VDA	Communications and Information Technologies Committee (KIT) Electronic Data Interchange of Entry Certificates	**4989**

Process Description

Transmission of Entry Certificates per EDI with EDIFACT or XML

This recommendation concerns the machine to machine data interchange if Entry Certificates from customers to suppliers in the automotive industry. It is the result of project work in the VDA Communications and Information Technologies Committee (KIT)

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1. Introduction

According to the 11. amendment of the VAT Administrative Guideline as of 25.03.2013 (Bundesgesetzblatt Jg. 2013 Part I Nr. 5, Bonn 28.3.2013) in the Federal Republic of Germany new legal requirements are established related to intra EU supplies in case of transportation or shipments. The supplier has to proof by appropriate documents that he or the customer has shipped or sent the goods in the other EU area.

German authorities consider amongst other the following process as reliable and easy to validate:

1.   The duplicate of the invoice (§§ 14 and 14a of the VAT legislation) and
2.   A confirmation of the goods receiver the supplies have reached the other EU area (entry certificate)

This entry certificate can be issued as a summarised statement. Such a summarised statement can cover up to three months.

There is no specific form required. The Entry Certificate can be send electronically, e.g. via EDI. According to the known VAT requirements for e-Invoicing also for Entry Certificates the authenticity of origin and integrity of content must be ensured. The receiver of the Certificate must be able to prove that the electronic transmission has started in the domain of the goods receiver or a third party acting on behalf of the goods receiver.

In the automotive industry there is a considerable interest to use the EDI option in order to minimise the bureaucratic effort caused by the new regulation and to automate the processing.

In principle three options can be used:

1.   An explicit goods receipt statement of the receiver in the other EU Member State. This is especially appropriate in all processes where the supplier issues the invoice as well.
2.   Self-billing invoice documents, as far as they contain all necessary information as required by law (see also section 3). In addition to all other information required by VAT legislation especially the place of receipt and the goods receipt date (month and year) must be transmitted, if the self-billed invoice is intended to server as entry certificate as well. We refer to the recommendation VDA 4938 Part 2 – Implementation guideline of the Global INVOIC.
3.   The forwarder's confirmation or declaration regarding the transport of the goods into the other EU member state.

These thee options do not exclude each other. Multiple documents are possible. However, they must not contradict each other.

Subject of this particular recommendation is the first option – the use of EDI for transmission of goods receipt statements with EDIFACT message RECADV or XML message

ReceivingAdvice sent from the goods receiver to the goods sender for the purpose of establishing legal evidence as an Entry Certificate.

The described message content complies with the legal requirements. In addition those logistics information is added that helps to link the receiving advice to the relevant delivery messages and documents. This way an automated process can be reliably established.

2. Process Description

Definitions:
The legal text contains the terms entrepreneur and customer.
In the business process the involved partners are called buyer (customer) and seller (supplier) respectively ship from (goods sender) and ship to (goods receiver).
In this recommendation it is assumed that the ship to (goods receiver) represents the customer and the ship from (goods sender) represents the (supplying) entrepreneur.
Buyer and seller can be listed in the message as well, f they differ from ship to resp. ship from (e.g. customer's plant vs. customer's headquarters, supplier's plant vs. supplier's headquarter.
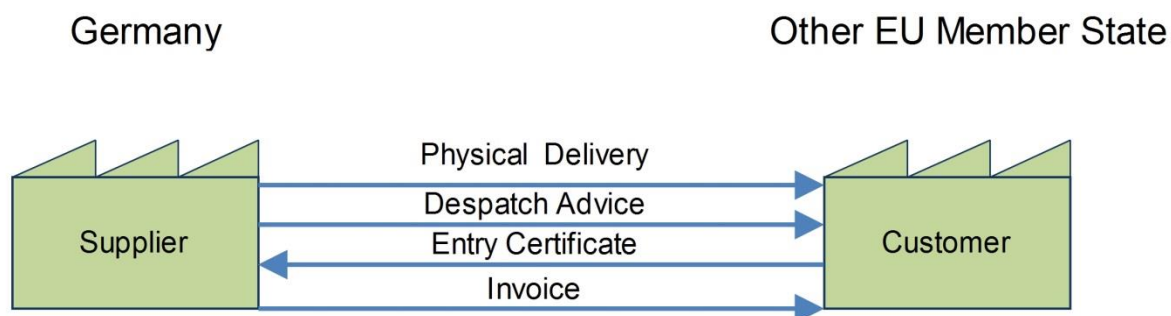
Under normal circumstances there exist long term contractual agreements between the supplier and the customer. In the business relationships EDI messages are used, for instance for orders/delivery instructions (e.g. the message DELFOR according to VDA 4984), despatch advice (e.g. message DESADV according to VDA 4987) and invoicing data exchange (e.g. message INVOIC according to VDA 4938).

