

Guideline for ESAP 6

Call-off from frame contract
2013-05-14

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1 About this guideline

1.1 Purpose and target audience

This guideline describes ESAP 6. It is meant to assist when ESAP 6 is implemented in a business. The guide is aimed at:

- Experts from business operations where ESAP 6 is implemented. The guide can be used to support the identification of changes and additions to be made to those operations.
- Systems developers who will modify business systems, applications and other software.

1.2 Describing a business process

GS1 Sweden's model for describing a business process as used in this guideline is based on the Common Business Process Catalogue (CBPC), UN/CEFACT Modelling Methodology.

CBPC identifies and describes business processes at a general level. According to CBPC a business process consists of a number of phases:

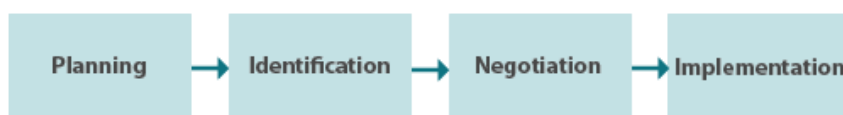


Figure 1.1. The phases of a business process according to GS1 Sweden's business process model.

According to CBPC a business process starts with a **Planning phase** when a company or organization is planning their operations. Thereafter, the process proceeds to the **Identification phase**, where the company or organization identifies which parties are suitable to establish a business relationship with for business to be conducted.

The business process then proceeds to the **Negotiation phase**, when two parties who want to establish a business relationship sign a framework or business contract. The contract provides, among other things, agreements for goods or services to be supplied, prices, delivery and payment terms. In the **Implementation phase** the parties carry out the obligations they assumed under the frame or commercial agreement.

The Implementation phase is divided into sub-phases:



Figure 1.2. Sub-phases of the phase "Implementation".

In the phase **Identify basic information** buyer and seller exchange additional information about such things as parties and delivery points and price and selection information.

In the phase **Order/Call-off** the buyer makes a purchase order or a call-off in accordance with what has been agreed in the framework or business contract. The supplier undertakes to deliver in accordance with the terms of the contract. The buyer agrees to reimburse the supplier for goods delivered or services performed.

In the **Deliver** phase delivery is made of what the parties agreed in the phase Order/Call-off.

In the **Pay** phase payment is made for goods delivered or services rendered according to what the parties agreed in the phase Order/Call-off.

The **Post-processing** phase includes all activities and events occurring after the agreed goods or services have been, or should have been, delivered. This can include handling deposits and returns or various warranty obligations.

All the standardized business processes for e-commerce GS1 has developed together with users are part of the phase Implementation and go through the sub-phases which this phase contains.

1.2.1 A business process is composed of collaboration processes

According to GS1 Sweden's model, a business process consists of a number of collaboration processes, which run through the sub-phases of Implementation.

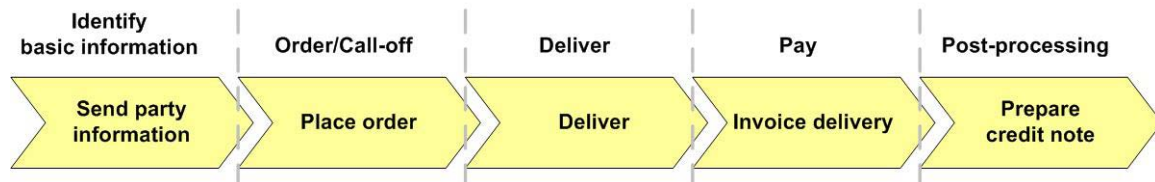


Figure 1.3. Example of a business process that is a set of collaboration processes. The business process runs through the sub-phases of the Implementation phase.

1.2.2 A collaboration process describes how the parties interact

A collaboration process describes how the parties interact and exchange information in a particular area, for example to order goods. The information exchanged is primarily in the form of electronic business documents.

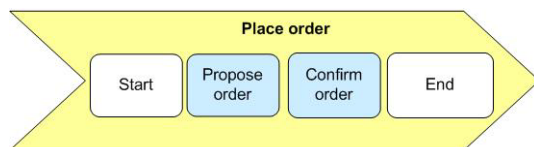


Figure 1.4. Illustration of a collaboration process.

1.2.3 A document exchange describes how the parties exchange a business document

A collaboration process includes one or more document exchanges. A document exchange describes step by step what the sender and recipient should do before a business document is sent and received. This may include how a business document should be approved by an authorised person before it is sent and what checks the recipient of the document should carry out. Document exchange puts the business document in context.

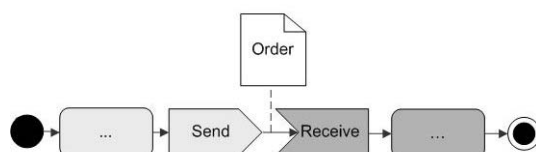


Figure 1.5. Illustration of a document exchange.

1.2.4 A business document specification describes the content of a business document

A business document specification is a description of what information should be included in the electronic business documents exchanged by the parties. By designing an electronic business document such as an order following the business document specification for an order, the parties can be sure that their systems interpret the sent and received information in the same way.

1.3 How to read this guideline

Each collaboration process in the business process is described in a separate chapter in the guideline. A chapter may for example describe the collaboration process of transferring party information. Each chapter usually includes three types of subchapter. Choose which subchapter to read based on what kind of information you need:

- **Collaboration process in summary** provides an overview of how the collaboration process is implemented. Here is a brief description of the collaboration process from start to finish, the conditions to be satisfied before the process can begin and which business documents are included. The information may help business managers to identify the changes and additions to be made in the business for it to function optimally.
- **Implementation** describes in more detail how the collaboration process is implemented. Every document exchange in the collaboration process is described in a separate chapter. The chapters describe step by step what the parties should do and what they need to consider in order to send and receive the business documents included in the collaboration process. This information can provide system developers with an understanding of how a business system should be implemented to manage business documents correctly and efficiently so that the entire business process runs smoothly.
- **Business document specifications** provides an overview of what information is included in the business documents exchanged. It can also include clarification of how a business document specification should be implemented, as well as links to examples.

2 Summary of Call-off from frame contract

Call-off of products and services is based on a frame contract between the buyer and supplier for a specific product range, e.g. food, office products, office furniture, health-care products, pharmaceuticals and similar. ESAP 6 is a solution for making call-offs against a frame contract electronically.

ESAP 6 comprises electronic business messages for the call-off as well as for all other steps in the business process from assortment and price information to despatch advice and invoice.

A call-off can be made with one of the following alternatives:

- **Call-off with price and selection list in the purchasing system:** The buyer creates a call-off using the price and selection information that he has stored in his purchasing system. This information is kept continuously up to date by the supplier.
- **Call-off with price and selection list at the supplier:** When the buyer places an order/call-off in the supplier's web shop or makes a purchase in a store, the supplier can send call-off information to the buyer.
- **Call-off with shopping list:** The buyer downloads a selection (shopping list) of the supplier's range and prices from the supplier's web shop. The call-off is then created in the buyer's purchasing system using the information in the shopping list.

This guideline is common to all three call-off alternatives. The table below shows which chapters are applicable for each alternative.

Table 2.1. Summary of which chapters are applicable for each call-off alternative. Chapters marked with "X" are applicable. Chapters marked with "-" are not applicable.

Chapters	Call-off with price and selection list in the purchasing system	Call-off with price and selection list at the supplier	Call-off with shopping list
Send delivery and payment information	X	X	X
Send party information	X	X	X
Send price and selection information	X	-	-
Prepare call-off using shopping list	-	-	X
Call-off	X	-	X
Call-off at the supplier	-	X	-
Deliver	X	X (N/A for cash-and-carry)	X
Invoice delivery	X	X	X
Pay invoice	X	X	X
Prepare credit note	X	X	X

Each call-off process is described in brief below.

2.1 Call-off with price and selection list in the purchasing system

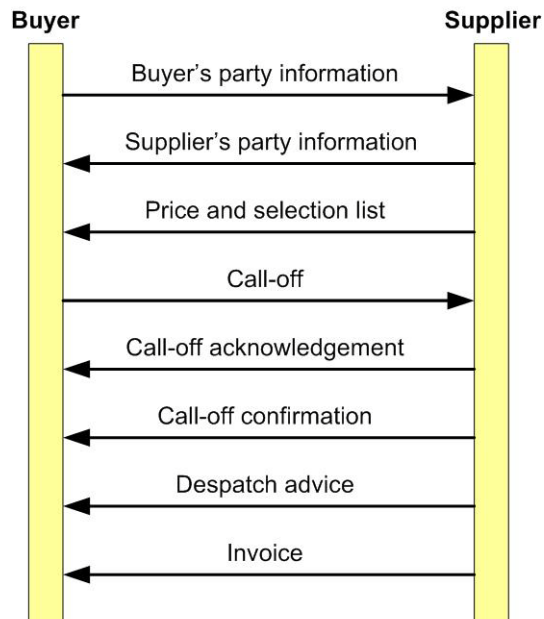


Figure 2.1. Collaboration between buyer and supplier. The arrows represent the business documents that the parties may exchange.

Before the buyer can make the first call-off to the supplier, the parties must exchange basic information. This includes:

- Delivery and payment terms, see chapter [3 Send delivery and payment information](#).
- Party information, see chapter [4 Send party information](#).
- Information about the supplier's selection and prices, see chapter [5 Send price and selection information](#).

That both parties have identical, correct basic information in their systems is a pre-condition for electronic call-off and invoicing.

Price and selection information, together with other basic information, is used as a basis when the buyer creates a call-off. The supplier can respond with a call-off acknowledgement to acknowledge receipt of the call-off or with a call-off confirmation to confirm that the supplier accepts the call-off. If the supplier cannot deliver the items called-off, a call-off confirmation with changes must be sent. Which responses the supplier can use is agreed in the contract. See chapter [7 Call-off](#).

When he is ready to deliver the supplier can send a despatch advice to inform the recipient that the shipment is on its way and what it contains. If the parties have not agreed to use despatch advice, then the delivery note is used for reconciliation. See chapter [9 Deliver](#).

The supplier sends an invoice to the buyer. In order to carry out invoice reconciliation automatically, all content must be linked backed to basic information, call-off, call-off acknowledgement/confirmation and, optionally, despatch advice. See chapter [10 Invoice delivery](#).

The process is complete when the buyer pays the invoice, see chapter [11 Pay invoice](#). If there were errors in the invoice, these are corrected with a credit note. See chapter [12 Prepare credit note](#).

2.2 Call-off with price and selection list at the supplier

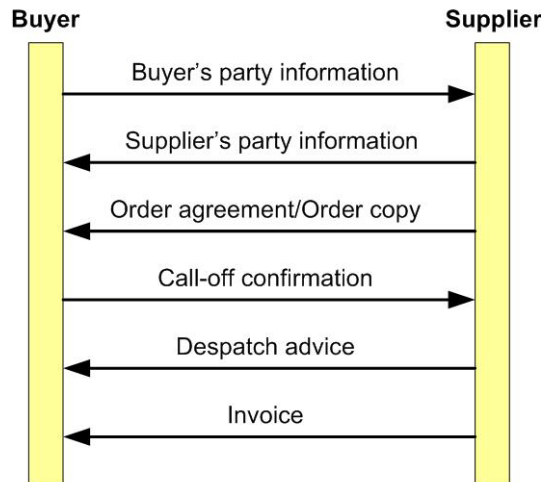


Figure 2.2. Collaboration between buyer and supplier. The arrows represent the business documents that the parties may exchange.

The parties exchange basic information. This includes:

- Delivery and payment terms, see chapter [3 Send delivery and payment information](#).
- Party information, see chapter [4 Send party information](#).

That both parties have identical, correct basic information in their systems is a pre-condition for electronic call-off and invoicing.

There is no requirement to send price and selection information since the buyer makes the call-off directly at the supplier.

The buyer makes a call-off by telephone, telefax or in a web shop. The buyer can also make a cash-and-carry purchase directly in the supplier's store. The buyer receives information about the call-off with an order copy or order agreement. If the supplier finds after checking his stock that he cannot deliver the items, he sends a call-off confirmation with changes (not used for cash-and-carry). See chapter [8 Call-off at the supplier](#).

Delivery of the requested items is made in the same way as for Call-off with price and selection list in the purchasing system, using a despatch advice or picking list, see chapter [9 Deliver](#). If the buyer has chosen to take the items as cash-and-carry, no despatch advice is used.

Invoicing and payment are as for Call-off with price and selection list in the purchasing system. See chapters [10 Invoice delivery](#), [11 Pay invoice](#), [12 Prepare credit note](#).

2.3 Call-off with shopping list

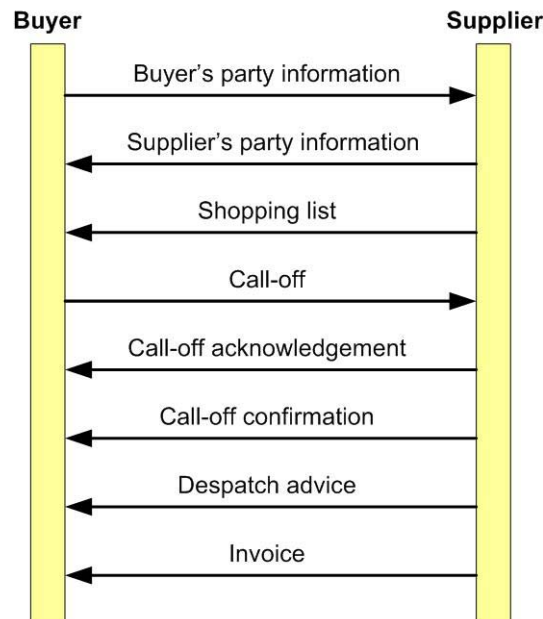


Figure 2.3. Collaboration between buyer and supplier. The arrows represent the business documents that the parties may exchange.

The parties exchange basic information. This includes:

- Delivery and payment terms, see chapter [3 Send delivery and payment information](#).
- Party information, see chapter [4 Send party information](#).

That both parties have identical, correct basic information in their systems is a pre-condition for electronic call-off and invoicing.

The buyer selects items in the supplier's web shop. The supplier sends price and selection information to the buyer with a shopping list. See chapter [6 Prepare call-off using shopping list](#).

The call-off is made in the same way as for Call-off with price and selection list in the purchasing system, with the difference that the shopping list replaces the price and selection list. The shopping list can be regarded as a mini-price list with only those items that are to be called-off. See chapter [7 Call-off](#).

The process then continues as for Call-off with price and selection list in the purchasing system with call-off acknowledgement, possible call-off confirmation (possibly with changes), despatch advice or delivery note, and invoice. See chapters [10 Invoice delivery](#), [11 Pay invoice](#), [12 Prepare credit note](#).

3 Send delivery and payment information

Once the buyer and supplier have concluded a contract they must ensure that delivery and payment terms are entered into their respective business systems.

There are no business document specifications for the transmission of delivery and payment information. The parties must ensure that all necessary information is exchanged in an appropriate manner.

The following points should be covered:

- 1 How often deliveries are to be made.
- 2 When the supplier expects to be paid (usually when delivery has been made).
- 3 Terms of delivery – when responsibility is transferred from the supplier to the buyer.
- 4 Freight charges.
- 5 Agreement on technology discount – can apply if an agreed user profile for e-commerce is used.
- 6 Agreement on invoice discount.
- 7 Payment discounts – rules for calculation of discounts.
- 8 Whether or not back-orders are permitted.
- 9 Conditions under which the supplier can reject an ordered item without offering an alternative delivery date or a substitute item.
- 10 Whether the supplier can replace an ordered item with another.
- 11 If partial deliveries are allowed, i.e. the supplier can deliver some items at a later date.
- 12 If the supplier may deliver later than the buyer's requested delivery date.
- 13 Methods of payment.
- 14 Terms of compensation for sub-standard goods.
- 15 Terms for reimbursement of returnable packaging.
- 16 Terms for other requests for compensation and how this will be made (credit note).

4 Send party information

Once the buyer and supplier have concluded a contract they must exchange contact information such as name, address, company number, VAT registration number, tax status declaration and account number.

That the parties have exactly the same information in their systems is a pre-condition for call-off, delivery and invoicing to work.

In addition to information about the buyer and supplier, details of other roles within each organisation can be exchanged. These might include shipper, if the goods are not shipped from the supplier, or invoice recipient, if the invoice should be sent to other than the buyer's main address.

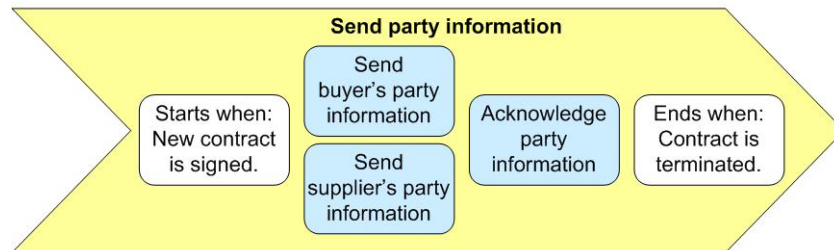


Figure 4.1. Diagram of collaboration process. The white boxes show the start and end conditions of the process. The blue boxes are the components of the implementation.

4.1 Collaboration process in summary

The process starts when the parties have concluded a contract. Both the supplier and buyer send party information to the other.

