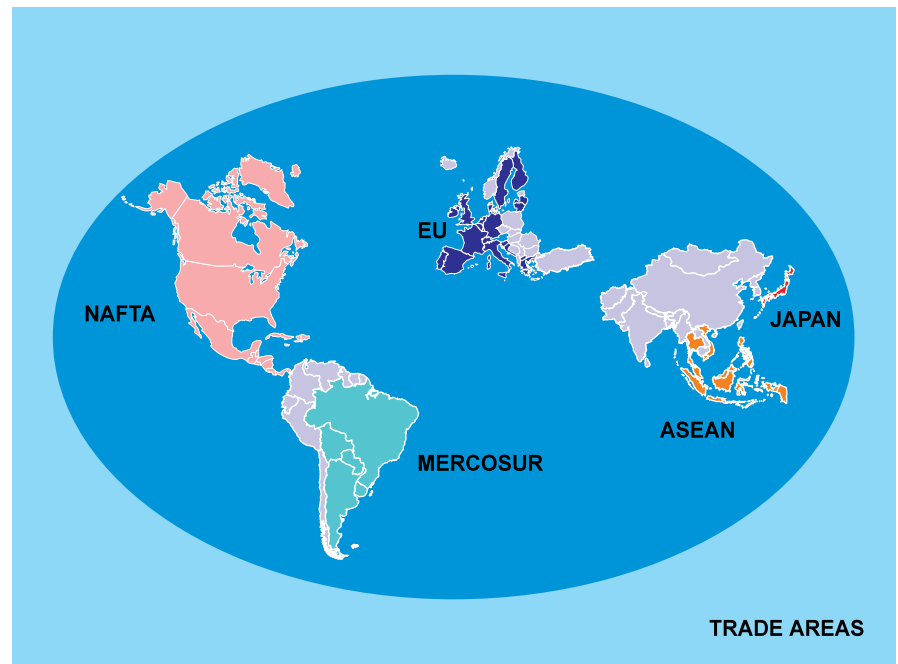# R/3 SYSTEM

New developments in the integrated functionality of SAP's R/3 System now cover all your requirements in the area foreign trade processing, including declarations to authorities, export control, preference agreements and communication with non-SAP® systems.

IN FOCUS...

OPTIMIZING YOUR BUSINESS PROCESSES IN FOREIGN TRADE

TRADE AREAS

GREATER TRANSPARENCY AND EFFICIENCY IN FOREIGN TRADE

You are expected more and more to strictly adhere to national and, increasingly, supranational laws governing export. The increasing tendency to build economic blocks represents an additional challenge for every enterprise operating on an international scale.

Both these points have repercussions for the entire logistics chain, starting with the import of raw materials, semi-finished and finished goods right through to inventory and financial accounting.

The R/3 System's new Foreign Trade module clarifies these laws and regulations and enables you to efficiently fulfill their requirements. Organizational

and automatic program support are available for all necessary legally required core activities in foreign trade.

Which core areas does the R/3 System's new Release 3.0 offer?

- Standard EDI interface for foreign trade information

- Flexible management of export licenses

- Automatic procedure for declarations (EU, NAFTA, EFTA) to the authorities

- Representation of preference agreements

ENABLING LINKS TO OTHER SYSTEMS

A standardized EDI interface facilitates the information flow between the R/3 System and other systems, providing you with the following communication options:

- Generating the most important foreign trade documents such as T1, T2, CO and EUR1/EUR2 using SAP's ABAP/4 Development Workbench

- Linking to systems other than the R/3 System like, for example, your choice of PC system

- Sending EDI messages to a translator using the standard EDI tools

Proven techniques from the areas of output control, EDI, and ALE have been

harmoniously linked together in the R/3 System to enable these communication options. The standard structures within these techniques allow easy expansion and enhancement.

AUTOMATIZATION OF EXPORT CONTROL LEGAL REQUIREMENTS

Since national and international laws and regulations control the export of goods and services, SAP created a flexible instrument within the R/3 System to determine export control requirements.

The R/3 System determines whether export is permitted

- to a particular country,
- to a particular customer,
- involving particular products,
- at a particular point in time

on the basis of the legal regulations. For each item, the system determines automatically whether an export license is required and, if so, an appropriate license is determined and assigned to that item. Reporting functions are available to enable you to monitor and manage export licenses.

AUTOMATIZATION OF DECLARATIONS TO AUTHORITIES - EU, NAFTA, EFTA

Since foundation of the European Union in 1958, cooperation among the now fifteen-strong member states has steadily increased. In the area of foreign trade, an almost uniform procedure for statistical declarations to the authorities now exists, the principle aim being to record and evaluate all goods shipments within the European Union.

R/3's Foreign Trade module covers the requirements of both the import and export sides of this procedure. Goods receipts form the basis for the declarations for imports, and customer billing documents for exports.

R/3's Release 3.0, provides INTRASTAT declarations for eleven EU countries. For each of these countries, you can print the INTRASTAT declarations in their standard formats. For six of these countries, the declarations are also available in electronic format.

In addition, EXTRASTAT declarations as well as KOBRA declarations for restricted/sensitive goods are supported for Germany.

Other regions in the world are also developing or expanding their statistical declaration procedure. In January 1995, an automatic procedure known as the Automated Export Reporting Procedure (AERP) was introduced in the United States for American enterprises. R/3's Foreign Trade module provides both a printable and electronic version of the Shipper's Export Declaration (SED), a part of the AERP declaration.

In addition, R/3 provides the Harbour Maintenance Fee (HMF), necessary for monthly reporting to the Department of Commerce.

In Japan, a similar type of statistical declaration is available for Japanese enterprises. The concepts and functions already in use for R/3's Foreign Trade module can be easily expanded for new developments in these areas.

PREFERENCE AGREEMENTS

All legal regulations currently used in the European Union (EU customs code) for preference processing are available in R/3's Foreign Trade module through the preference determination function. The module's structure allows for easy incorporation of similar legal regulations from other economic regions such as NAFTA, which are currently being developed.

Preference determination takes into account bills of material in material management (MM) and tariff heading changes. Necessary customs areas and the percentages required for determination can be freely defined. The outcome of preference determination is stored in condition records, to be used during pricing in SD order processing.

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