dual currency phase, all securities will only be listed in euros - regardless of the issue currency. To reflect this situation, a report program is available which allows you to convert the security prices to the new quotation currency (report program RFVWNWUM). No special preparation activities or Customizing settings are necessary.

You can only change over the **transaction currency** and the **contract currency** after agreeing upon a changeover date with the business partners involved on a contract by contract basis.

The transaction currency changeover does not affect the securities area. In the case of balance sheet transfers, the transaction currency is only a descriptive field. For bank postings, the system transfers the transaction currency to Financial Accounting. The transaction currency is not converted in Financial Accounting.

### Changeover activities for the *Cash Management* and *Market Risk Management* components

#### Cash Management

When you carry out the local currency changeover, the system converts the amounts in Cash Management automatically.

#### Market Risk Management

In the Market Risk Management component, the local currency amounts are converted automatically, as for Cash Management. No additional technical adjustments are necessary.

**The treatment of *reporting* and *payment transactions* applies for all currency categories:**

#### Reporting

No parallel currency display is planned for the reporting functions. All the evaluations in SAP drilldown reporting allow you to select the display currency. By running two separate evaluations you can see the both the original currency amounts and the amounts in euros.

#### Payment Transactions

Payment transactions are handled in the same way as in FI. For more information on payment transactions between euro companies and non-euro companies (e.g. DEM), see [European Monetary Union: Euro \(CA-EUR\) \[Ext.\]](#) under *Business and Technical Functions*.

#### Customizing (general)



All the Customizing settings required for the changeover to the euro in the Treasury components are covered by this online documentation.

## Local Currency Changeover

### Use

The changeover to the euro affects almost all areas of a company.

One of the key areas affected by the changeover activities is financial accounting, where all the accounts and payment transactions need to be adapted, as well as the reporting framework. The high level of integration between Treasury and Financial Accounting means that Treasury is equally affected by the changeover.

The local currency changeover is described in detail in the central euro documentation.

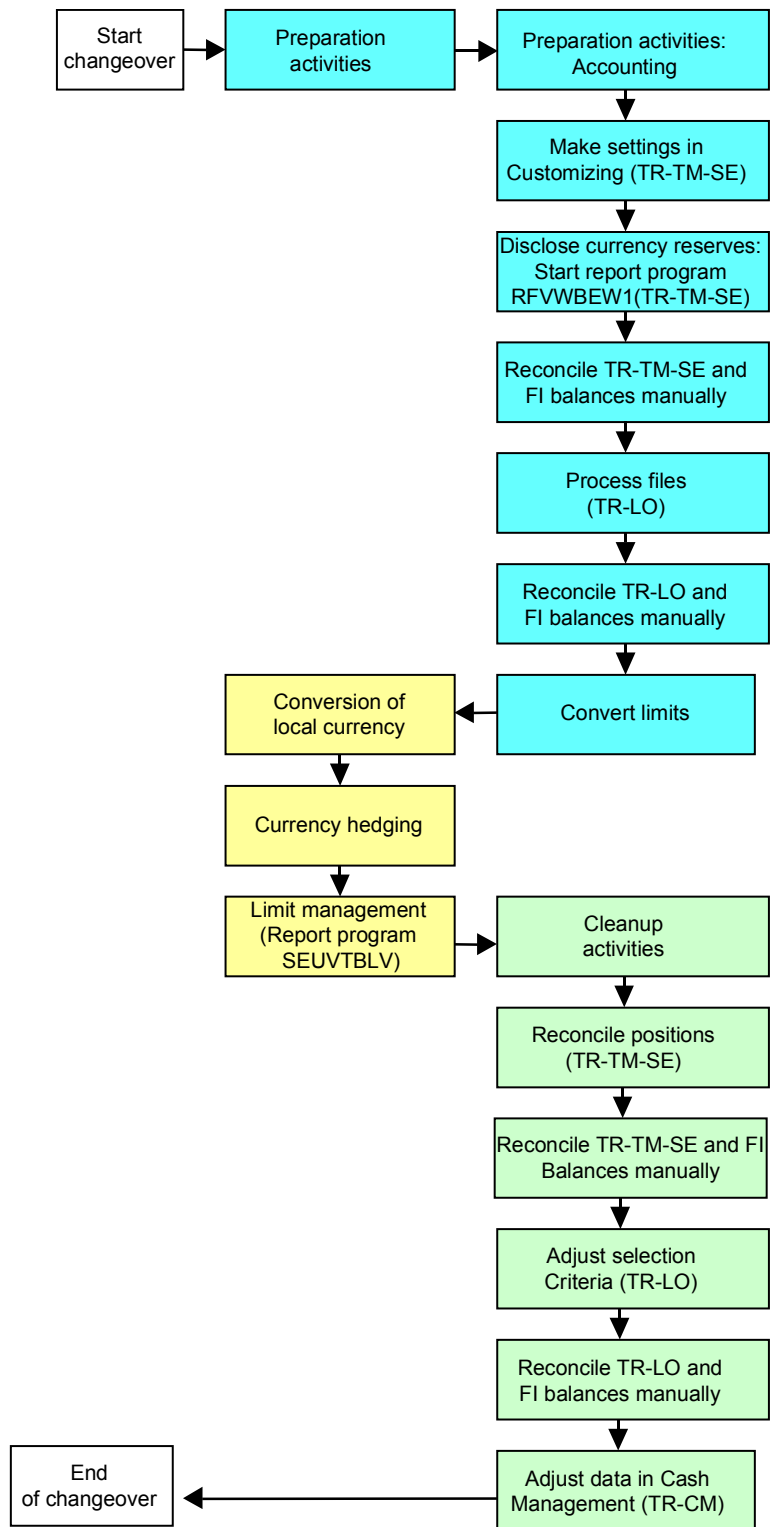
The documentation covers:

- The necessary preparation activities
- The conversion steps
- The necessary cleanup activities

In the central euro documentation, refer to the *Treasury* sections for the [local currency changeover \[Ext.\]](#) and the activities for other applications, in particular FI ([preparation \[Ext.\]](#), [central changeover \[Ext.\]](#), [cleanup \[Ext.\]](#)).

### Process Flow

Local Currency Changeover





## Features

- You convert the national currency to the **new local currency** euro centrally using special conversion programs. Treasury is included in the central changeover.
- With this function you can change over the complete dataset on a certain key date after you have closed and fully documented the fiscal year.



Where there is a legal obligation to preserve documents, these documents need to be printed out.

- The system converts all the local currency amounts in the database, including:
  - Amount fields in local currency
  - Fixed amounts in Customizing tables
  - Currency keys relating to the local currency
  - Exchange rates relating to the local currency
- The conversion programs take any rounding differences resulting from conversion into account.
- After conversion, you cannot make any more postings in the previous fiscal year:
  - The accounting periods in FI are irreversibly closed
  - The historical data is also converted into euros
- After conversion, the system displays your accounts as if they had always been managed in euros.
- There is no reset function for the local currency changeover. We therefore recommend that you make a data backup before you run the conversion. For more information, see the [local currency changeover \[Ext.\]](#) section of the central euro documentation.

## Activities

- When you call up the appropriate functions, the system generates conversion programs, which in turn convert the relevant fields and tables. You can also integrate customer-specific enhancements.



For more information, see [User-Specific Developments \[Ext.\]](#) in the central euro documentation.

- To avoid data inconsistencies as a result of the local currency changeover, you must follow the conversion steps in the order prescribed by SAP.



You should not carry out the local currency changeover if the data in your system is inconsistent. Such differences might otherwise be interpreted as gains and losses resulting from the changeover to the euro and adjusted and disclosed accordingly.