Both parties can, during the validity of the contract, if required:

- Send information on additional party roles.
- Advise that information about a party role should be changed, for example a new address for an invoice recipient.
- Advise that a previously transmitted party role and its associated data should be deleted from the other party's file.
- In addition, the recipient of a party information message can send a confirmation that the message has been received.

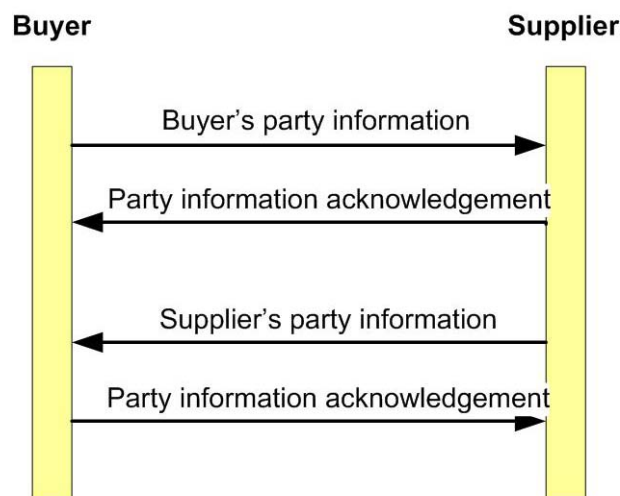


Figure 4.2. Collaboration between buyer and supplier. The arrows represent the business documents that the parties may exchange.

4.1.1 Initial conditions

For the collaboration process to work in the best way, the following conditions must be fulfilled before the process starts:

- 1 A business agreement has been concluded between buyer and seller.
- 2 Both parties have received by mail, fax or otherwise the other party's principal GS1 location number (GLN).
- 3 Both parties have analysed roles and responsibilities within their own organisation. This means being clear who is buyer, goods recipient, invoice recipient, invoicee, etc.
- 4 Both parties have a file of contracting parties and delivery addresses. Each such address must have a location number (GLN) with associated contact information.

4.1.2 Termination conditions

The process runs until the following condition is satisfied:

- The contract has terminated.

4.2 Implementation

This chapter provides a detailed description of how the collaboration process is implemented.

4.2.1 Send buyer's party information

The buyer can use business document specification *Buyer's party information* to:

- Send contact information for party roles to be added to the supplier's system.
- Inform the supplier about changes to previously transmitted party information, for example that the buyer has changed his address. In addition to changing existing information, a change may also be used to add information for a given role. For example, if the supplier has already received information about the buyer's address, contact person, etc and the buyer wishes to add a telephone number.
- Inform the supplier about those roles, for example a goods recipient, that are no longer to be used. The entire record, i.e. all contact information, for this role is deleted (deactivated) in the supplier's system.

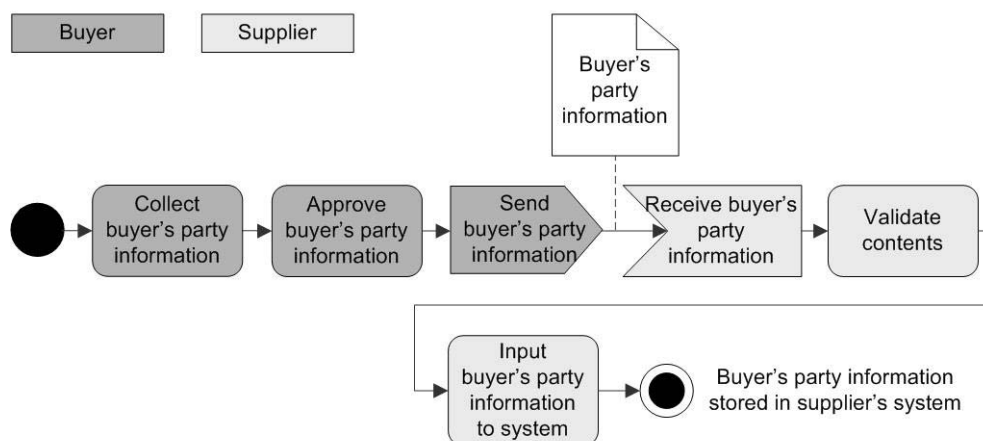


Figure 4.3. Buyer's and supplier's steps when exchanging buyer's party information.

The steps that the parties should take before the business document *Buyer's party information* is sent and after it has been received are described below.

4.2.1.1 Collect buyer's party information

The buyer identifies which items of party information should be sent to the other party. It is essential that the various party roles in the company have been defined and that the individuals responsible have been identified. The roles for which contact information can be sent in this document exchange are:

- Buyer
- Invoicee
- Invoice recipient
- Consignee
- Delivery party
- Authorised orderer

Those items that are relevant for the other party are extracted from the file.

- When party roles are to be **added**, all party information relevant for the other party is extracted from the file.
- When previously transmitted party information is to be **changed**, only the party information to be changed is extracted from the file together with the associated GLN.
- When previously transmitted party information is to be **deleted**, only the GLNs for the party roles to be deleted are extracted from the file.

The business document specification *Buyer's party information* shows which information is included in the business document, see chapter [4.3.1 Buyer's party information](#) for an overview.

4.2.1.2 Approve, send and receive buyer's party information

An authorised signatory approves the buyer's party information document. When the party information has been approved, it is sent to the supplier. In those cases where the parties have agreed that the recipient of a party information document shall acknowledge receipt, the buyer waits for an acknowledgement document. Read about receipt of business documents in appendix [1.1 Receipt and technical validation](#).

4.2.1.3 Validate contents of buyer's party information

Once the buyer's party information has been received by the supplier's system, the following validations of the content of the business document should be made:

- 1 When the document concerns transmission of party information for a **new party role** it must be checked that the GLNs sent in the party information are not already input and ready for use in the system. This is to ensure that several sets of contact information are not associated with the same GLN.
- 2 When the document concerns **change or deletion** of previously transmitted party information it must be checked that the GLNs sent in the party information are already input and active.

Read about exception handling when validating content in appendix [1.2 Handling exceptions](#).

4.2.1.4 Input buyer's party information to system

If the business document validates correctly, the information is input to the supplier's system for further use.

When previously transmitted party information is to be **changed**, the old information which is to be replaced should be inactivated but saved for traceability purposes.

When previously transmitted party information is to be **deleted**, information associated with the GLN should be inactivated. Data which is legally required for bookkeeping must be saved and archived (e.g. buyer's name, VAT number, etc).

4.2.1.5 Next

If the parties have agreed to use acknowledgements, the next step is for the supplier to send an acknowledgement of receipt of party information to the buyer. See chapter [4.2.3 Acknowledge party information](#).

Throughout the validity of the contract the buyer may send updated party information to the supplier.

4.2.2 Send supplier's party information

The supplier can use business document specification *Supplier's party information* to:

- Send contact information for party roles to be added to the buyer's system.
- Inform the buyer about changes to previously transmitted party information, for example that the supplier has changed his address. In addition to changing existing information, a change may also be used to add information for a given role. For example, if the buyer has already received information about the supplier's address, contact person, etc and the supplier wishes to add a telephone number.
- Inform the buyer about those roles that are no longer to be used. The entire record, i.e. all contact information, for this role is deleted (deactivated) in the buyer's system.

The document exchange has the same steps as *Send buyer's party information*, with the roles reversed.

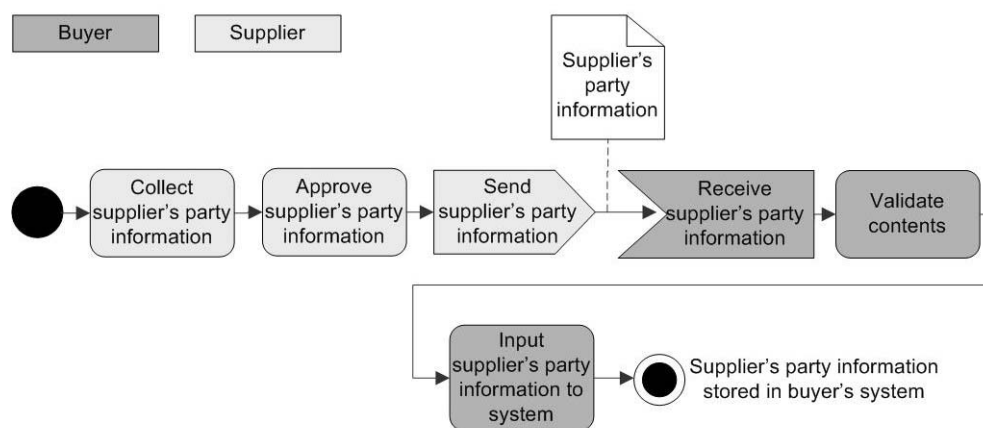


Figure 4.4. Buyer's and supplier's steps when exchanging supplier's party information.

The steps that the parties should take before the business document *Supplier's party information* is sent and after it has been received are described below.

4.2.2.1 Collect supplier's party information

The supplier identifies which items of party information should be sent to the other party. It is essential that the various party roles in the company have been defined and that the individuals responsible have been identified. The roles for which contact information can be sent in this document exchange are:

- Supplier
- Shipper
- Payee

Those items that are relevant for the other party are extracted from the file.

- When party roles are to be **added**, all party information relevant for the other party is extracted from the file.
- When previously transmitted party information is to be **changed**, only the party information to be changed is extracted from the file together with the associated GLN.
- When previously transmitted party information is to be **deleted**, only the GLNs for the party roles to be deleted are extracted from the file.

The business document specification *Supplier's party information* shows which information is included in the business document, see chapter [4.3.2 Supplier's party information](#) for an overview.

4.2.2.2 Approve, send and receive supplier's party information

An authorised signatory approves the supplier's party information document. When the party information has been approved, it is sent to the buyer. In those cases where the parties have agreed that the recipient of a party information document shall acknowledge receipt, the supplier waits for an acknowledgement document. Read about receipt of business documents in appendix [1.1 Receipt and technical validation](#).

4.2.2.3 Validate contents of supplier's party information

Once the supplier's party information has been received by the buyer's system the following validations of the content of the business document should be made:

- 1 When the document concerns transmission of party information for a **new party role** it must be checked that the GLNs sent in the party information are not already input and ready for use in the system. This is to ensure that several sets of contact information are not associated with the same GLN.
- 2 When the document concerns **change or deletion** of previously transmitted party information it must be checked that the GLNs sent in the party information are already input and active.

Read about exception handling when validating content in appendix [1.2 Handling exceptions](#).

4.2.2.4 Input supplier's party information to system

If the document validates correctly, the information is input to the buyer's system for further use.

When previously transmitted party information is to be **changed**, the old information which is to be replaced should be inactivated but saved for traceability purposes.

When previously transmitted party information is to be **deleted**, information associated with the GLN should be inactivated. Data which is legally required for bookkeeping must be saved and archived (e.g. supplier's name, VAT number, etc).

4.2.2.5 Next

If the parties have agreed to use acknowledgements, the next step is for the buyer to send and acknowledgement of receipt of party information to the supplier. See chapter [4.2.3 Acknowledge party information](#).

Throughout the validity of the contract the supplier may send updated party information to the buyer.

4.2.3 Acknowledge party information

When a buyer has received business document *Supplier's party information*, he may send an acknowledgement to the supplier. When a supplier has received business document *Buyer's party information*, he may send an acknowledgement to the buyer. The acknowledgement is transmitted using business document *Party information acknowledgment*.

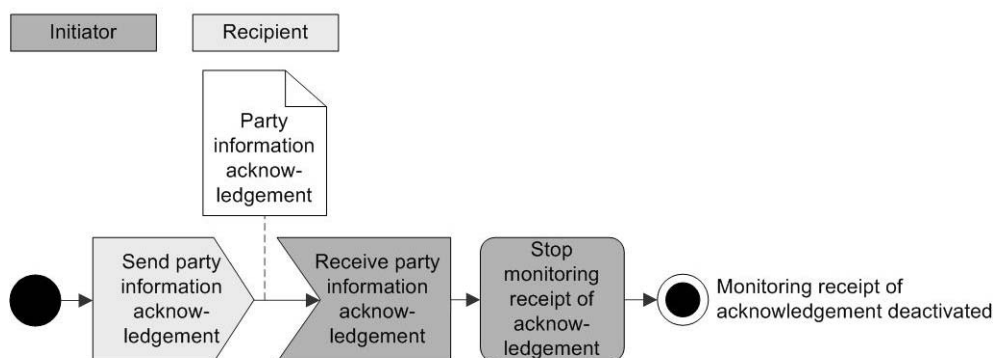


Figure 4.5. Initiator's and recipient's steps when transmitting party information acknowledgment.

The steps that the parties should take before the business document *Party information acknowledgement* is sent and after it has been received are described below.

4.2.3.1 Send and receive party information acknowledgement

The party – buyer or supplier – who has received party information creates and sends the acknowledgement. This confirms that the party information message has been received and that its contents have been processed. The business document specification *Party information acknowledgement* shows which information is included in the business document, see chapter [4.3.3 Party information acknowledgement](#) for an overview. Read about receipt of business documents in appendix [1.1 Receipt and technical validation](#).

4.2.3.2 Stop monitoring receipt of acknowledgement

If the business document validates correctly, the recipient stops monitoring receipt of an acknowledgement.

4.2.3.3 Next

Throughout the validity of the contract the parties may send updated party information to each other.

4.3 Business document specifications

The following chapters give an overview of the information contained in the business documents used for transmitting party information. The chapters also include clarification of how the various business documents should be implemented and links to examples. The complete specifications can be found on www.gs1.se/esap6spec-en.

4.3.1 Buyer's party information

The business document *Buyer's party information* is sent by the buyer to the supplier when one or more buyer party roles is to be added, deleted or changed in the supplier's system.

- When party roles are to be **added**, the business document contains information on one or more new roles at the buyer. A new role is one where the supplier has not yet stored any contact information in his system. The information is intended to be stored in the supplier's system and used in transactions between the buyer and the supplier.
- When party roles are to be **changed**, the business document contains information about one or more existing roles at the buyer. An existing role is one where the supplier has already stored contact information in his system. The information on a role, for example Consignee, sent with the change document is intended to replace the information which the supplier already has stored.
- When party roles are to be deleted, the business document contains information about the role(s) which are to be removed from the supplier's file.

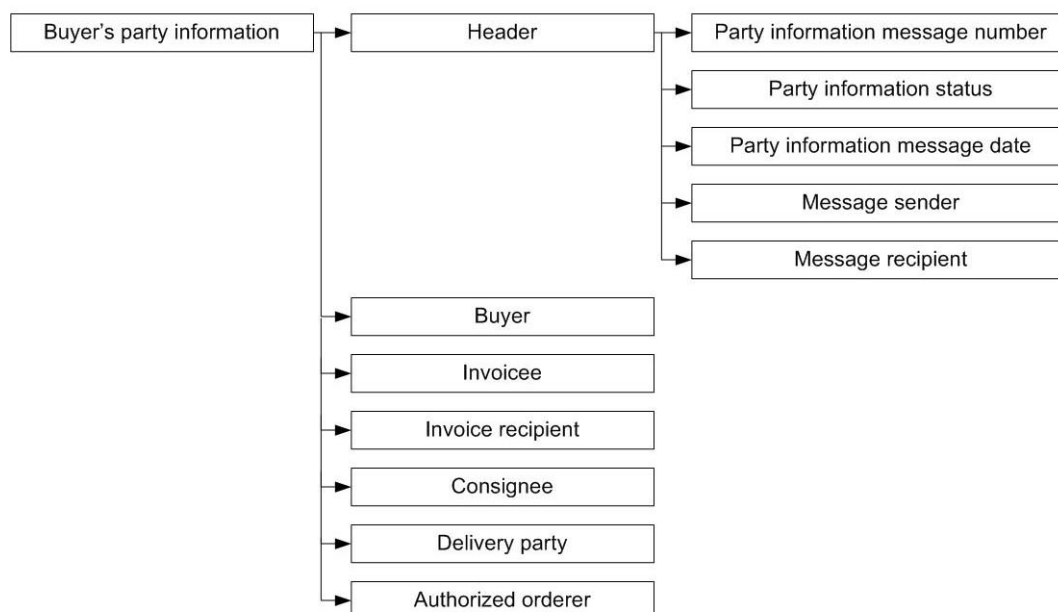


Figure 4.6. Structure of Buyer's party information.

The **Header** contains information that identifies the document and its sender (the buyer) and recipient (the supplier).

The subordinate records **Buyer**, **Invoicee**, **Invoice recipient**, **Consignee**, **Delivery party** and **Authorized orderer** are used as required to transfer information about one or more of these roles. However, at least one of the records must be present in the document. The records contain contact information such as Global Location Number (GLN) and address.

The term T0093 Party information status states whether the message concerns new, changed or deleted party roles.

- For **new** party roles (T0093=2) all relevant contact information, such as GLN and address, is transmitted.
- For **changed** party roles (T0093=4), only the GLNs for the changed party roles, together with the changed information is transmitted.
- For **deleted** party roles (T0093=3), only the GLNs for the deleted party roles are transmitted.

The party role **Authorized orderer** is new and has been added to enable orders for pharmaceuticals from county councils (hospitals) to Apoteket AB. Legislation and procedures require the pharmacy to verify that an order for prescription drugs has been placed by an authorised requestor within the buyer's organisation.

4.3.2 Supplier's party information

The business document *Supplier's party information* is sent by the supplier to the buyer when one or more supplier party roles is to be added, deleted or changed in the buyer's system.