The physical supply of goods is being advised when from supplier to customer when the goods leave the ship from's premises. At arrival of thegoods at ship to's premises the receipt and booking process can be carried out highly automated based on transport label information that is scanned. At this stage also potential differences between advice an actual shipment can be recognised.

Based on the goods and quantities actually received by the customer[1] an entry certificate is issued in defined intervals and sent to the supplier. The supplier can mark the shipments as confirmed in his own ERP system.

The messages are structured in a way so that every RECADV at maximum represents one delivery relation (ship from – ship to) and reports the received goods of the identified reporting period. If a supplier deliveres from serveral ship from facilities in Germany to a

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[1] Customer is every company that receives an invoice for the delivery.

customer in another EU member state an individual Entry Certificate RECADV has to be created for each ship from location.

Remarks:

1. If the supplies are brought to a consignment stock, different national rules may exist in various countries.
2. The sequence of messages is not necessarily following the above described pattern. For instance the INVOIC may be sent earlier. In such a case the supplier must ensure that a process is in place to check, whether or not all the invoices have been linked to the appropriate Entry Certificate.
3. The Entry Certificate has to be archived at least at supplier's side. The same archiving periods as for invoices and other trading documents apply.

3. Data Requirements RECADV for Entry Certificates

Legal Requirements
Legislation requires the following information:

- Name and address of the ship to
- Quantity and commercial description, in case of finished vehicles also the VIN
- Location and month of the receipt respectively of the end of transport
- Issue date

As long as Edi is used the requirements for a signature do not apply.

Process Requirements
To enable an automated processing of the incoming Entry Certificate the following attributes have to be included too (bold Words are mandatory):

- **Customer number or plant number, unloading point/place of discharge,** external EU VAT ID of the receiver;
- **Supplier number of the ship from**
- Shipment ID according to despatch advice (DESADV)
- **Part number of the supplied parts**

Other references:

- Goods receipt date (instead of just month and year) perhaps the receipt number, as issued by the customer;
- Invoice number: in case the invoice is available at customer's site at the moment when the RECADV is compiled;

It is recommended to generate the Entry Certificate at least once in a month as summarised statement. Alternatively the RECADV can be generated with every receipt process (i.e. triggered by every DESADV according VDA 4987 or delivery note transmission according to VDA 4913)

4. Data Transmission Requirements

By selecting an appropriate data exchange protocol the partners shall ensure the authenticity and integrity of the transmitted data. The involved partners should agree on these procedures in a written agreement (EDI-agreement, see annexe 3).

The following processes are considered safe and secure:

- OFTP2 via public internet by using the Transport Layer Security option (TLS) and digital certificates issued according to Odette OFTP2 Certificate Issuing Policy.
- OFTP1 over ISDN or via IP-Networks with Virtual Private Network (VPN) connection
- HTTPS – based automated Web-Service solutions (e.g. auto-gration) or manual up- and download.
- AS2 over public internet by using of the TLS Option.

5. Example messages

EDIFACT Examples

Example 1

A supplier delivers to a customer in another EU country goods according to the following despatch advice:

UNA:+.? '	Separator characters
UNB+UNOC:3+O0013001234LIEFER:59+O0170000000000X0B7EDI01:59+130709:1433+20130808143322'	Interchange – Header with sender and receiver ID (both Odette IDs), generation date and time.
UNH+1+DESADV:D:07A:UN:GAVF10'	Message type and Directory, Identification of the VDA Guideline
BGM+351:::LAB+12345+9'	Begin of the message: despatch advice, Profile LAB, message number, original
DTM+137:20130709:102'	Message date
DTM+11:20130709:102'	Requested delivery date
DTM+132:20130710:102'	Estimated arrival date
MEA+AAX+AAD+KGM:820'	Gross weight
MEA+AAX+AAL+KGM:800'	Net weight
MEA+AAX+ABJ+MTQ:0.8'	Volume
MEA+AAE++C62:2'	Number of handling units
RFF+CRN:87654321'	Shipment number
NAD+SF+610482::92++Lieferanten GmbH+Industriestraße 1+Adorf++90123+DE'	Ship from's ID and address
LOC+9+Halle 7'	Loading point
RFF+ANK:987654321'	Ship from's DUNS number
NAD+ST+02042::92++Automobil AG:Werk Brüssel+ 80 Bd. A. Reyers LN+Bruxelles++1030+BE'	Ship to's identifier and address
LOC+11+Gebäude 45::92'	Unloading point
RFF+ANK:988976654'	DUNS number of ship to
NAD+CA+++ElKaWe Transporte GmbH'	Carrier
TOD+++EXW'	Delivery condition (INCOTERM) ex works
LOC+1+:::Adorf'	Applicable location for delivery condition
TDT+12++30+++++A-XY 123'	Type of transport: road, license plate of the truck
CPS+1++4'	1. Shipment item, simplified handling unit
PAC+1+:35:AAC+Kiste A::92'	1 piece "Kiste A" (main packaging item)
QTY+52:37:PCE'	Quantity per package 37 pieces per packaging item
PCI+17+ggf. Markierung++1J::5'	Label type 1J – Single Label
GIN+ML+Packstück 1'	Label-Number of the package
LIN+++SNR 1:IN'	Customer's part number
QTY+12:37:PCE'	Delivery quantity 37 pieces
IMD+++:::Biegewerkzeug gem. Zeichnung 123::de'	Description of the supply
RFF+AAU:1234567:1'	Delivery note number and line
DTM+171:20130709:102'	Delivery note date
RFF+ON:Rahmenvertrag0815'	Order / frame contract number
DTM+171:20130101:102'	Order / frame contract date
UNT+38+1'	End of the message
UNZ+1+20130808143322'	End of the interchange

The customer confirms the receiving with the following message:

UNA:+.? '	Separator characters
UNB+UNOC:3+OD012345:59:123+987654 321:1:X+071205:1446+144659+++++1'	Interchange – Header with sender and receiver ID (both Odette IDs), generation date and time.
UNH+1+RECADV:D:03A:UN:GAVH10'	Message type and Directory, Identification of the VDA Guideline
BGM+632:::Entry Certificate+12345+9'	Begin of the message: goods receipt message, Profile Entry Certificate, message number, original
DTM+137:20031015:102'	Message date
NAD+SF+610482::92++Lieferanten GmbH+Industriestraße 1+Adorf++90123+DE'	Ship from
RFF+ANK:987654321'	DUNS Number of the ship from
NAD+ST+02042::92++Automobil AG:Werk Brüssel+ 80 Bd. A. Reyers LN +Bruxelles++1030+BE'	Ship to
LOC+11+Gebäude 45:::92'	Unloading point / place of discharge
RFF+ANK:988976654'	Duns number of the ship to
CPS+1'	Shipment level, 1. Shipment
RFF+CRN:87654321'	Shipment ID
TDT+13++30+++++A-XY 123'	Transport type: road, truck's license plate
DTM+50:20130711:102'	Goods receipt date: 11.7.2013
LIN+++SNR 1:IN'	Customer's part number
IMD+++:::Biegewerkzeug::de'	Commercial description
QTY+48:37:PCE'	Received quantity: 37 pieces
RFF+AAU:1234567:1'	Delivery note number and line
UNT+17+1'	End of message
UNZ+1+144659'	End of interchange

Example 2

The supplier ships four deliveries in the month October to the customer:

Delivery note date	Receipt date	Shipment number	Part number	Quantity	Description
07.10.2013	09.10.2013	2013-41	SNR 1	1500	Krümmer links
			SNR 2	1500	Krümmer rechts
14.10.2013	16.10.2013	2013-42	SNR 1	2000	Krümmer links
			SNR 2	2000	Krümmer rechts
			SNR 3	800	Mittelstück
21.10.2013	23.10.2013	2013-43	SNR 1	1800	Krümmer links
			SNR 2	1800	Krümmer rechts
28.10.2013	30.10.2013	2013-44	SNR 1	1700	Krümmer links
			SNR 2	1700	Krümmer rechts
			SNR 3	500	Mittelstück

The customer's summarised confirmation of the shipments could look like this:

