

Define Translation Ratios for Currency Translation in SAP

In this [SAP FICO tutorials](#) you will learn *how to define translation ratios for currency translation* in SAP. In Our previous tutorial we have learned how to [check exchange rate types in SAP](#).

How to Define translation ratios for Currency Translation in SAP

Every organization is required to follow one conversion factors continuously for all years and it shouldn't change in between. If we change in between, it gives us wrong results. Conversion factors are given at [SAP client](#) level and not at [company code](#) level.

Conversion factors for two currencies

- USD : INR = 1:1
- JPY : INR = 100:1
- GBP : INR = 1:1
- EUR : INR = 1:1

We can present as

- Japanese Yen : Indian INR – 100 : 1 =? 58 or
- Japanese Yen : Indian INR – 1 : 00.1 =?0.58

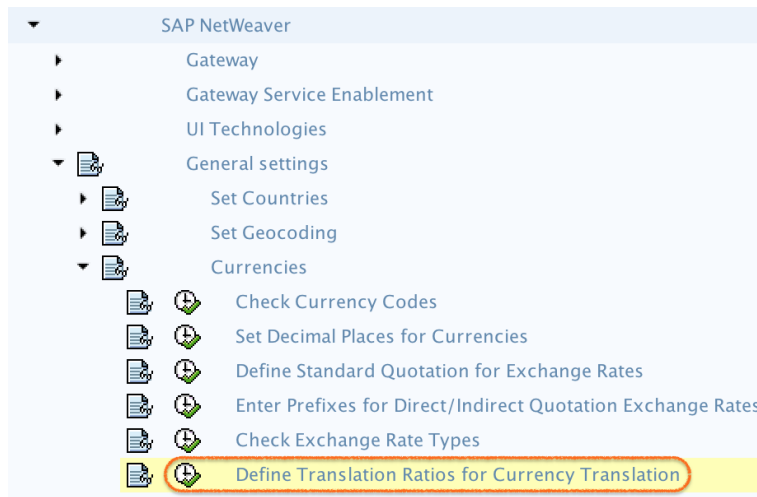
Note: – Don't and never change the currency translation ratios, for knowledge purpose we are creating new currency factors

Scenario: – In this configuration we are going to define the following translation ratios for currency translation.

| ExRt | From | To | Valid from | Ratio(from) | Ratio(to) | Alt.ERT |
|------|------|-----|------------|-------------|-----------|---------|
| G | USD | INR | 01.04.2016 | 1 | 1 | |
| B | USD | INR | 01.04.2016 | 1 | 1 | |
| M | USD | INR | 01.04.2016 | 1 | 1 | |

Configuration steps

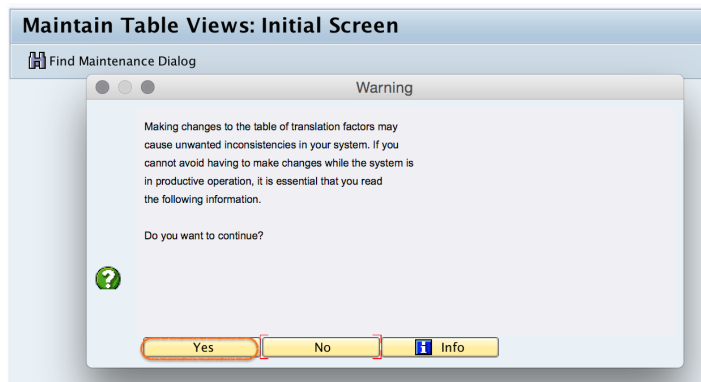
- - Transaction code: – [OBBS](#)
 - Path: – [SPRO](#) → SAP Netweaver → General Settings → Currencies → Define translation ratios for currency translation.



Step 1) Enter SAP transaction code "OBBS" in the SAP command field and enter.



Step 2) Now you get a warning message with do you want to continue, click on yes button.



Step 3) On change view currencies translation ratios overview, list of defined entries displays on the screen. Check the entries and if you need to define new translation ratios for currency translation, click on new entries button.

| ExRt | From | To | Valid from | Ratio(from) | Ratio (to) | Alt. ERT |
|------|------|-----|------------|-------------|------------|----------|
| 001 | AED | GBP | 01.01.2016 | 1 | 1 | |
| 001 | BDT | EUR | 01.01.2016 | 1 | 1 | |
| 001 | BRL | EUR | 20.12.2015 | 1 | 1 | 001 |
| 001 | BRL | GBP | 20.12.2015 | 1 | 1 | 001 |
| 001 | CAD | USD | 01.11.2016 | 1 | 1 | |
| 001 | CHF | EUR | 30.08.2016 | 1 | 1 | 001 |
| 001 | EUR | BRL | 20.12.2015 | 1 | 1 | 001 |
| 001 | EUR | PKR | 14.10.2016 | 1 | 100 | |

Step 4) On new entries overview screen, update the following details.