- When party roles are to be **added**, the business document contains information on one or more new roles at the supplier. A new role is one where the buyer has not yet stored any contact information in his system. The information is intended to be stored in the buyer's system and used in transactions between the buyer and the supplier.
- When party roles are to be **changed**, the business document contains information about one or more existing roles at the supplier. An existing role is one where the buyer has already stored contact information in his system. The information on a role, for example Payee, sent with the change document is intended to replace the information which the buyer already has stored.
- When party roles are to be **deleted**, the business document contains information about the role(s) which are to be removed from the buyer's files.

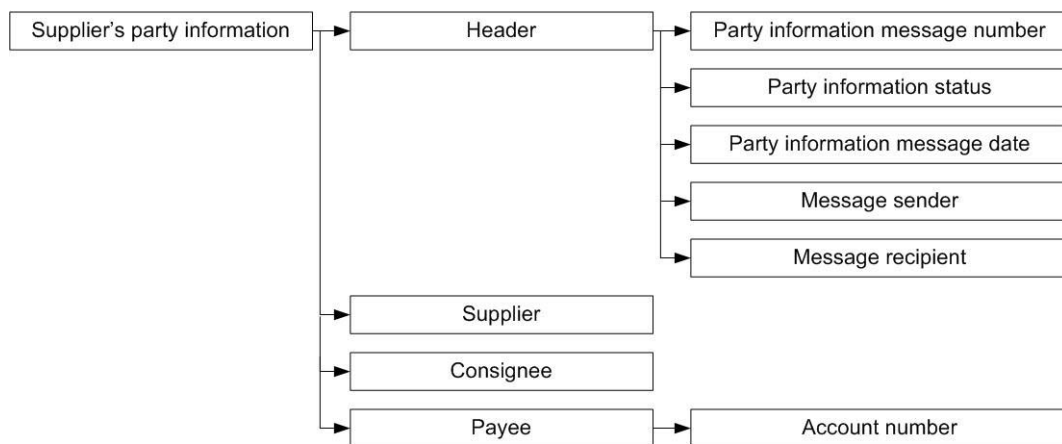


Figure 4.7. Structure of Supplier's party information.

The **Header** contains information that identifies the business document and its sender (the supplier) and recipient (the buyer).

The subordinate records **Supplier**, **Shipper**, and **Payee** are used as required to transfer information about one or more of these roles. However, at least one of the records must be present in the document. The records contain contact information such as location number (GLN) and address.

Supplier's account number contains information on the supplier's bankgiro and/or postgiro numbers. The supplier does not have to provide an account number if a payee is specified.

Payee's account number contains information on the payee's bankgiro and/or postgiro numbers.

The term T0093 Party information status states whether the message concerns new, changed or deleted party roles.

- For **new** party roles (T0093=2) all relevant contact information, such as GLN and address, is transmitted.
- For **changed** party roles (T0093=4), only the GLNs for the changed party roles, together with the changed information is transmitted.
- For **deleted** party roles (T0093=3), only the GLNs for the deleted party roles are transmitted. When an account number is to be deleted, the GLN of the supplier or payee must also be specified.

4.3.3 Party information acknowledgement

Business document *Party information acknowledgement* is sent to confirm that a party information document has been received and validated. The received party information document can be one of the following:

- Supplier's party information
- Buyer's party information

The document consists only of a Header. It contains information that identifies the document and the parties (initiator and recipient) as well as a reference to the document being acknowledged.

5 Send price and selection information

Once the buyer and supplier have concluded an agreement the supplier must keep the buyer updated on the product selection and prices. The buyer must have correct and up-to-date price and selection information in his system throughout the contract's validity in order for call-off and delivery to work accurately and in order to automatically manage and control the invoice.

The first transmission contains the selection of items and prices which the parties have negotiated in the contract. Subsequent changes in prices or selection information can be sent during the contract period.

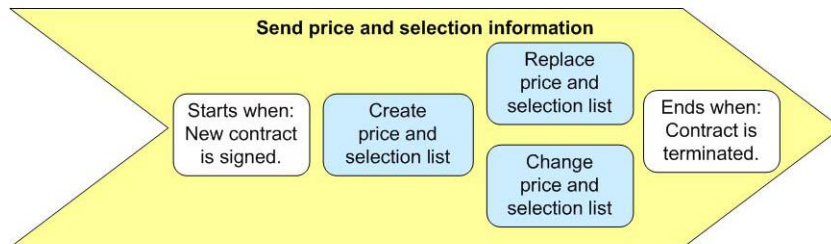


Figure 5.1. Diagram of collaboration process. The white boxes show the start and end conditions of the process. The blue boxes are the components of the implementation.

5.1 Collaboration process in summary

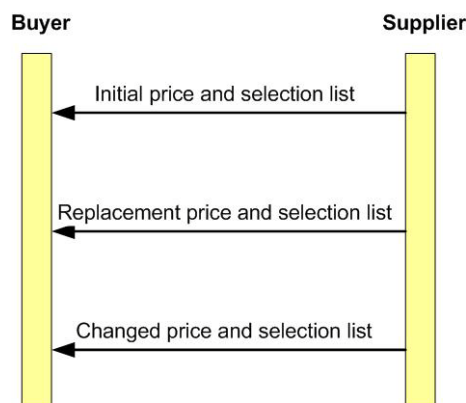


Figure 5.2. Collaboration between buyer and supplier. The arrows represent the business documents that the parties may exchange.

The process is started by the supplier when an Initial price and selection list is sent to the buyer. Initial price and selection list contains the items and prices which the parties have contracted and is used only for the first such transmission. Changes to prices or selection during the contract period are sent using a different method.

During the contract period, the supplier can send changes to the selection and prices. Changes can include addition of a new item, deletion of an existing item, or changes (for example, price) to an existing item. There are two options for communicating changes:

- By sending information only on those items to be changed. Previously transmitted price and selection information is updated with the changes.
- By sending information on all items in the price and selection list – both changed as well as any unchanged. Previously transmitted price and selection information is completely replaced with the new information.

When and how often the supplier can send changes is regulated by the business contract.

5.1.1 Initial conditions

For the collaboration process to work in the best way, the following conditions must be fulfilled before the process starts:

- 1 A business agreement has been concluded between buyer and seller.
- 2 The parties have agreed how changes in prices or selection shall be handled. For example, if prices and selection may be changed during the contract period and, in such case, how often.
- 3 The parties have agreed which item information may be sent- either contracted items only or the supplier's complete product range. Note that special regulations apply for public procurement; see the Swedish Competition Authority's website at www.konkurrensverket.se.
- 4 For items that must be ordered prior to delivery, the buyer and supplier must have agreed how each item shall be ordered and invoiced. For example, if a variable measure item should be ordered by piece or by weight.
- 5 The supplier has allocated article numbers to all items in the price list. To ensure that a package cannot be confused with one from another supplier, the use of GS1 trade item numbers (GTIN) is recommended.

5.1.2 Termination conditions

The process runs until the following condition is satisfied:

- The contract has terminated.

5.1.3 Important information

5.1.3.1 Correct article numbering and trade item information

Trade item information is one of the foundations of communication between trading partners. If it is incorrect there will be errors in all subsequent communication such as orders and invoices. It is therefore absolutely essential that price and selection information transferred from the supplier to the recipient is correct. The key to correct trade item information is that all orderable or billable units of a product can be distinguished. The supplier can ensure this by using article numbering (GTIN).

In addition to article numbering, there are other details which is important for the supplier to include in price and selection information to make it easier for the customer to place correct orders and avoid misunderstandings and incorrect deliveries. These are, for example:

- Whether the item is from stock or to order.
- Returnable packaging details. If returnable packaging is used the information on the GTIN, packaging type, deposit amount, etc. must be included in the price list.
- Environmental or other marks on the package.
- Package hierarchy (e.g. number of bottles in a crate).

5.1.3.2 Price and selection information does not always need to be used in ESAP 6

When the call-off is made against the supplier's catalogue or with a shopping list it is not mandatory to use this collaboration process since price and selection information is sent in the order copy/order agreement or shopping list. The parties can, however, agree that the buyer should receive price and selection information in order to check that correct items and prices have been used.

5.2 Implementation

This chapter provides a detailed description of how the collaboration process is implemented.

5.2.1 Create price and selection list

The supplier sends the business document *Initial price and selection list* only once in a business process, to transfer initial price and selection information to the buyer following an agreement. Updates to

price and selection information during the contract period are made using the business documents *Replacement price and selection list* and/or *Changed price and selection list*.

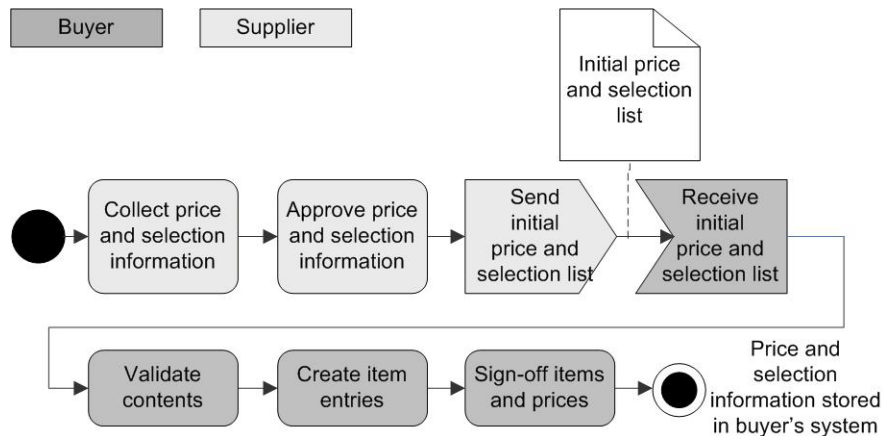


Figure 5.3. Buyer's and supplier's steps when exchanging initial price and selection list.

The steps that the parties should take before the business document *Initial price and selection list* is sent and after it has been received are described below.

5.2.1.1 Collect and approve price and selection information

The supplier identifies which price and selection information should be sent to the buyer according to the contract. The parties may, for example, have agreed that only the selection specified in the agreement should be transmitted or that other items outside the frame contract can be included. The information is extracted from the file.

The business document specification *Initial price and selection list* shows which information is included in the business document, see chapter [5.3.1 Initial price and selection list, ESAP 6](#) for an overview.

An authorised signatory approves the price and selection information.

5.2.1.2 Send and receive initial price and selection list

An authorised signatory approves the price and selection information. When the price and selection information has been approved, it is sent to the buyer. Read about receipt of business documents in appendix [1.1 Receipt and technical validation](#).

5.2.1.3 Validate contents of initial price and selection list

Once the price and selection information has been received by the buyer's system, the following validations of the content of the business document should be made:

- 1 That the selection corresponds to that specified in the contract.
- 2 That prices correspond to those specified in the contract.
- 3 That all essential item information is present, so that orders can be placed without risk of incorrect deliveries and misunderstandings.

Read about exception handling when validating content in appendix [1.2 Handling exceptions](#).

5.2.1.4 Create item entries

If the document validates correctly, the information is input to the buyer's system. Records are created in the buyer's item database for those items sent in an initial price and selection list. Each record includes a reference to the initial price and selection list number, contract, supplier and validity period.

5.2.1.5 Sign-off items and prices

An authorised person approves the transmitted price and selection information. The selection is then made available for ordering. An indication that the information has been checked, approved, and locked against unauthorised changes enables invoices to be processed fully automatically at a later stage.

5.2.1.6 Next

Throughout the validity of the contract the supplier may send updated price and selection information to the buyer. This is done by sending either a *Replacement price and selection list* or a *Changed price and selection list*. This is described in the following chapters.

5.2.2 Replace price and selection list

When the price and selection information needs to be updated the supplier may do so by sending a *Replacement price and selection list*. This information replaces the price and selection information previously sent.

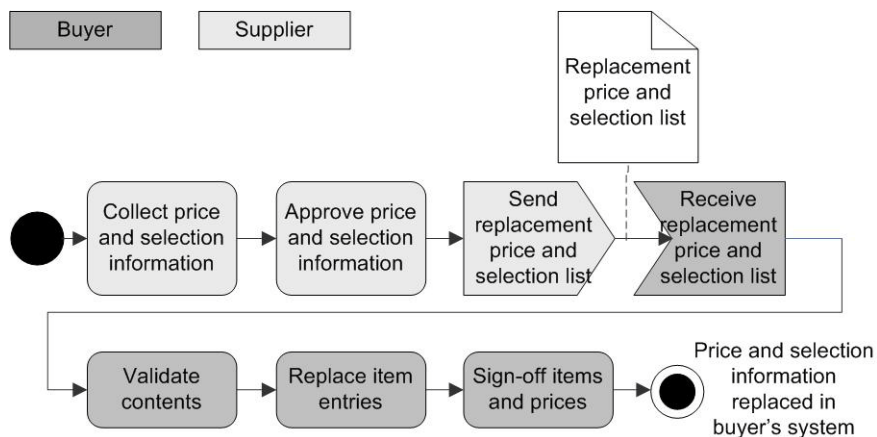


Figure 5.4. Buyer's and supplier's steps when exchanging replacement price and selection list.

The steps that the parties should take before the business document *Replacement price and selection list* is sent and after it has been received are described below.

5.2.2.1 Collect and approve price and selection information

The supplier identifies which price and selection information should be sent to the buyer. Since a replacement price and selection list completely supersedes any information transmitted previously, the entire contracted selection must be included. This means that a replacement price and selection list includes information on both changed and unchanged items in the selection. The information is collected from the article database.

The business document specification *Replacement price and selection list* shows which information is included in the business document, see chapter [5.3.2 Replacement price and selection list, ESAP 6](#) for an overview.

An authorised signatory approves the price and selection information.

5.2.2.2 Send and receive replacement price and selection list

When the price and selection information has been approved, it is sent to the buyer. When and how often a replacement price and selection list can be sent is specified in the commercial agreement. Read about receipt of business documents in appendix [1.1 Receipt and technical validation](#)

5.2.2.3 Validate contents of replacement price and selection list

Once the price and selection information has been received by the buyer's system, the following validations of the content of the business document should be made:

- 1 That there is a reference to the immediately preceding price and selection list.
- 2 That the replacement price and selection list has been sent at a time and with a frequency consistent with the agreed terms for price and selection changes.
- 3 That the selection and any changes correspond to those specified in the contract.
- 4 That prices and any changes correspond to those specified in the contract.

- 5 That all essential item information is present, so that orders can be placed without risk of incorrect deliveries and misunderstandings.

Read about exception handling when validating content in appendix [1.2 Handling exceptions](#).

5.2.2.4 Replace item entries

If the document validates correctly, the information which has been sent in the price and selection list is saved in the buyer's system, as follows:

- 1 Those item records from the immediately previous price and selection list are marked as unavailable for ordering.
- 2 New item records are created in the buyer's database for those items in the replacement price and selection list.
- 3 For each item, a reference is kept to the replacement price and selection list, the contract, the supplier and validity period.

The deactivated item records can be removed from the database only when they are no longer needed for control and reconciliation of invoices. Removal can only occur if the invoice has been saved as a complete, human-readable document, i.e. with all information in plain text.

5.2.2.5 Sign-off items and prices

An authorised person approves the transmitted price and selection information. The selection is then made available for ordering. An indication that the information has been checked, approved, and locked against unauthorised changes enables invoices to be processed fully automatically at a later stage.

5.2.2.6 Next

Throughout the validity of the contract the supplier may send updated price and selection information to the buyer. This is done by sending either another *Replacement price and selection list* or a *Changed price and selection list*. This is described in the following chapter.

5.2.3 Change price and selection list

When the price and selection information needs to be updated the supplier may do so by sending a *Changed price and selection list*. A changed price and selection list only includes information on items which have changed since the last price and selection list was transmitted.

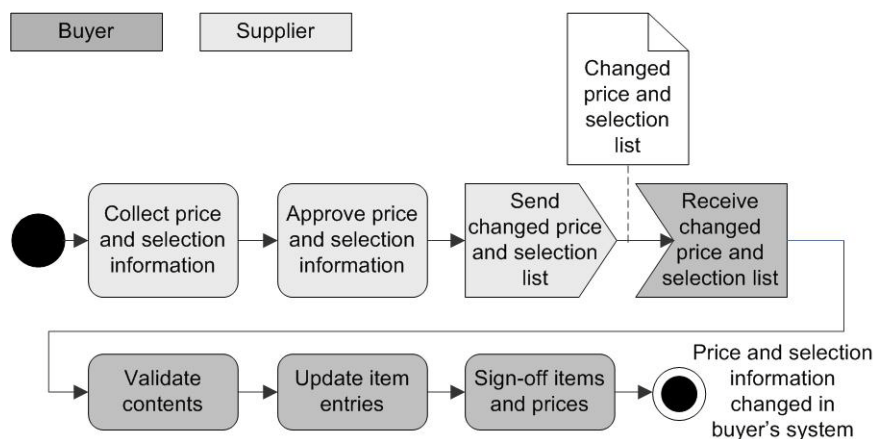


Figure 5.5. Buyer's and supplier's steps when exchanging changed price and selection list.

The steps that the parties should take before the business document *Changed price and selection list* is sent and after it has been received are described below.

5.2.3.1 Collect and approve price and selection information

The supplier identifies which price and selection information should be sent to the buyer. A changed price and selection list shall only include information on items which have changed since the last price and selection list was transmitted. The information is collected from the article database.