UNA:+.? '	Separator characters
UNB+UNOC:3+O01770000000000X0B7EDI01:59+O0013001234LIEFER:59+131031:2245+144659'	Interchange – Header with sender and receiver ID (both Odette IDs), generation date and time.
UNH+1+RECADV:D:03A:UN:GAVH10'	Message type and Directory, Identification of the VDA Guideline
BGM+632:::Gelangensbestätigung+12345+9'	Begin of the message: goods receipt message, Profile Entry Certificate, message number, original
DTM+137:20131031:102'	Message date
DTM+158:20031001:102'	Horizon start date
DTM+159:20031031:102'	Horizon end date
NAD+SF+610482::92++Lieferanten GmbH+Industriestraße 1+Adorf++90123+DE'	Ship from
NAD+ST+02042::92++Automobil AG:Werk Brüssel+80 Bd. A. Reyers LN+Bruxelles++1030+BE'	Ship to
CPS+1'	First shipment
RFF+CRN:203-41'	Shipment number
RFF+AAK:201310071433'	Despatch advice number
TDT+13++30'	Transport: road
DTM+50:20131009:102'	Goods receipt date
LIN+++SN 1:IN'	1. Line item: customer's part number
IMD+++:::Krümmer links::de'	Description
QTY+48:1500:PCE'	Delivery quantity
RFF+AAU:2013-564:1'	Delivery note number and line
LIN+++SN 2:IN'	2. Line item: customer's part number
IMD+++:::Krümmer rechts::de'	Description
QTY+48:1500:PCE'	Delivery quantity
RFF+AAU:2013-564:2'	Delivery note number and line
CPS+2'	Second shipment
RFF+CRN:2013-42'	Shipment number

RFF+AAK:201310141628'	Despatch advice number
TDT+13++30'	Transport: road
DTM+50:20131016:102'	Goods receipt date
LIN+++SN 1:IN'	1. Line item: customer's part number
IMD+++:::Krümmer links::de'	Description
QTY+48:2000:PCE'	Delivery quantity
RFF+AAU:2013-731:1'	Delivery note number and line
LIN+++SN 2:IN'	2. Line item: customer's part number
IMD+++:::Krümmer rechts::de'	Description
QTY+48:2000:PCE'	Delivery quantity
RFF+AAU:2013-731:2'	Delivery note number and line
LIN+++SN 3:IN'	3. Line item: customer's part number
IMD+++:::Mittelstück::de'	Description
QTY+48:800:PCE'	Delivery quantity
RFF+AAU:2013-731:3'	Delivery note number and line
CPS+3'	Third shipment
RFF+CRN:2013-43'	Shipment number
RFF+AAK:201310211533'	Despatch advice number
TDT+13++30'	Transport: road
DTM+50:20131023:102'	Goods receipt date
LIN+++SN 1:IN'	1. Line item: customer's part number
IMD+++:::Krümmer links::de'	Description
QTY+48:1800:PCE'	Delivery quantity
RFF+AAU:2013-923:1'	Delivery note number and line
LIN+++SN 2:IN'	2. Line item: customer's part number
IMD+++:::Krümmer rechts::de'	Description
QTY+48:1800:PCE'	Delivery quantity
RFF+AAU:2013-923:2'	Delivery note number and line
CPS+4'	Third shipment
RFF+CRN:2013-44'	Shipment number
RFF+AAK:201310281705'	Despatch advice number
TDT+13++30'	Transport: road
DTM+50:20131030:102'	Goods receipt date
LIN+++SN 1:IN'	1. Line item: customer's part number
IMD+++:::Krümmer links::de'	Description
QTY+48:1700:PCE'	Delivery quantity
RFF+AAU:2013-1145:1'	Delivery note number and line
LIN+++SN 2:IN'	2. Line item: customer's part number
IMD+++:::Krümmer rechts::de'	Description
QTY+48:1700:PCE'	Delivery quantity
RFF+AAU:2013-1145:2'	Delivery note number and line
LIN+++SN 3:IN'	3. Line item: customer's part number
IMD+++:::Mittelstück::de'	Description
QTY+48:500:PCE'	Delivery quantity
RFF+AAU:2013-1145:3'	Delivery note number and line
UNT+70+1'	End of message
UNZ+1+144659'	End of interchange

6. Annexes

Annexe 1 – EDIFACT Guide RECADV

Annexe 2 – XML Guide ReceivingAdvice

Annexe 3 – EDI Agreement Example