Local Currency Changeover

## Transaction Currency Changeover

### Use

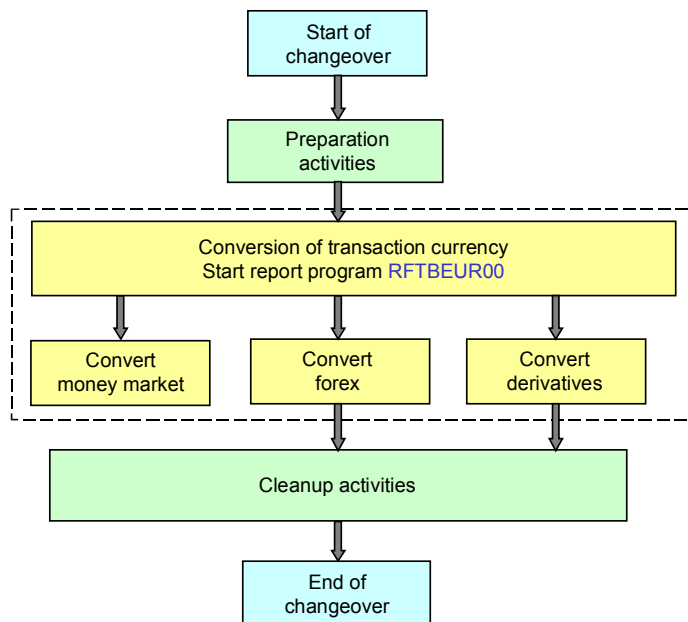
The transaction currency changeover is described in detail for the *Money Market (TR-TM-MM)*, *Foreign Exchange (TR-TM-FX)* and *Derivatives (TR-TM-DE)* components in the central euro documentation.

The documentation covers:

- The necessary preparation activities
- The conversion steps
- The necessary cleanup activities

See also: [Transaction Currency Changeover \(TR-TM-MM/FX/DE\) \[Ext.\]](#)

### Process Flow



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**Issue Currency Changeover**

## Issue Currency Changeover

### Use

The issue currency changeover is described in detail for the *Securities* component (*TR-TM-SE*) in the central euro documentation.

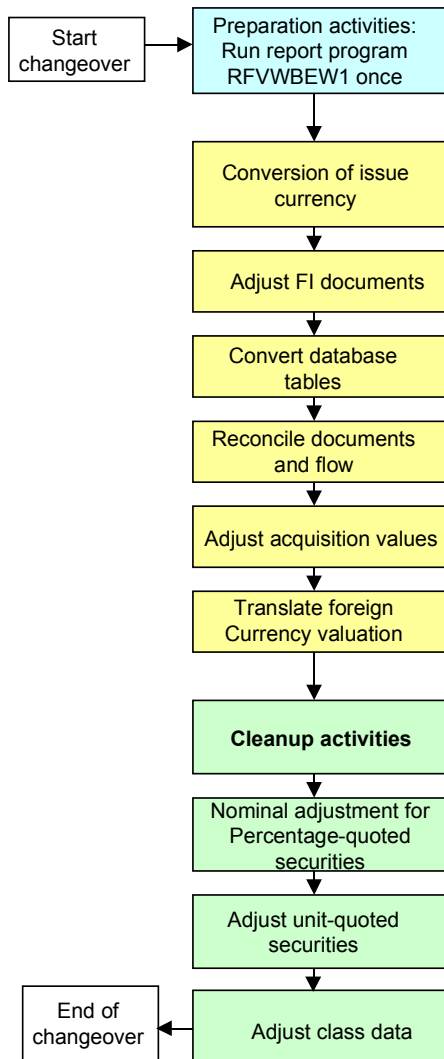
The documentation covers:

- The necessary preparation activities
- The conversion steps
- The necessary cleanup activities

See also: [Issue Currency Changeover \(TR-TM-SE\) \[Ext.\]](#)

### Process Flow

Issue Currency Changeover



Contract Currency Changeover

## Contract Currency Changeover

### Use

The contract currency changeover is described in detail for the *Loans* component (*TR-LO*) in the central euro documentation.

The documentation covers:

- The necessary preparation activities
- The conversion steps
- The necessary cleanup activities

See also: [Contract Currency Changeover \(TR-LO\) \[Ext.\]](#) in the central euro documentation.

### Process Flow