The business document specification *Changed price and selection list* shows which information is included in the business document, see chapter [5.3.3 Changed price and selection list, ESAP 6](#) for an overview.

An authorised signatory approves the price and selection information.

5.2.3.2 Send and receive changed price and selection list

When the price and selection information has been approved, it is sent to the buyer. When and how often a changed price and selection list can be sent is specified in the commercial agreement. Read about receipt of business documents in appendix [1.1 Receipt and technical validation](#).

5.2.3.3 Validate contents of changed price and selection list

Once the price and selection information has been received by the buyer's system, the following validations of the content of the business document should be made:

- 1 That there is a reference to the immediately preceding price and selection list.
- 2 That the changed price and selection list has been sent at a time and with a frequency consistent with the agreed terms for price and selection changes.
- 3 That the selection and any changes correspond to those specified in the contract.
- 4 That prices and any changes correspond to those specified in the contract.
- 5 That all essential item information is present, so that orders can be placed without risk of incorrect deliveries and misunderstandings.

Read about exception handling when validating content in appendix [1.2 Handling exceptions](#).

5.2.3.4 Update item entries

If the document validates correctly, the information which has been sent in the price and selection list is saved in the buyer's system, as follows:

- 1 For addition of an item, a new record is created for this item in the buyer's database.
- 2 For deletion of an item, the item is marked as unavailable for ordering.
- 3 For changes (for example a price change) to an item, the item record is updated in the database.

Each item record should include a reference to the changed price and selection list, the previous price and selection list, the contract, the supplier and validity period. This also applies to non-contracted items included in the same price and selection list.

Deactivated or changed item records can be removed from the database only when they are no longer needed for control and reconciliation of invoices. Removal can only occur if the invoice has been saved as a complete, human-readable document, i.e. with all information in plain text.

5.2.3.5 Sign-off items and prices

An authorised person approves the transmitted price and selection information. An indication that the information has been checked, approved, and locked against unauthorised changes enables invoices to be processed fully automatically at a later stage.

5.2.3.6 Next

Throughout the validity of the contract the supplier may send updated price and selection information to the buyer. This is done by sending either another *Changed price and selection list*, or a *Replacement price and selection list*, which was described in the previous chapter.

5.3 Business document specifications

This chapter gives an overview of the information contained in the business documents used for transmitting price and selection information. The chapters also include clarification of how the various business documents should be implemented and links to examples. The complete specifications can be found on www.gs1.se/esap6spec-en.

5.3.1 Initial price and selection list, ESAP 6

Business document *Initial price and selection list* is sent from the supplier to the buyer. It contains information on the item selection and prices. Note that Initial price and selection list is only used the first time the supplier sends price and selection information to the buyer for a given contract. Changes in prices and/or selection are sent with Changed price and selection list and/or Replacement price and selection list.

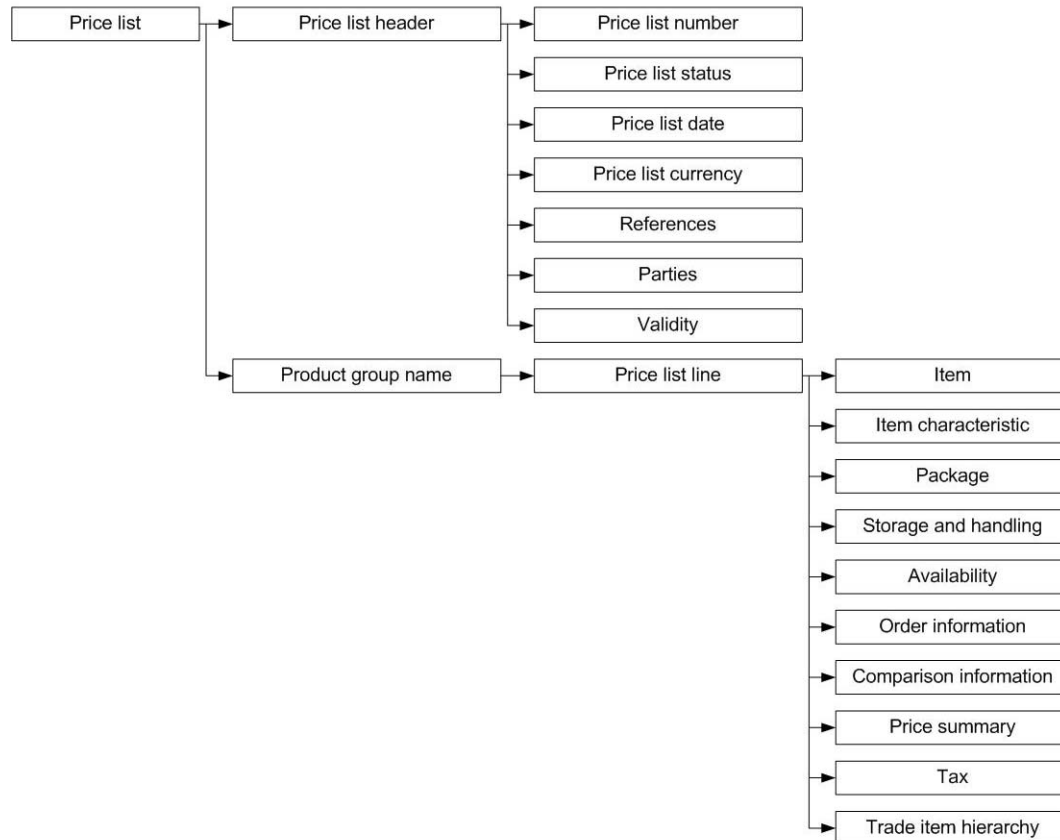


Figure 5.6. Structure of Initial price and selection list.

The following is additional information about the content of an initial price and selection list.

5.3.1.1 Product grouping

Product group information has no significance to the information exchange but can be a requirement for certain auxiliary functions in the buyer's system, for example searching on contracted items before a call-off or statistical analysis. There are two ways of describing product grouping - Either by classifying each individual item or by using the grouping structure of the price list.

- 1 The grouping structure of the price list is not used.** (T0010 Product group type is set to '2'). Classification is done at the item level with the terms T1106, Product classification code, and T1139, Product classification system, code. Each item can belong to one or more product groups. Some examples of classification systems are UNSPSC, Dabas or the supplier's own system.
- 2 The grouping structure of the price list follows the supplier's system for catalogue or product groups** (T0010, Product group type is set to '3 or '11' respectively). The supplier's catalogue or product group is specified in T0011, Product group code, and T0012, Product group name.

Note that product group membership for an item can be changed with Changed price and selection list (applies to both options above). Regardless of which alternative is chosen, systems should be designed so that they support different sort sequences and allow item search using different product classification systems.

5.3.1.2 Price

For each orderable item a price must be given. Prices are always stated nett (with fixed discounts applied), excluding VAT and other taxes. The price shall be specified as one of the following types.

- 1 "T0029 Contract price" – the unit price fixed in the frame contract.
- 2 "T0182 Discount price" – the unit price offered by the supplier for items outside the frame contract.
- 3 "T0203 Current price" – the unit price which according to contract may vary on a daily basis during the contract term. Typically used for fruit and vegetables.
- 4 "T0238 Current price, discounted" – The current price by the supplier for items outside the frame contract.

When using Current price, the following is recommended:

- That price list changes are not made for each and every price change but rather an appropriate frequency is agreed between the parties.
- That the buyer defines specific rules for price checks in the invoice for such items. For example by specifying a limit on how much the invoiced price may vary from the current price in the valid price list.

Only one price per orderable item shall be given with the exception of step based pricing (see below). In such cases, a price is specified for each step. For non-orderable items no price shall be given.

5.3.1.3 Quantity steps - step based pricing

When the price of an item depends on the quantity ordered, this is specified in the price list with quantity steps. One price per step is given. The terms "T0079, Quantity threshold" and "T0080, Quantity ceiling" are used to define the step.

Quantity steps can be used in two ways:

- 1 **Consecutive intervals**, e.g. 1-100, 101-200, 201-300
The price given for an interval applies only to that portion of the ordered quantity that falls within the interval.
- 2 **Overlapping intervals**, e.g. 1-100, 1-200, 1-300.
The ordered quantity determines which of the alternative intervals applies. The price in this interval applies to the whole quantity ordered.

When using quantity steps a unit of measure must always be specified, even if this is 'each'. The unit of measure is given in term "T0081 Unit of measurement for range" and shall be the same as that used for ordering or pricing.

Another possible alternative for stepped prices is by date (T0004 – T0005 for the line item prices) and can be used, for example, for promotions within the price list validity period. If this alternative is used it must be in accordance with the frame contract.

5.3.1.4 Taxes

The appropriate tax type(s) and rate(s) must be specified for each item.

- Value added tax (VAT) shall always be specified, even if the item is VAT-exempt, in which case the tax category (T0197) should be set to "E".
- Environment tax (ENV) shall only be specified if applicable.

Table 5.1. Possible combinations of T0194 Tax type, T0197 Tax category and T0195 tax rate.

T0194 Tax type	T0197 Tax category	T0195 Tax rate
VAT - Value added tax	B - Limited right for deduction	Percent
VAT	E - Excluded from VAT	-
VAT	H - Hotel, camping etc.	Percent
VAT	L - Public service	Percent

Table 5.1. Possible combinations of T0194 Tax type, T0197 Tax category and T0195 tax rate.

T0194 Tax type	T0197 Tax category	T0195 Tax rate
VAT	M - Grocery	Percent
VAT	R - Restaurant services	Percent
VAT	S - Standard	Percent
VAT	Z - Zero % tax	0
ENV - Environmental tax	S - Standard rate	Percent

5.3.1.5 Package hierarchy

Package hierarchy is used to describe a primary package when it is a multipack or a mixed pack.

- When the primary package is a multipack, the package hierarchy refers to the single primary package that is contained in the multipack. For example, if the primary package is a six-pack of soft drink, then the package hierarchy identifies the individual can.
- If the primary package is a mixed pack, then the package hierarchy identifies the various primary packages that are contained in the mixed pack. There is one occurrence of package hierarchy per primary package contained.

5.3.2 Replacement price and selection list, ESAP 6

Business document *Replacement price and selection list* is sent from the supplier to the buyer. It contains information on the item selection and prices which is to replace previously transmitted information.

The structure of and business terms in Replacement price and selection list are very like the business document Initial price and selection list. Since a replacement price and selection list shall completely replace previously transmitted information, it must include the entire contracted selection. This means that a replacement price and selection list includes both changed and unchanged items. The differences from Initial price and selection list are as follows:

- "T0002 Price list status". To indicate a replacement price list, use code '5'.
- "T0006 Reference to price list". Identity of the price list which this is replacing.
- It is possible to describe the connection between a replacement and replaced item. This is done by specifying the identity of the replaced item in the class Replaced item identity.
- "T0205 Price change reason code". This can be used to clarify why the price of this item has changed.

5.3.3 Changed price and selection list, ESAP 6

Business document *Changed price and selection list* is sent from the supplier to the buyer. It is used to update price and selection information. Only information that has changed since the last price and selection list is transmitted.

The structure of and business terms in Changed price and selection list are very like the business document Initial price and selection list. The differences from Initial price and selection list are as follows:

- "T0002 Price list status". To indicate a replacement price list, use code '4'.
- "T0006 Reference to price list". Identity of the previous price list which is being changed.
- Validity period for the price list applies to all items, both those sent in the changed price and selection list and those that 'remain' from the previous price list.
- For each item, an indication shall be given of what action is to be taken for this item: addition, deletion or change. This is done with "T0056 Price list line action code". The information included for a given item depends on the action to be taken as follows:
 - a) For addition of a new item, all information is included as in Initial price and selection list.
 - b) For deletion of an item, only the item identification need be transmitted. If a link is required between a replaced item and its replacement, then the identity of the replacement can be

included.

c) For change to an item, the item identification and any changed data (e.g. price) are sent. Other information that is already in the buyer's database should not be retransmitted.

- It is possible to describe the connection between a replacement and replaced item in two ways:
 - a)** To specify which item the new item replaces, give the identity of the replaced item in the class Replaced item identity. Include a line in the same business document where the replaced item is specified as 'deleted'.
 - b)** To specify which item should be deleted, use the class Replacement item identity. The replacement item is specified as 'new'. Include a line in the same business document where the replaced item is specified as 'deleted' and the identity of the replacement item is given in the class Replacement item identity.
- T0205 Price change reason code. This can be used to clarify why the price of this item has changed.

6 Prepare call-off using shopping list

This chapter is applicable for call-off alternative Call-off with shopping list. It is not applicable for call-off alternatives Call-off with price and selection list in the purchasing system or Call-off with price and selection list at the supplier.

Shopping list can be used by the buyer to download a selection of items and prices from a supplier for use in his internal decision process. The buyer can subsequently create an order using information in the shopping list thus avoiding having to store the entire contracted selection in his system. A pre-condition for this process is that there is a frame contract between the parties. Shopping list is particularly appropriate when the items are not standard but require some form of configuration.

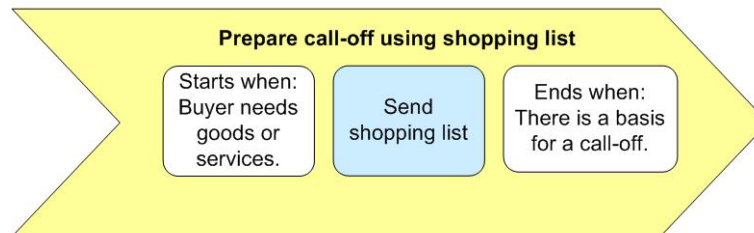


Figure 6.1. Diagram of collaboration process. The white boxes show the start and end conditions of the process. The blue boxes are the components of the implementation.

6.1 Collaboration process in summary

The process starts when the buyer decides to request information on part of the selection agreed in the frame contract with the supplier. The process then runs through the following steps:

- 1 The buyer/requisitioner selects items in the supplier's web shop where he can get help to configure the items to his requirements, for example appropriate components to a PC bundle.
- 2 The supplier sends a shopping list message to the buyer. This contains information on the items chosen such as price and quantity.
- 3 The price and selection information for the chosen items is input to the buyer's system where it is available as a basis for creating a call-off. The call-off process continues as for collaboration process Call-off.

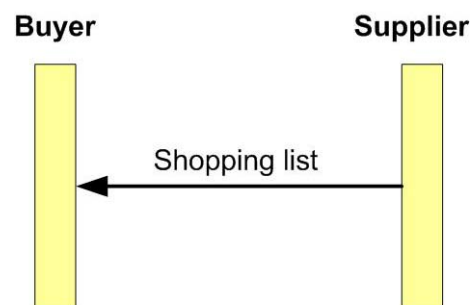


Figure 6.2. Collaboration between buyer and supplier. The arrows represent the business document that the parties exchange.

6.1.1 Initial conditions

For the collaboration process to work in the best way, the following conditions must be fulfilled before the process starts:

- 1 A frame contract has been concluded between buyer and supplier.
- 2 The parties have agreed on delivery and payment terms.
- 3 Party information has been input to both the buyer's and the supplier's systems.
- 4 The selection agreed in the frame contract is available for call-off in the supplier's web shop.

6.1.2 Termination conditions

The process runs until the following condition is satisfied:

- The buyer has processed the information and input it to his purchasing system. The information is available as a basis for a call-off.

6.1.3 Important information

6.1.3.1 Price and selection information not mandatory

The shopping list contains all the item information for the chosen selection that is required in order to place an order. It is therefore not mandatory for the parties to exchange price and selection information (BDS 6.1.1/BDS 6.1.2).

6.1.3.2 Examples of actions that can be taken to ensure correct use of shopping list

To ensure that shopping list is not misused, one or more of the following actions might be taken:

- The supplier can configure his web shop so that the requisitioner can only access the contracted selection.
- The buyer can ensure that requisitioners using shopping list are trained in its use.
- The buyer can establish a clear routine for sign-off of call-off which also takes into account contractual conditions.
- When the frame contract supplier changes, the buyer can “uninstall” the previous supplier to avoid orders being placed in the wrong web shop.

6.2 Implementation

This chapter provides a detailed description of how the collaboration process is implemented.

6.2.1 Send shopping list

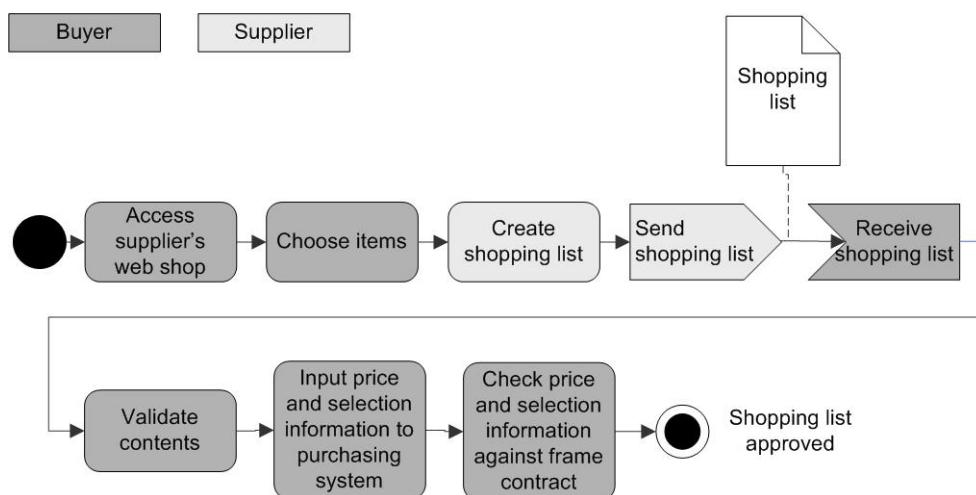


Figure 6.3. Buyer's and supplier's steps when exchanging shopping list.

