

DYNAMIC CREDIT LIMIT – PAGE 1

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An organizational unit that represents the area where customer credit is awarded and monitored.

This organizational unit can either be a single or several company codes, if credit control is performed across several company codes. One credit control area contains credit control information for each customer.

Credit and risk management takes place in the credit control area. According to your corporate requirements, you can implement credit management that is centralized, decentralized, or somewhere in between.

For example, if your credit management is centralized, you can define one credit control area for all of your company codes.

If, on the other hand, your credit policy requires decentralized credit management, you can define credit control areas for each company code or each group of company codes.

Credit limits and credit exposure are managed at both credit control area and customer level.