- **ExRt:** – Enter the exchange rate type key (G- Bank buying rate, B- Bank selling rate, M – Average rate).
- **From:** – Enter the currency code to translate from

- **To:** – Enter the currency code that translate to which currency.
- **Valid from:** – Update the valid period from which date this translation ratios are applicable
- **Ratio (From), Ratio (To) :** – Update the currency transaction ratios.

| New Entries: Overview of Added Entries | | | | | | | |
|--|-------------------------------------|-------------------------------------|------------|-------------|---|------------|----------|
| ExRt | From | To | Valid from | Ratio(from) | : | Ratio (to) | Alt. ERT |
| G | USD | INR | 01.04.2016 | 1 | : | 1 | |
| B | USD | INR | 01.04.2016 | 1 | : | 1 | |
| M | USD | INR | 01.04.2016 | 1 | : | 1 | |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | | : | | |

After updating all the required details, click on save button and save the configured details in [SAP systems](#).

Successfully we have defined translation ratios for currency translation.

SAP FICO Training

↳ [SAP FICO Tutorials](#)

SAP FICO - Introduction

↳ [SAP Financial Accounting](#)

↳ [What is SAP FICO](#)

↳ [What is client in SAP](#)

SAP FICO - Enterprise Structure

↳ [Define Company in SAP](#)

↳ [Define Company Code in SAP](#)

↳ [Assign company code to company in SAP](#)

↳ [Define business area and consolidation business area in SAP](#)

↳ [Assign business area to consolidated business area in SAP](#)

↳ [Define credit control area in SAP](#)

↳ [Assign company code to credit control area in SAP](#)

↳ [Define functional area in SAP](#)

↳ [Maintain Financial Management Area in SAP](#)

↳ [Assign financial management area to company code in SAP](#)

↳ [How to create segments in SAP](#)

SAP FICO - Global Parameters

↳ [What is Chart of accounts and how to create COA in SAP?](#)

↳ [Assign company code to chart of accounts](#)

↳ [What is Fiscal year in SAP?](#)

‡ How to maintain fiscal year variant

‡ Assign company code to fiscal year variant

‡ Define account group in SAP

‡ Define retained earnings account

‡ Define posting period variant (PPV)

‡ Assign variants to company code in SAP

‡ Open and closing posting period variants

‡ Define field status variant and field status groups in FICO

‡ Assign company code to field status variant

‡ Define Tolerance group for G/L accounts

‡ Define Tolerance group for employees

‡ Check company code global parameters

SAP FICO - Foreign Currency Transactions

‡ Check exchange rate types

‡ Define translation ratios for currency translation

‡ How to maintain exchange rates in SAP

‡ Define accounts for exchange rate differences

‡ Define foreign currency valuation methods

‡ Define accounting principles and assign to ledger group

‡ Define valuation areas and assign to accounting principles

SAP FICO - New G/L Accounting

‡ How to activate new G/L accounting?

‡ Define ledgers for general ledger accounting

‡ Define currencies for leading currency

‡ Define & Activate Non-Leading Ledgers

‡ Define Zero-balance clearing account

‡ Define interest calculation types

‡ Define interest indicator

SAP FICO - Accounts Receivable

‡ Define account group for customers

‡ Maintain number ranges for customer account groups

‡ Assign number ranges to customer account groups

‡ Define risk categories

‡ Define tolerance group for Customers

‡ Create sundry debtors accounts

‡ Define Customer Master Record

SAP FICO - Accounts Payable

‡ What is Accounts Payable in SAP?

‡ Define vendor account groups

‡ Maintain number range intervals for vendor accounts

‡ Assign number ranges to vendor account groups

‡ Create payment terms

‡ Define accounts for cash discount taken

‡ Define Vendor reconciliation account

‡ Create vendor code

SAP FICO - Tax on Sales and Purchases

‡ What is Sales tax and Purchase tax in SAP?

‡ Define tax calculation procedures

‡ Assign country to calculation procedure

‡ Assign tax codes for non taxable transactions

‡ Maintain tax codes for sales and purchases

‡ Define tax accounts in SAP

SAP FICO - Bank Accounting

‡ What is Bank Accounting in SAP?

‡ Define bank key

‡ Define house bank in SAP

‡ Create check lots

‡ Automatic payment program

SAP FICO - Asset Accounting

‡ What is Asset Accounting in SAP?

‡ Define Chart of Depreciation

‡ Assign chart of depreciation to company code

‡ Specify Account Determination

‡ Number range intervals for Assets

‡ Maintain Asset Classes

‡ Define tax accounts in SAP

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SAP TCodes

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» [SAP FI TCodes](#)