The steps that the parties should take before the business document *Shopping list* is sent and after it has been received are described below.

6.2.1.1 Access supplier's web shop and choose items

The requisitioner accesses the supplier's web shop. The web shop can be configured so that some sort of identification is necessary for access. How this is done is not specified in this handbook. Some examples are single sign-on or logon with an id and password.

The requisitioner chooses items by searching through the contracted selection in the web shop. The supplier's item database includes information on the item, manufacturer, price, etc.

6.2.1.2 Create shopping list

A shopping list is created based on the information the requisitioner enters in the web shop. The business document specification *Shopping list* shows which information is included in the business document, see chapter [6.3.1 Shopping list](#) for an overview.

6.2.1.3 Send and receive shopping list

The supplier sends the shopping list to the buyer. Read about receipt of business documents in appendix [1.1 Receipt and technical validation](#).

6.2.1.4 Validate contents of shopping list

Once the shopping list has been received by the buyer's system, the following validations of the content of the business document should be made:

- 1 That the shopping list number (if used) has not previously been used by the supplier, that is that there are no duplicates. To ensure that duplicates are not created the supplier can use GDTI as an identity for the shopping list.
- 2 That the document date (if used) is reasonable.
- 3 If more than one frame contract is in place between the buyer and supplier a reference to the frame contract must be included in the shopping list. If the reference is not present it is assumed that only one contract exists.
- 4 That a reference to a price list (if used) is correct.
- 5 That the identities (GLN - if used) of the supplier, buyer and requisitioner in the message header agree with those already exchanged between the parties.
- 6 That all necessary trade item information is present to ensure that an order can be placed without incorrect delivery and misunderstandings.

Read about exception handling when validating content in appendix [1.2 Handling exceptions](#).

6.2.1.5 Input price and selection information to purchasing system

If the document validates correctly, the buyer inputs the price and selection information in the shopping list to his purchasing system.

6.2.1.6 Check price and selection information against frame contract

An authorised person then checks that the transmitted price and selection information agrees with that in the frame contract. Since the buyer does not have a price list, this cannot be done automatically. The contracted selection and prices are the basis for subsequent orders. The buyer should establish a routine for checking the shopping list content against the frame contract.

6.2.1.7 Next

The information is then available for use as a basis for Call-off. Read more about the call-off process in chapter [7 Call-off](#).

6.3 Business document specification

The following chapter gives an overview of the information contained in the business document used for transmitting shopping list information. The chapter also includes clarification of how the business document should be implemented and links to examples. The complete specifications can be found on www.gs1.se/esap6spec-en.

6.3.1 Shopping list

Business document *Shopping list* is sent from the supplier to the buyer. It contains information about a selection of contracted items.

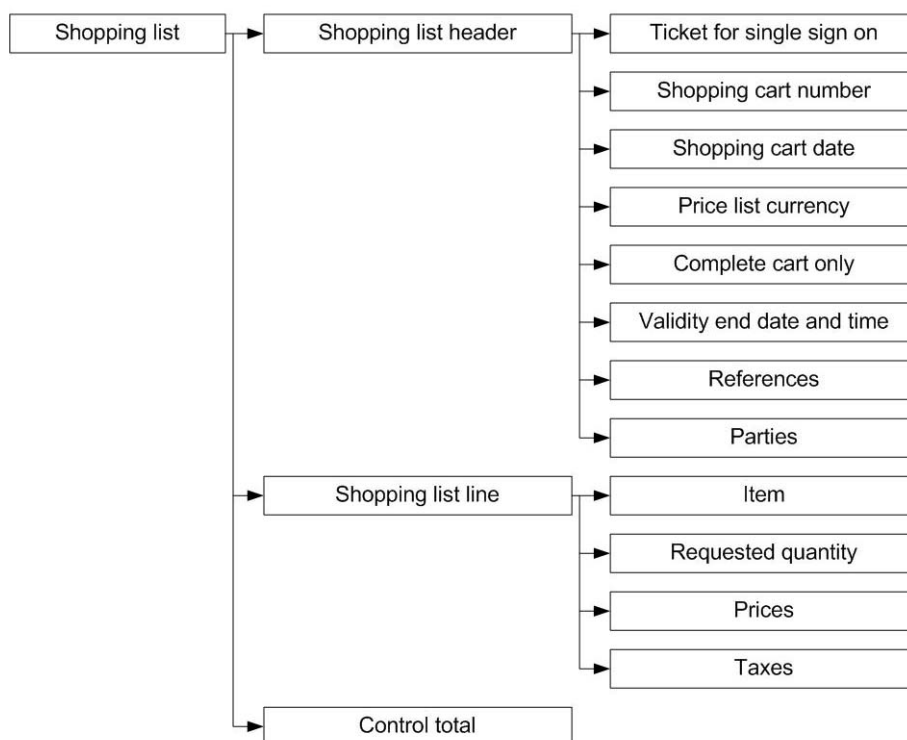


Figure 6.4. Structure of Shopping list.

6.3.1.1 Shopping list header

The header contains:

- Ticket for single sign on.
- Identification of the shopping list message.
- The date the message was created.
- References to contract and price list.
- Identification of the parties involved: supplier, buyer, authorised orderer.
- Price list currency.
- Whether or not the shopping list must be ordered in its entirety.
- Specification of how long the information in the shopping list is valid.

6.3.1.2 Shopping list line

A line occurs once per item. It contains:

- The date from which the item can be ordered.
- The lead time for the item.
- An instruction to the supplier. This can be used if the buyer needs to inform the supplier that the item must be handled specially on delivery.
- The identity of the item.
- A description of the item in plain text.
- The identity of the manufacturer.
- Product classification. This can be used, for example, to allocate the correct cost centre in the buyer's system. It can also be used to aggregate sales statistics.
- Requested quantity for this item.
- Price of this item.

- Taxes for this item: type, rate and category.

6.3.1.3 Control total

The control total contains control information.

7 Call-off

This chapter is applicable for call-off alternatives Call-off with price and selection list in the purchasing system and Call-off with shopping list. It is not applicable for call-off alternative Call-off with price and selection list at the supplier.

The buyer creates a call-off based on the price and selection information that he has in his business system. This information has been received previously in a price and selection list (applies for call-off alternative Call-off with price and selection list in the purchasing system) or a shopping basket (applies for call-off alternative Call-off with shopping list).

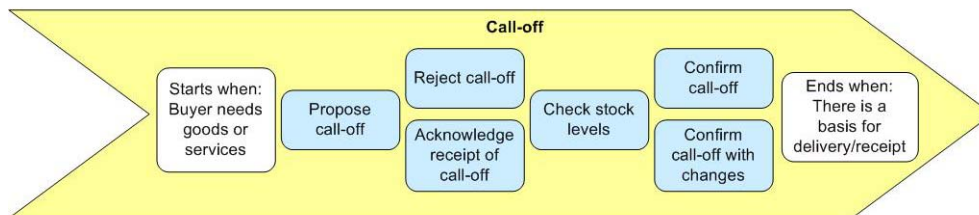


Figure 7.1. Diagram of collaboration process. The white boxes show the start and end conditions of the process. The blue boxes are the components of the implementation.

7.1 Collaboration process in summary

The process is started when the buyer decides to make a *call-off* to satisfy requirements for a product or service. After that the following takes place:

- 1 The buyer sends a call-off to the supplier.
- 2 The supplier receives the call off and validates it, that is, checks that the information in the call-off is correct. Examples of validations are: that the party identification for buyer and supplier are correct, that the call-off number has not been used previously by the buyer, that a correct reference to a price list is present.
 - If validation shows that **the Call-off is not correct**, the supplier can send a *Call-off rejection* to the buyer to indicate that he cannot accept the call-off.
 - If validation shows that **the Call-off is correct**, the supplier can send a *Call-off acknowledgement* to the buyer which means that the call-off is accepted, but not yet checked against stock levels.
- 3 The supplier checks the call-off against his stock.
 - If stock control shows that **the supplier can deliver as requested** the supplier can send a *Call-off confirmation*, which means that he takes responsibility to deliver as requested.
 - If stock control shows that **the supplier can deliver as requested with some changes**, the supplier can send a *Call-off confirmation with changes*. Changes can include a different delivery date or substitute item. The parties have agreed what changes can be made.
 - If **the supplier cannot deliver as requested** (or with agreed changes) the supplier can reject the call-off by sending a *Call-off confirmation with changes*. The confirmation message rejects all called-off items and thus constitutes a rejection.

The parties have agreed which response message they shall use.

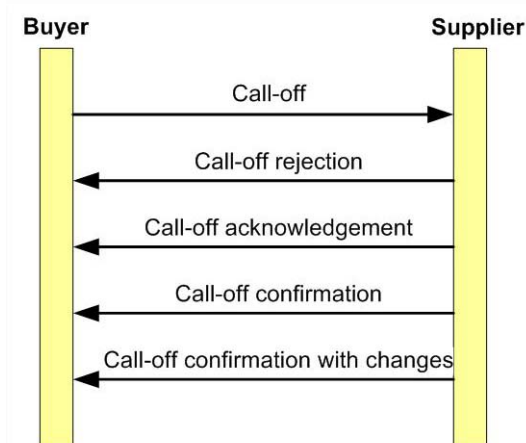


Figure 7.2. Collaboration between buyer and supplier. The arrows represent the business documents that the parties may exchange.

7.1.1 Initial conditions

For the collaboration process to work in the best way, the following conditions must be fulfilled before the process starts:

- 1 A business agreement has been concluded between buyer and supplier.
- 2 Buyer and supplier have agreed delivery and payment terms. These include agreement on what changes the supplier may make in respect of a called-off item.
- 3 Party information for both buyer and supplier is available in both the buyer's and supplier's system.
- 4 A valid product selection is available to both parties for call-off/ordering.
- 5 Buyer and supplier have agreed conditions for changing a call-off, i.e. how Call-off acknowledgement, Call-off confirmation and Call-off confirmation with changes are to be used.
- 6 Buyer and supplier have agreed if a call-off may or may not be confirmed more than once, i.e. if more than one Call-off confirmation can be sent for the same Call-off.
- 7 Buyer and supplier have agreed whether acknowledgements will be used for confirmations in the event that they are agreed that more than one confirmation can be sent for the same Call-off.

7.1.2 Termination conditions

The process runs until one of the following conditions are satisfied:

- 1 **The supplier has rejected the call-off.** This can be done by sending a Call-off rejection or Call-off confirmation with changes, or verbally (depending on the circumstances and what has been agreed between the parties). A rejection means that the supplier does not accept the call-off and will not deliver the ordered items to the buyer, **or**
- 2 **The supplier has confirmed the call-off.** This can be done by sending a Call-off acknowledgement, Call-off confirmation or Call-off confirmation with changes, or implicitly, i.e. passive accept (depending on the circumstances and what has been agreed between the parties). Confirmation of a call-off means that all necessary information about the upcoming delivery has been exchanged, the buyer has the basis for receipt reconciliation and the supplier knows exactly what is to be delivered. Everything is in order for the next phase, Deliver, to start.

7.1.3 Important information

7.1.3.1 Reference to call-off

A call-off response shall refer to exactly one call-off.

7.1.3.2 Handling receipts for Call-off confirmations

If the parties have agreed that more than one confirmation can be sent for the same Call-off, receipts are recommended. In this way the sequence of the Call-off confirmation documents can be ensured.

A receipt message from the buyer's system must arrive before a further Call-off confirmation for the same call-off can be sent by the supplier. The parties must therefore agree a period (in minutes) during which the buyer's system which has received the Call-off confirmation must create and send a receipt message to the sending system at the supplier. The Technical Appendix to the interchange agreement specifies the item period for receipts. It must be ensured that the receiving EDI system reads the Business documents in the correct sequence.

Message receipts are sent with Business document AT 0.1.2 Message receipt, which is included in the base specifications. Read about base specifications at www.gs1.se/esap6spec-en.

7.2 Implementation

This chapter provides a detailed description of how the collaboration process is implemented.

7.2.1 Propose call-off

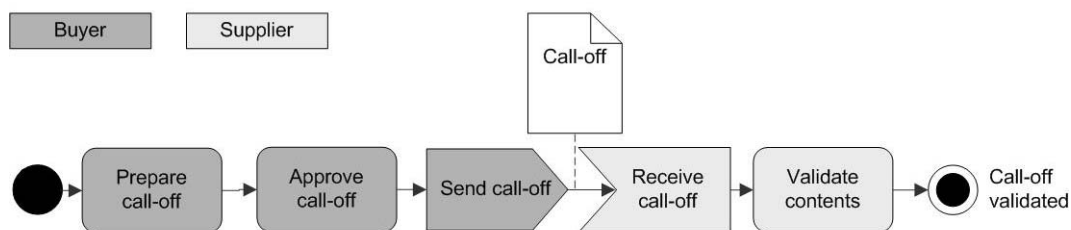


Figure 7.3. Buyer's and supplier's steps when exchanging Call-off.

The steps that the parties should take before the business document *Call-off* is sent and after it has been received are described below.

7.2.1.1 Prepare call-off

The buyer scans his article database for item(s) that need replenishing. The database contains information such as item, supplier, price and has previously been sent using a price and selection list (see chapter 5 [Send price and selection information](#)) or a shopping list (see chapter 6 [Prepare call-off using shopping list](#)).

When the buyer has selected one or more items and decided on quantities, the basis of a call-off is created. The business document specification *Call-off* shows which information is included in the business document, see chapter 7.3.1 [Call-off](#) for an overview

7.2.1.2 Approve call-off

Before the call-off is sent to the supplier, it must be approved. Who should be authorised to make this approval varies between organisations. It might be the person making the call-off or a specific authorisation may be required. In the latter case, the call-off must be available to the signatory.

Authorisation is important because it affects costs. For traceability it is important to record who approved the call-off and when.

It is also important to have routines for approval in exceptional situations, e.g. when the signatory is not available and there is no deputy or when the call-off value exceeds the signatory's authority or simply that the signatory does not approve the call-off.

7.2.1.3 Send and receive call-off

When the call-off has been approved it is sent to the supplier. Read about receipt of business documents in appendix 1.1 [Receipt and technical validation](#).

In those cases where the parties have agreed to use one of the alternatives for call-off response, the buyer waits for the agreed response document (Call-off rejection, Call-off acknowledgement or Call-off

confirmation) to arrive according to the terms and within the time frame specified in the contract. This function can usefully be automated if a large number of call-offs are sent to many suppliers. The requisitioner can then be alerted if a call-off response does not arrive.

In order for the requisitioner and others with similar requirements to be able to follow the progress of a given call-off, the call-off should be updated with an appropriate status.

7.2.1.4 Validate contents of call-off

Once the call-off has been received by the supplier's system the following validations of the content of the business document should be made:

- 1 That the call-off number has not previously been used by the buyer, i.e. there are no duplicates.
- 2 That the call-off date is reasonable.
- 3 That the GLNs used in the call-off are known.
- 4 If there is more than one frame contract between the supplier and the buyer, that a reference to the contract is present in the call-off. If no reference is present, it is assumed that there is only one contract.
- 5 If the original price list has been updated (by replacement or change) during the contract term, that a reference to the price list is present in the call-off. If no reference is present, it is assumed that only one price list has been exchanged.
- 6 That the requested delivery date is reasonable and within contract's delivery terms.

7.2.1.5 Process call-off which is not correct according to validation of contents

If the call-off does not validate correctly, the supplier should take appropriate action such as contacting the buyer. If the parties have agreed to use call-off responses, the supplier sends a Call-off rejection to the buyer, see chapter [7.2.2 Reject call-off](#).

7.2.1.6 Next

If the call-off does validate correctly, the supplier can continue to process it as follows:

- 1 If the parties have agreed to use Call-off acknowledgement, the supplier sends a Call-off acknowledgement to the buyer, see Acknowledge receipt of call-off. The supplier continues by checking his stock levels, see chapter [7.2.4 Check stock levels](#).
- 2 If the parties have agreed to not to use Call-off acknowledgement, no Call-off acknowledgement is sent to the buyer. Instead the supplier is assumed to have acknowledged receipt if he has not contacted the buyer within a given time period specified in the interchange agreement. The supplier continues by checking his stock levels, see chapter [7.2.4 Check stock levels](#).

7.2.2 Reject call-off

If the call-off is not correctly validated by the supplier (see chapter [7.2.1 Propose call-off](#)) and the parties have agreed to use order responses, the supplier rejects the call-off by sending a Call-off rejection to the buyer.

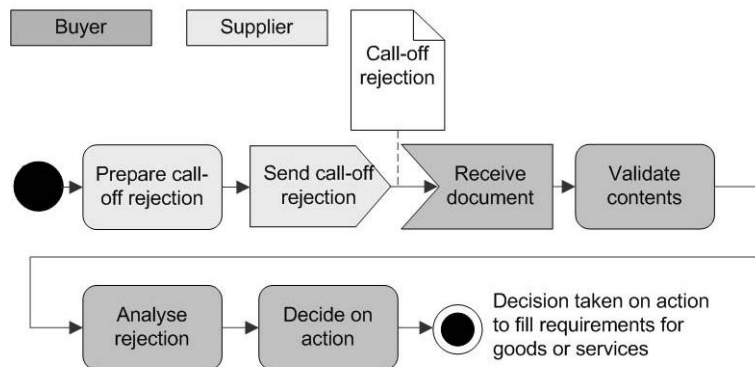


Figure 7.4. Buyer's and supplier's steps when exchanging Call-off rejection.

The steps that the parties should take before the business document *Call-off rejection* is sent and after it has been received are described below.

7.2.2.1 Prepare call-off rejection

The supplier prepares the call-off rejection. The business document specification *Call-off rejection* shows which information is included in the business document, see chapter [7.3.2 Call-off rejection](#) for an overview.

7.2.2.2 Send and receive call-off rejection

The call-off rejection is sent to the buyer. Read about receipt of business documents in appendix [1.1 Receipt and technical validation](#).

7.2.2.3 Validate contents of call-off rejection

Once the call-off rejection has been received by the buyer's system the following validations of the content of the business document should be made:

- 1 That the sender's identity (GLN) is known.
- 2 That the parties' e-commerce agreement permits the exchange of call-off rejection at this time.

Read about exception handling when validating content in appendix [1.2 Handling exceptions](#).

7.2.2.4 Analyse rejection and decide on action

If the Call-off rejection validates correctly, the buyer can continue by analysing why the supplier has rejected the call-off. Based on the result, the buyer can decide what action can be taken to satisfy the need for goods or services. One option is to send a new call-off to the supplier with the errors corrected.

7.2.3 Acknowledge receipt of call-off

If the call-off is correctly validated by the supplier (see chapter [7.2.1 Propose call-off](#)) and the parties have agreed to use Call-off acknowledgement, the supplier sends this to the buyer to inform him that the call-off has been received but not yet completely processed in the supplier's system.

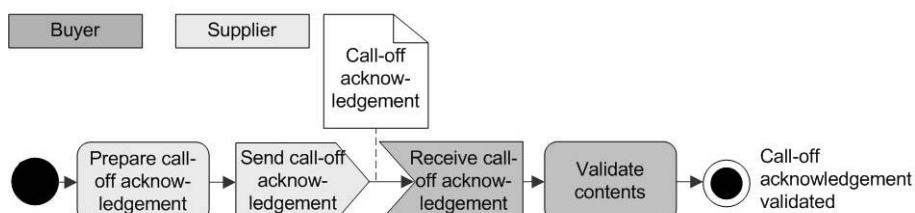


Figure 7.5. Buyer's and supplier's steps when exchanging Call-off acknowledgement.

The steps that the parties should take before the business document *Call-off acknowledgement* is sent and after it has been received are described below.

7.2.3.1 Prepare call-off acknowledgement

The supplier prepares the call-off acknowledgement. The business document specification *Call-off acknowledgement* shows which information is included in the business document, see chapter [7.3.3 Call-off acknowledgement](#) for an overview.

7.2.3.2 Send and receive call-off acknowledgement

The supplier sends the call-off acknowledgement to the buyer. Read about receipt of business documents in chapter [1.1 Receipt and technical validation](#).

For document tracking it is desirable to log information on when a document was sent and, if possible, received by the recipient.

7.2.3.3 Validate contents of call-off acknowledgement

Once the call-off acknowledgement has been received by the buyer's system the following validations of the content of the business document should be made:

- 1 That the sender's identity (GLN) is known.
- 2 That the parties' e-commerce agreement permits the exchange of call-off acknowledgement at this time.

Read about exception handling when validating content in chapter [1.2 Handling exceptions](#).

7.2.3.4 Next

As well as sending a Call-off acknowledgement, the supplier continues to process the call-off by checking it against stock levels, see chapter [7.2.4 Check stock levels](#).

7.2.4 Check stock levels

When the supplier has received and validated the call-off (see chapter [7.2.1 Propose call-off](#)) stock levels are checked to see if the supplier can deliver the items that were ordered.

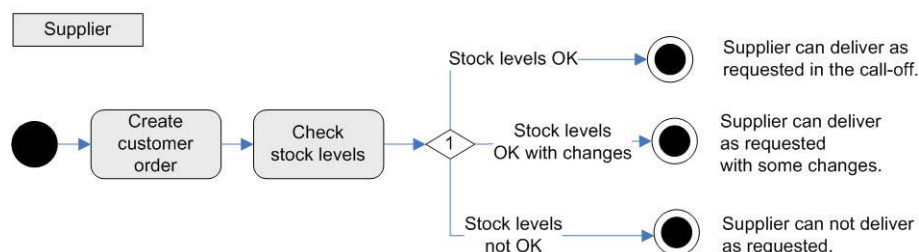


Figure 7.6. Supplier's steps when checking stock levels.

The steps are described below.

7.2.4.1 Create customer order

A customer order is created in the supplier's business system. To ensure traceability between the Call-off and the customer order, a unique reference to the call-off message must be created. To ensure that customer orders are not duplicated a global document identifier can be used.

7.2.4.2 Check stock levels

The customer order is then checked against stock levels to determine whether the supplier can deliver the ordered items. It is also recommended that a check is made that the ordered quantities are reasonable. The stock control can have the following outcomes:

- 1 Stock control shows that the supplier can deliver as requested in the Call-off.
- 2 Stock control shows that the supplier can deliver as requested with some changes (change of delivery date, etc.).
- 3 Stock control shows that the supplier cannot deliver as requested.

7.2.4.3 Next

What happens next depends on the result of the stock level check as well as what call-off response messages the parties have agreed to use.

- 1 The supplier can deliver as requested in the Call-off.
 - If the parties have agreed to use Call-off confirmation, the supplier sends a Call-off confirmation to the buyer. See chapter [7.2.5 Confirm call-off](#).
 - If the parties have agreed not to use Call-off confirmation, no message is sent to the buyer. Instead the supplier is assumed to have confirmed the call-off unless he has contacted the buyer within a set period of time as specified in the interchange agreement.
- 2 The supplier can deliver as requested with some changes.
 - If the parties have agreed to use Call-off confirmation with changes, the supplier sends this to the buyer. See chapter [7.2.6 Confirm call-off with changes](#).
 - Otherwise the supplier should contact the buyer and inform him of the changes.
- 3 The supplier cannot deliver as requested.
 - If the parties have agreed to use Call-off confirmation with changes, the supplier sends a message where all called-off items are rejected. See chapter [7.2.6 Confirm call-off with changes](#).
 - Otherwise the supplier should contact the buyer and inform him that nothing will be delivered.

7.2.5 Confirm call-off

If stock level control shows that the supplier can deliver the ordered items (see chapter [7.2.4 Check stock levels](#)) and the parties have agreed to use Call-off confirmation, the supplier sends a Call-off confirmation to the buyer. Call-off confirmation informs the buyer that the supplier has committed to delivering the items.

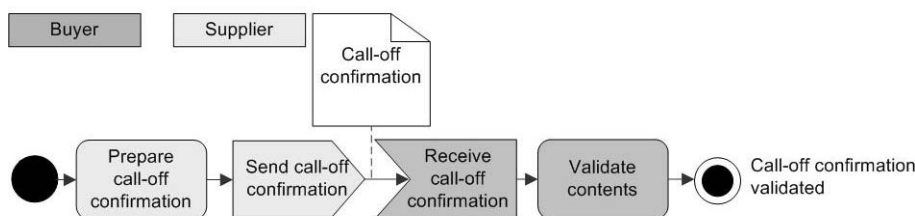


Figure 7.7. Buyer's and supplier's steps when exchanging Call-off confirmation.

The steps that the parties should take before the business document *Call-off confirmation* is sent and after it has been received are described below.

7.2.5.1 Prepare call-off confirmation

The supplier prepares the call-off confirmation. The business document specification *Call-off confirmation* shows which information is included in the business document, see chapter [7.3.4 Call-off confirmation](#) for an overview.

7.2.5.2 Send and receive call-off confirmation

The supplier sends the call-off confirmation to the buyer. Read about receipt of business documents in appendix [1.1 Receipt and technical validation](#).

For document tracking it is desirable to log information on when a document was sent and, if possible, received by the recipient.

7.2.5.3 Validate contents of call-off confirmation

Once the call-off confirmation has been received by the buyer's system the following validations of the content of the business document should be made:

- 1 That the sender's identity (GLN) is known.
- 2 That the parties' e-commerce agreement permits the exchange of call-off confirmation at this time.

Read about exception handling when validating content in appendix [1.2 Handling exceptions](#).

7.2.5.4 Next

When the call-off has been confirmed, the supplier has committed to delivering the called-off items. However, it is possible that the supplier subsequently discovers that he cannot deliver as confirmed. It is then possible for the supplier to send a Call-off confirmation with changes to advise the buyer of this, see chapter [7.2.6 Confirm call-off with changes](#). If the parties have not agreed to use this process, then the supplier must contact the buyer and inform him of the changed situation.

7.2.6 Confirm call-off with changes

Confirm call-off with changes applies both for collaboration processes Call-off and Call-off at the supplier.

- **For Call-off the following applies:** If stock control (see [7.2.4 Check stock levels](#)) shows that the supplier can deliver, but with some changes from the call-off, the supplier sends a Call-off confirmation with changes to the buyer, provided that the parties have agreed on this process.
- **For Call-off at the supplier the following applies:** If the supplier subsequently discovers that he cannot deliver according to the call-off, he can send a Call-off confirmation with changes.

Call-off confirmation with changes contains changes that the supplier proposes to make in the call-off. An example is that an item is back-ordered and will be delivered at some, unspecified, future date.

Call-off confirmation with changes can also be used if the supplier cannot deliver at all. In this case all items in the call-off are rejected.

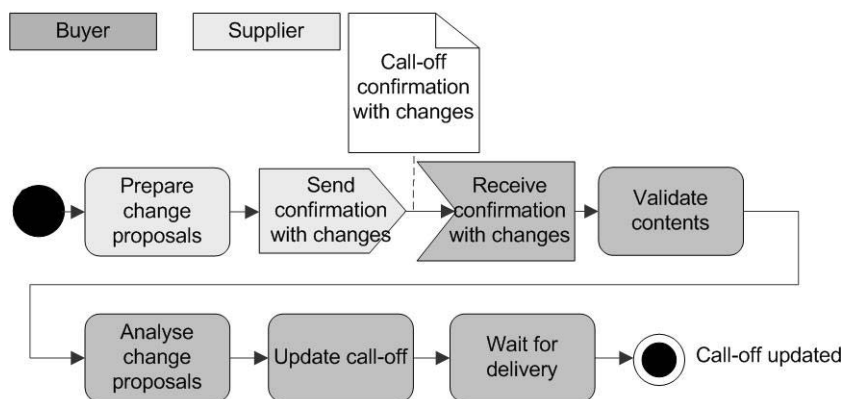


Figure 7.8. Buyer's and supplier's steps when exchanging call-off confirmation with changes.

The steps that the parties should take before the business document *Call-off confirmation with changes* is sent and after it has been received are described below.

7.2.6.1 Prepare change proposals

The supplier creates a change proposal. Possible changes in a Call-off confirmation are:

- 1 The entire call-off will be delivered on a date other than that requested.
- 2 A called-off item will be delivered on a date other than that requested (partial delivery).
- 3 A called-off item will be delivered on an unspecified future date (back-order).
- 4 A partial quantity of a called-off item will be delivered on a date other than that requested (partial delivery).
- 5 A partial quantity of a called-off item will be delivered on an unspecified future date (back-order).
- 6 A partial quantity of a called-off item is completely rejected.

- 7 A called-off item is completely rejected.
- 8 All called-off items are completely reject (the call-off is rejected).
- 9 A called-off item is substituted wholly or partially with an alternate item.

The agreement between the parties must specify which changes the supplier is permitted to make for a given item. For example, there must be explicit agreement that items may be substituted.

One Call-off confirmation can contain a number of changes and these can be of different types. For example, an item can be delivered on more than one occasion at the same time as part of the quantity is rejected.

In the case where an item is substituted with another (bullet 9 above), trade item information for the substitute item must be available in the buyer's business system. The agreement specifies how much the substitute item may differ in quality and price from the substituted item.

7.2.6.2 Send and receive call-off confirmation with changes

When the proposed changes are ready, a Call-off confirmation with change is sent to the buyer. This is normally done by calling the chosen messaging service which can often track the progress and status of the transmission, for example that the message is sent, received, etc. There must be agreement on the time frame for sending a confirmation to the buyer.

The business document specification *Call-off confirmation with changes* shows which information is included in the business document, see chapter Call-off confirmation with changes for an overview.

When the Call-off confirmation has been sent, the supplier updates the call-off status (usually called order status by the supplier) to "Call-off confirmation sent". Read about receipt of business documents in appendix [1.1 Receipt and technical validation](#).

7.2.6.3 Validate contents of call-off confirmation

Once the call-off confirmation has been received by the buyer's system, the following validations of the content of the business document should be made:

- 1 That the sender's identity (GLN) is known.
- 2 That the parties have agreed to the exchange of Call-off confirmation with changes at this time.
- 3 That the identity of the Call-off confirmation has not already been used in a previous Call-off confirmation.
- 4 That the referenced Call-off (and referenced call-off lines) exists.

Read about exception handling when validating content in appendix [1.2 Handling exceptions](#).

7.2.6.4 Analyse change proposals

If the Call-off confirmation validates correctly, the buyer can continue by analysing what changes the supplier has proposed in the call-off. It is essential that the requisitioner carrying out this analysis has complete information, where possible, on the consequences of the changes. If necessary, the requisitioner should contact the supplier for clarification.

7.2.6.5 Contact supplier about unaccepted changes

If the changes proposed do not fall within the agreed terms, they are not accepted. The buyer then contacts the supplier and requests new change proposals based on the original call-off.

The supplier then sends a new call-off confirmation containing changes that are within the agreed terms.

7.2.6.6 Update call-off

If the analysis shows that the proposed changes are within the agreed terms, the call-off is updated in the buyer's system. This means that the original call-off is changed according to the Call-off confirmation. It is therefore desirable that the purchasing system indicates for the user (requisitioner) that changes have been made. The updated call-off information is used subsequently for delivery reconciliation and in further document exchanges such as despatch advice and invoice.

7.2.6.7 Wait for delivery

The system monitors that delivery is made within the time frames specified in the frame contract and call-off (as updated by call-off confirmation). Monitoring can be done manually if the system does not support this.

The call-off status in the buyer's system is changed from "Call-off sent" to "Call-off confirmed with changes". If all items were rejected, the status is changed to "Call-off rejected".

7.2.6.8 Next

When the call-off is confirmed with changes, the supplier has committed to delivering according to the agreed changes. However, it is possible that the supplier subsequently discovers that he cannot deliver as confirmed. It is then necessary for the supplier to inform the buyer of this. It is also possible that the supplier needs to advise the buyer of delivery dates for items that were back-ordered in a previous Call-off confirmation. It is possible for the supplier to send a further Call-off confirmation with changes to update the already updated call-off in the buyer's system.

All call-off confirmation messages refer to the original call-off since each new Call-off confirmation may only include changes relative the immediately preceding Call-off confirmation.

If the parties have not agreed to use this process, then the supplier must contact the buyer and inform him of the changed situation.

Read more in chapter [9 Deliver](#) about how the called-off items are packed by the supplier, transported and received.

7.3 Business document specifications

The following chapters give an overview of the information contained in the business documents. The chapters also include clarification of how the various business documents should be implemented and links to examples. The complete specifications can be found on www.gs1.se/esap6spec-en.

7.3.1 Call-off

Business document *Call-off* is used by the buyer to place an order for products or services with the supplier.

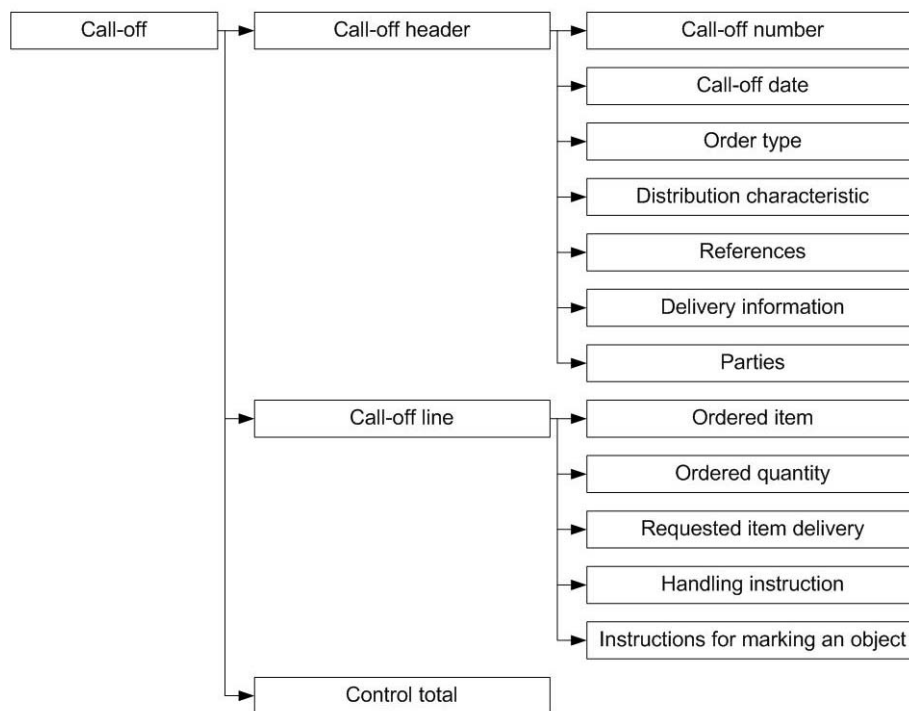


Figure 7.9. Structure of Call-off.

7.3.1.1 Call-off header

The call-off header occurs once for each call-off. It contains information that identifies the call-off and the parties involved (Buyer and Supplier and possibly consignee, invoicee, etc.). It is also possible to specify an authorised orderer in those cases where this is required.

If the parties have agreed that order priority can be used in the call-off, this is done in the term "T1355 Distribution characteristic, code".

7.3.1.2 Call-off line

A Call-off line occurs once for each item being ordered. Each line contains information which identifies the item and the quantity being ordered.

It is possible to specify a delivery schedule in the call-off, i.e. that an item should be delivered at a different time from other items in the same call-off. This is achieved using term T0041 at the line level. The use of scheduled deliveries in a call-off presupposes that this has been agreed between the parties.

It is also possible to specify an instruction to supplier or a reference to an instruction to supplier if the buyer needs to inform the supplier that the item should be handled in a special way upon receipt. Reference to an instruction to supplier is used primarily for made-to-order medical prescriptions.

7.3.1.3 Control total

The control total contains control information.

7.3.2 Call-off rejection

Business document *Call-off rejection* is sent from the supplier to the buyer to advise him that the call-off has been received and rejected in its entirety. The business document consists only of a header which identifies the call-off response and the parties involved (buyer and supplier) as well as the call-off being referred to. It is also possible to state a reason for the rejection.

7.3.3 Call-off acknowledgement

Business document *Call-off acknowledgement* is sent from the supplier to the buyer to advise him that the call-off has been received but has not yet been checked against stock levels. The business docu-

ment consists only of a header which identifies the call-off acknowledgement and the parties involved (buyer and supplier) as well as the call-off being referred to.

7.3.4 Call-off confirmation

Business document *Call-off confirmation* is sent from the supplier to the buyer to confirm a call-off in its entirety. The supplier takes the responsibility for delivering the called-off items without any changes. Call-off confirmation consists only of a header which identifies the document, the parties involved and the call-off being confirmed.

7.3.5 Call-off confirmation with changes

Business document *Call-off confirmation with changes* is used to confirm a call-off and advise the buyer of any changes, such as delivery date, which the supplier wants to make. The type of changes which the supplier may make is governed by the commercial agreement. The document can also be used to reject a call-off.

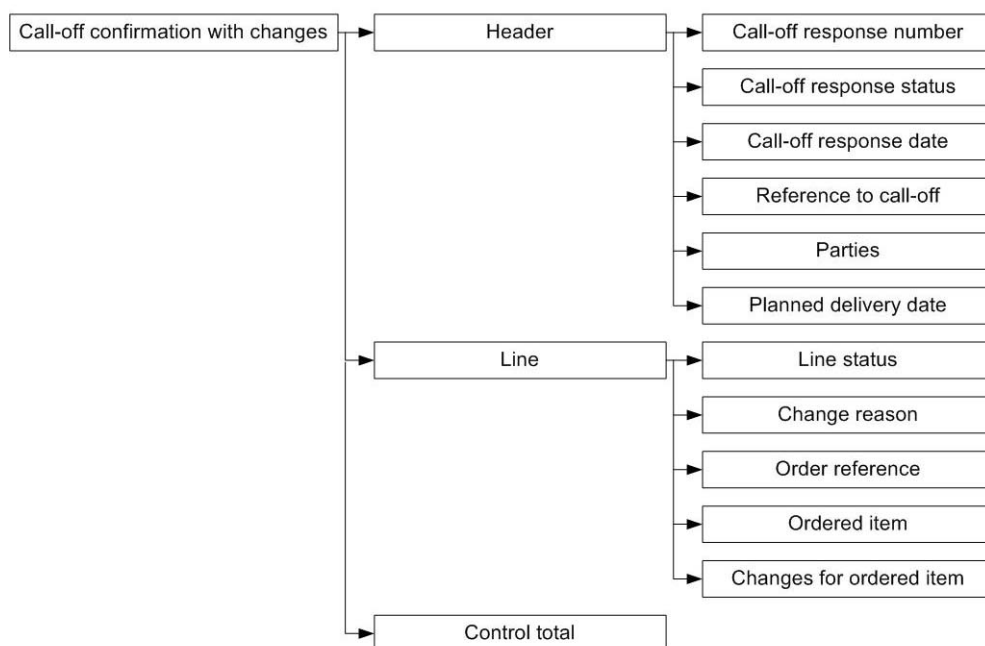


Figure 7.10. Structure of Call-off confirmation with changes.

7.3.5.1 Call-off confirmation header

The Header contains information that identifies the business document and the parties involved (Buyer and Supplier) and which call-off it refers to.

It is also possible to specify the planned delivery date if the supplier wants to deliver the items on other than the requested delivery date specified by the buyer in the call off. Note that this delivery date applies to all items in the call off. If the supplier wishes to change delivery dates for individual items, this can be done at line level. If the delivery date is the only change, the document consists only of a header.

7.3.5.2 Call-off confirmation line

A Call-off confirmation line is used to reject or change a line in the original Call-off. Lines in the Call-off that are not changed or rejected are not included in the Call-off confirmation.

To reject an entire Call-off, every call-off line must be rejected.

It is possible to give the reason for the change with term "T0211 Change reason, code".

When a further Call-off confirmation is needed to change an already changed line the whole line must be replaced, that is it must include those parts that have not changed since the previous Call-off confir-

mation with changes. For example, if a delivery has been split into two deliveries and the date of the first partial delivery has not changed, it must be included in the new Call-off confirmation with changes.

An example collection at www.gs1.se/249-en describes how various types of changes (changed delivery date, partial delivery, back-order, etc.) are handled with Call-off confirmation with changes:

7.3.5.3 Control total

The Control total occurs zero or one times per call-off as agreed. It contains control information for the call-off confirmation with changes document.

8 Call-off at the supplier

This chapter is applicable for call-off alternative Call-off with price and selection list at the supplier. It is not applicable for call-off alternatives Call-off with price and selection list in the purchasing system or Call-off with shopping list.

This process is used when the buyer places orders by phone, fax, in a web shop or at the supplier's store (cash-and-carry).

The call-off is made in the supplier's system. When the order/purchase is complete, the supplier sends the order information to the buyer. The intention is that the buyer inputs this information to his system. When the invoice arrives it can then be reconciled automatically with the order information and actual delivery.

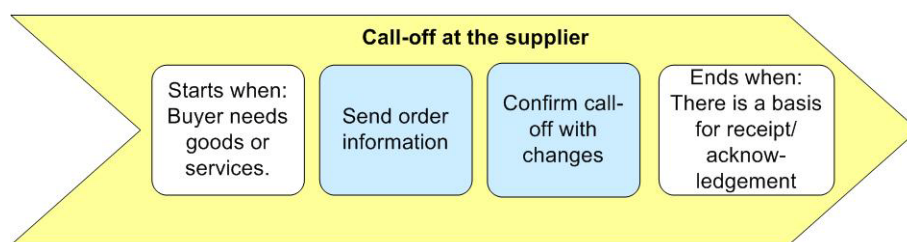


Figure 8.1. Diagram of collaboration process. The white boxes show the start and end conditions of the process. The blue boxes are the components of the implementation.

8.1 Collaboration process in summary

The process is started when the buyer decides to place an order by phone or fax, or in the supplier's web shop or store. The process then runs through the following steps:

- 1 The buyer/requisitioner places an order by phone or fax, or in the supplier's web shop or store.
- 2 The supplier sends an order copy or an order agreement to the buyer. The document contains information about the call-off such as items, prices and delivery dates. The message should be sent immediately the order/purchase has been made so that the buyer can prepare for delivery of the goods and the invoice.

The choice of message – order copy or order agreement – to be used in a business relationship depends on whether the supplier has contact with his ordering system at the time of call-off. The parties must agree which of the messages is to be used.

- If there is no direct contact, the call-off cannot be checked against the order system and order copy must be used.
 - If there is contact and the supplier can check the call-off against the order system then he can guarantee to deliver the items ordered. In this case, order agreement should be used.
- 3 The buyer inputs the information into his purchasing system.
 - 4 If the supplier subsequently discovers that he cannot deliver according to the call-off, he can send a Call-off confirmation with changes. This can advise the buyer that all or some of the called-off quantity cannot be delivered or that the planned delivery time has been changed. Call-off confirmation must be sent well in advance of the goods being delivered.

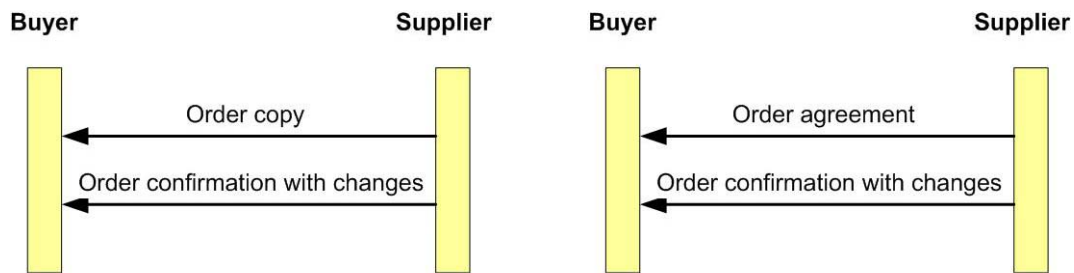


Figure 8.2. Collaboration between buyer and supplier. The arrows represent the business documents that the parties may exchange. The picture to the left shows collaboration when the supplier can check stock levels at the time of call-off. The picture to the right shows collaboration when the supplier can not check stock levels at the time of call-off.

8.1.1 Initial conditions

For the collaboration process to work in the best way, the following conditions must be fulfilled before the process starts:

- 1 A business agreement has been concluded between buyer and supplier.
- 2 Buyer and supplier have agreed delivery and payment terms.
- 3 Party information for both buyer and supplier is available in both the buyer's and supplier's system.
- 4 A valid product selection is available at the supplier for call-off/ordering.

8.1.2 Termination conditions

The process runs until the following condition is satisfied:

- The buyer has processed the information and input it to his purchasing system.

8.1.3 Important information

8.1.3.1 References

An order copy/order agreement shall include the requisitioner's name or identity and the buyer's reference, for example a requisition number or similar.

A Call-off confirmation with changes shall refer to exactly one order copy/order agreement.

8.1.3.2 Manual sign-off

Although reconciliation of the invoice against the order copy/order agreement may be done automatically, the buyer may often for internal auditing require manual sign-off since the call-off has been made in an external system (at the supplier).

8.1.3.3 Price and selection list not mandatory

Order copy/order agreement contain complete trade item information which means that price and selection list (ADS 6.1.1/ADS 6.1.2) is not mandatory. However, some suppliers recommend that the buyer accepts a price and selection list since this will allow the buyer's business system to check that contracted prices have been used in the call-off/order agreement.

8.1.3.4 Order copy/order agreement may complement call-off

Order copy/order agreement can be used on their own, but in some applications they will complement Call-off (ADS 6.1.3), for example if the buyer makes an express order.

8.2 Implementation

This chapter provides a detailed description of how the collaboration process is implemented.

8.2.1 Send order information

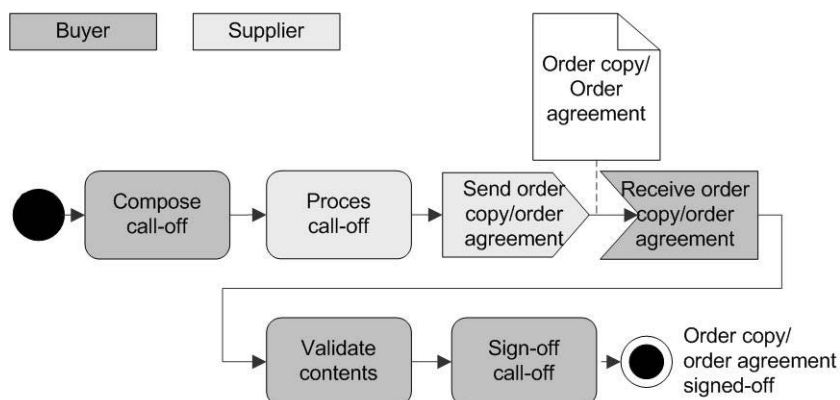


Figure 8.3. Buyer's and supplier's steps when exchanging order information.

The steps that the parties should take before the business document *Order copy* or *Order agreement* is sent and after it has been received are described below.

8.2.1.1 Compose call-off

The requisitioner chooses one or more items from the list of contracted items in the supplier's web shop or physical store. The supplier's item database and/or order system has details of the items, supplier, price, etc.

The item database may have been sent to the buyer with one or more of the business documents of the collaboration process *Send price and selection information*. This is, however, not mandatory for the call-off since this is made in the supplier's web shop or store.

If the requisitioner is physically in the supplier's store, he has the option to take to goods with him, cash-and-carry, once these have been registered as called-off and collected. Back at his workplace, the requisitioner must reconcile the items with the order agreement.

Since the call-off takes place at the supplier, the buyer should have provided authorisation for his personnel, especially if the requisitioner can take items with him from the supplier's store. In this case, the purchase must be signed-off against the order copy or order agreement, or against the invoice when it has been received.

It is critical that the requisitioner provides references prior to the call-off in order to be able to associate the order copy/order agreement with the completed call-off. For example, the requisitioner should provide his name or identity (GLN). In addition, the requisitioner can supply a reference – buyer's reference – for the call-off. This might be an internal requisition number, a purchasing card number or some other reference agreed between the parties.

8.2.1.2 Process call-off

When the requisitioner has completed the call-off it is processed in the supplier's system. The business document specifications *Order copy* or *Order agreement* show which information is included in the business document, see chapter [8.3.1 Order copy/Order agreement](#) for an overview.

- Order copy is used when there is no direct contract with the supplier's order system at the time of call-off. Order copy indicates that the supplier has received the order, but no yet processed it.
- Order agreement is used when the supplier's system is able to check the stock level at the same time as the call-off is being prepared. Order agreement is then a confirmation that the supplier is prepared for the upcoming delivery.

8.2.1.3 Send and receive order copy or order agreement

The supplier sends the business document to the buyer. Read about receipt of business documents in appendix [1.1 Receipt and technical validation](#).

8.2.1.4 Validate contents of order copy/order agreement

Once the order copy or order agreement has been received by the buyer's system the following validations of the content of the business document should be made:

- 1 That the identity of the order copy/order agreement has not been used previously by the supplier, i.e. that there are no duplicates. To ensure that no duplicates are created, the supplier can use GDTI as the identity of order copy/order agreement.
- 2 That the document date is reasonable.
- 3 If more than one frame contract is in place between the buyer and supplier a reference to the frame contract must be included in the order copy/order agreement. If the reference is not present it is assumed that only one contract exists.
- 4 That the identities (GLN) of the supplier, buyer and other parties in the message header agree with those already exchanged between the parties.
- 5 That the requisitioner is authorised to shop at this supplier.
- 6 That the planned delivery date (if used) is reasonable.
- 7 That the requested delivery date (if used) is reasonable and in accordance with the agreed delivery terms.

Read about exception handling when validating content in appendix [1.2 Handling exceptions](#).

8.2.1.5 Sign-off call-off

If the document validates correctly, the call-off should be signed-off by an authorised person. Since the call-off has been made at the supplier, the sign-off must be against the order copy/order agreement.

8.2.1.6 Next

If the supplier subsequently discovers that he cannot deliver according to the call-off, he can send a *Call-off confirmation* with changes to the buyer; see chapter [8.2.2 Confirm call-off with changes](#) below. Otherwise the next step is to deliver the goods. Read more in chapter [9 Deliver](#).

8.2.2 Confirm call-off with changes

Confirm call-off with changes applies both for collaboration processes Call-off and Call-off at the supplier.

- **For Call-off the following applies:** If stock control (see [7.2.4 Check stock levels](#)) shows that the supplier can deliver, but with some changes from the call-off, the supplier sends a Call-off confirmation with changes to the buyer, provided that the parties have agreed on this process.
- **For Call-off at the supplier the following applies:** If the supplier subsequently discovers that he cannot deliver according to the call-off, he can send a Call-off confirmation with changes.

Call-off confirmation with changes contains changes that the supplier proposes to make in the call-off. An example is that an item is back-ordered and will be delivered at some, unspecified, future date.

Call-off confirmation with changes can also be used if the supplier cannot deliver at all. In this case all items in the call-off are rejected.

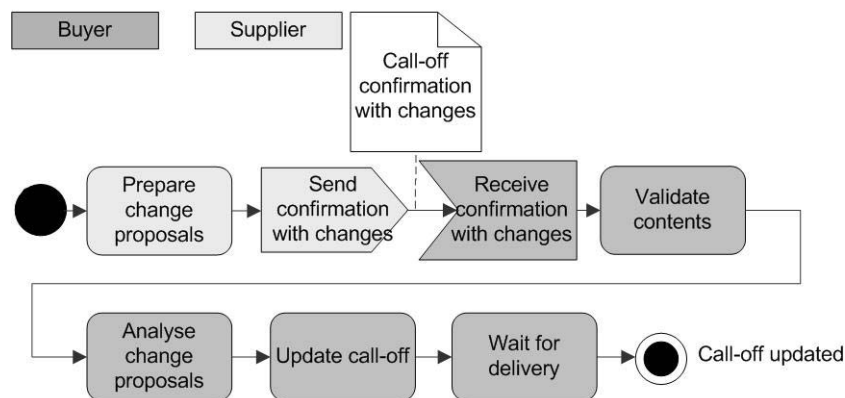


Figure 8.4. Buyer's and supplier's steps when exchanging call-off confirmation with changes.

The steps that the parties should take before the business document *Call-off confirmation with changes* is sent and after it has been received are described below.

8.2.2.1 Prepare change proposals

The supplier creates a change proposal. Possible changes in a Call-off confirmation are:

- 1 The entire call-off will be delivered on a date other than that requested.
- 2 A called-off item will be delivered on a date other than that requested (partial delivery).
- 3 A called-off item will be delivered on an unspecified future date (back-order).
- 4 A partial quantity of a called-off item will be delivered on a date other than that requested (partial delivery).
- 5 A partial quantity of a called-off item will be delivered on an unspecified future date (back-order).
- 6 A partial quantity of a called-off item is completely rejected.
- 7 A called-off item is completely rejected.
- 8 All called-off items are completely reject (the call-off is rejected).
- 9 A called-off item is substituted wholly or partially with an alternate item.

The agreement between the parties must specify which changes the supplier is permitted to make for a given item. For example, there must be explicit agreement that items may be substituted.

One Call-off confirmation can contain a number of changes and these can be of different types. For example, an item can be delivered on more than one occasion at the same time as part of the quantity is rejected.

In the case where an item is substituted with another (bullet 9 above), trade item information for the substitute item must be available in the buyer's business system. The agreement specifies how much the substitute item may differ in quality and price from the substituted item.

8.2.2.2 Send and receive call-off confirmation with changes

When the proposed changes are ready, a Call-off confirmation with change is sent to the buyer. This is normally done by calling the chosen messaging service which can often track the progress and status of the transmission, for example that the message is sent, received, etc. There must be agreement on the time frame for sending a confirmation to the buyer.

The business document specification *Call-off confirmation with changes* shows which information is included in the business document, see chapter Call-off confirmation with changes for an overview.

When the Call-off confirmation has been sent, the supplier updates the call-off status (usually called order status by the supplier) to "Call-off confirmation sent". Read about receipt of business documents in appendix [1.1 Receipt and technical validation](#).

8.2.2.3 Validate contents of call-off confirmation

Once the call-off confirmation has been received by the buyer's system, the following validations of the content of the business document should be made:

- 1 That the sender's identity (GLN) is known.
- 2 That the parties have agreed to the exchange of Call-off confirmation with changes at this time.
- 3 That the identity of the Call-off confirmation has not already been used in a previous Call-off confirmation.
- 4 That the referenced Call-off (and referenced call-off lines) exists.

Read about exception handling when validating content in appendix [1.2 Handling exceptions](#).

8.2.2.4 Analyse change proposals

If the Call-off confirmation validates correctly, the buyer can continue by analysing what changes the supplier has proposed in the call-off. It is essential that the requisitioner carrying out this analysis has complete information, where possible, on the consequences of the changes. If necessary, the requisitioner should contact the supplier for clarification.

8.2.2.5 Contact supplier about unaccepted changes

If the changes proposed do not fall within the agreed terms, they are not accepted. The buyer then contacts the supplier and requests new change proposals based on the original call-off.

The supplier then sends a new call-off confirmation containing changes that are within the agreed terms.

8.2.2.6 Update call-off

If the analysis shows that the proposed changes are within the agreed terms, the call-off is updated in the buyer's system. This means that the original call-off is changed according to the Call-off confirmation. It is therefore desirable that the purchasing system indicates for the user (requisitioner) that changes have been made. The updated call-off information is used subsequently for delivery reconciliation and in further document exchanges such as despatch advice and invoice.

8.2.2.7 Wait for delivery

The system monitors that delivery is made within the time frames specified in the frame contract and call-off (as updated by call-off confirmation). Monitoring can be done manually if the system does not support this.

The call-off status in the buyer's system is changed from "Call-off sent" to "Call-off confirmed with changes". If all items were rejected, the status is changed to "Call-off rejected".

8.2.2.8 Next

When the call-off is confirmed with changes, the supplier has committed to delivering according to the agreed changes. However, it is possible that the supplier subsequently discovers that he cannot deliver as confirmed. It is then necessary for the supplier to inform the buyer of this. It is also possible that the supplier needs to advise the buyer of delivery dates for items that were back-ordered in a previous Call-off confirmation. It is possible for the supplier to send a further Call-off confirmation with changes to update the already updated call-off in the buyer's system.

All call-off confirmation messages refer to the original call-off since each new Call-off confirmation may only include changes relative the immediately preceding Call-off confirmation.

If the parties have not agreed to use this process, then the supplier must contact the buyer and inform him of the changed situation.

Read more in chapter [9 Deliver](#) about how the called-off items are packed by the supplier, transported and received.

8.3 Business document specifications

This chapter gives an overview of the information contained in the business documents used in the collaboration process. The chapter also includes clarification of how the various business documents should be implemented and links to examples. The complete specifications can be found on www.gs1.se/esap6spec-en.

8.3.1 Order copy/Order agreement

Business document *Order copy* or *Order agreement* is sent from the supplier to the buyer. It allows the buyer to link to an order of goods or services that was made at the supplier.

Order copy and order agreement have much the same content but are mapped to different EDIFACT messages (ORDERS and ORDRSP respectively) due to differences in application.

- **Order copy** is used when the call-off cannot be checked against the supplier's order system at the time of call-off.
- **Order agreement** is used when there is direct contact with the supplier's order system at the time of call-off.

The parties must agree which of the messages is to be used.

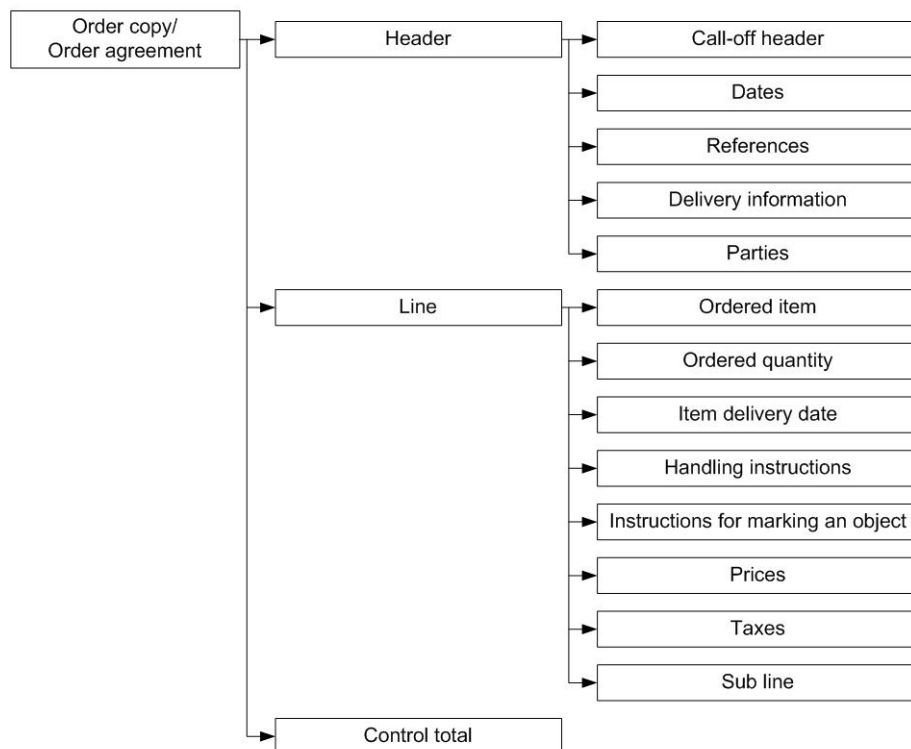


Figure 8.5. Structure of Order copy/Order agreement.

8.3.1.1 Header

The header contains the following information:

- **Identity of the order copy/order agreement** (Call-off number).
- **Call-off date.**
- **References** to contract, price list, buyer's reference, etc.
- **Identification of the parties**, e.g. supplier, buyer, authorised orderer.
- **Delivery information** such as planned and/or requested delivery dates.

8.3.1.2 Line

The business document contains one line per ordered item. A line contains the following information:

- **Identity of the ordered item.**
- **Status information.** If this was a cash-and-carry order, the status of this item is set to “delivered” which allows the buyer’s system to recognise that the requisitioner took the goods with him from the store.
- **Description of the item** in plain text.
- **Product classification**, which can, for example, be used to simplify searching in the buyer’s system.
- **Quantity of the ordered item.**
- **Object’s individual identity.** This can be used when the buyer has ordered an asset, such as a computer, and requires the supplier to mark this with the buyer’s asset number.
- **Delivery plan.** If an ordered item should be delivered at a different time from other items in the same Call-off, this can be indicated in term “T0041 Requested delivery date”.
- **Price of this item.** The price is given as one of price types contract price, current price, discount price and current price, discounted.
- **Taxes** for this item: type, rate and category.
- **Instruction to the supplier.** This can be used if the buyer needs to inform the supplier that the item must be handled specially on delivery.
- **Sub-line.** Used primarily to specify the content of an ordered bundle, such as a PC bundle. The PC bundle is shown as the item on the line and sub-lines are used to describe the contents, e.g. hard disk, monitor, etc.

8.3.1.3 Control total

The control total occurs zero or one time, as agreed. It contains control information.

8.3.2 Call-off confirmation with changes

Business document *Call-off confirmation with changes* is used to confirm a call-off and advise the buyer of any changes, such as delivery date, which the supplier wants to make. The type of changes which the supplier may make is governed by the commercial agreement. The document can also be used to reject a call-off.

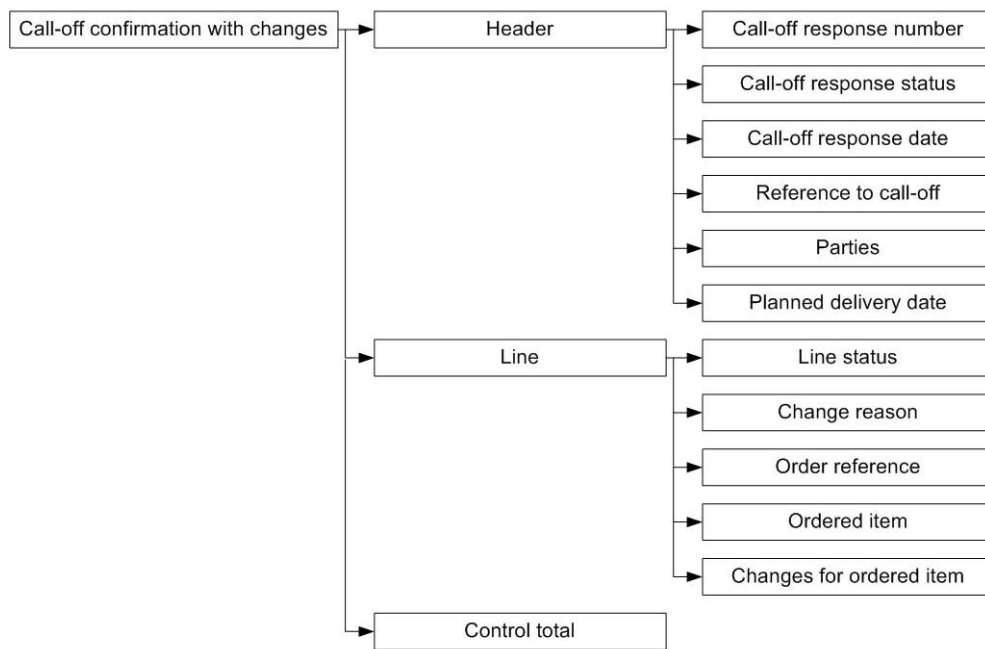


Figure 8.6. Structure of Call-off confirmation with changes.

8.3.2.1 Call-off confirmation header

The Header contains information that identifies the business document and the parties involved (Buyer and Supplier) and which call-off it refers to.

It is also possible to specify the planned delivery date if the supplier wants to deliver the items on other than the requested delivery date specified by the buyer in the call off. Note that this delivery date applies to all items in the call off. If the supplier wishes to change delivery dates for individual items, this can be done at line level. If the delivery date is the only change, the document consists only of a header.

8.3.2.2 Call-off confirmation line

A Call-off confirmation line is used to reject or change a line in the original Call-off. Lines in the Call-off that are not changed or rejected are not included in the Call-off confirmation.

To reject an entire Call-off, every call-off line must be rejected.

It is possible to give the reason for the change with term "T0211 Change reason, code".

When a further Call-off confirmation is needed to change an already changed line the whole line must be replaced, that is it must include those parts that have not changed since the previous Call-off confirmation with changes. For example, if a delivery has been split into two deliveries and the date of the first partial delivery has not changed, it must be included in the new Call-off confirmation with changes.

An example collection at www.gs1.se/249-en describes how various types of changes (changed delivery date, partial delivery, back-order, etc.) are handled with Call-off confirmation with changes:

8.3.2.3 Control total

The Control total occurs zero or one times per call-off as agreed. It contains control information for the call-off confirmation with changes document.

9 Deliver

This collaboration process handles the delivery of goods that the buyer has called-off. The process covers activities from the preparation of the shipment and its transport through to its receipt and the registration of information needed for traceability and invoice reconciliation.

In addition to the transfer of goods from the supplier to the buyer, information about the shipment is also transferred using a despatch advice. Since this document should arrive before the goods, the recipient can plan for their arrival.

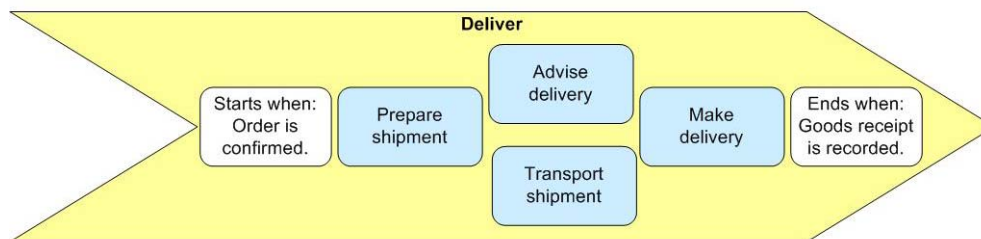


Figure 9.1. Diagram of collaboration process. The white boxes show the start and end conditions of the process. The blue boxes are the components of the implementation.

9.1 Collaboration process in summary

The process is initiated by the supplier when he has accepted an call-off from a buyer. Then the following occurs:

- 1 At a suitable time prior to the planned delivery date, the supplier prepares the shipment. Pallets are labelled with the appropriate GS1 label including the SSCC. Transport documents are prepared for the haulier.
- 2 A despatch advice is sent to the recipient when the shipment leaves the supplier. The despatch advice describes exactly which pallets and packages are included in the shipment.
- 3 The haulier collects the shipment (consisting of pallets and associated documentation) and delivers them to the recipient. Transport can be handled by the buyer, supplier or a third party.
- 4 The recipient receives the shipment and checks that the correct goods have been sent.

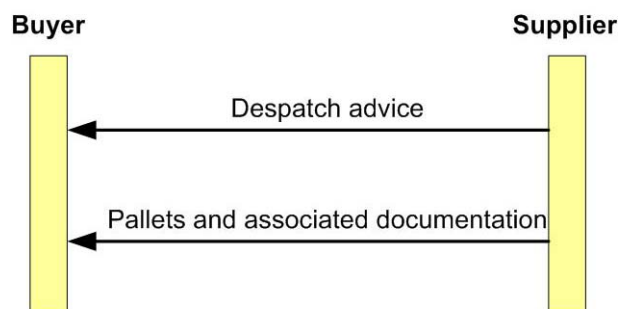


Figure 9.2. Collaboration between buyer and supplier.

9.1.1 Initial conditions

For the collaboration process to work in the best way, the following conditions must be fulfilled before the process starts:

- 1 A business agreement has been concluded between buyer and seller.
- 2 Conditions for payment and delivery have been specified.
- 3 Party information for buyer and supplier has been input to both the buyer's and supplier's systems.

- 4 The supplier has confirmed that he will deliver according to the buyer's call-off (possibly with changes agreed by the buyer).
- 5 The supplier has been given a reference to the call-off by the buyer. The reference will be used in the despatch advice.
- 6 The parties have agreed whether or not SSCC will be used in this process.

9.1.2 Termination conditions

The process runs until one of the following conditions are satisfied:

- 1 Delivery without exceptions is registered in the buyer's system, **or**
- 2 Delivery with exceptions is registered in the buyer's system.

9.1.3 Important information

9.1.3.1 Partial delivery

If there is an agreement to send items from one call-off in several deliveries, a despatch advice is sent for each partial delivery. This should have been reported previously in an call-off confirmation. If this was not done, or there have been further changes, any exceptions must be sent with the final despatch advice so that the buyer's system can finalise the call-off.

9.2 Implementation

This chapter provides a detailed description of how the collaboration process is implemented.

9.2.1 Prepare shipment

The supplier assembles the pallets or items that are to be included in the shipment. At the same time information which is to be included in a despatch advice is collected. If required, pallet or transport labels are affixed to the items.

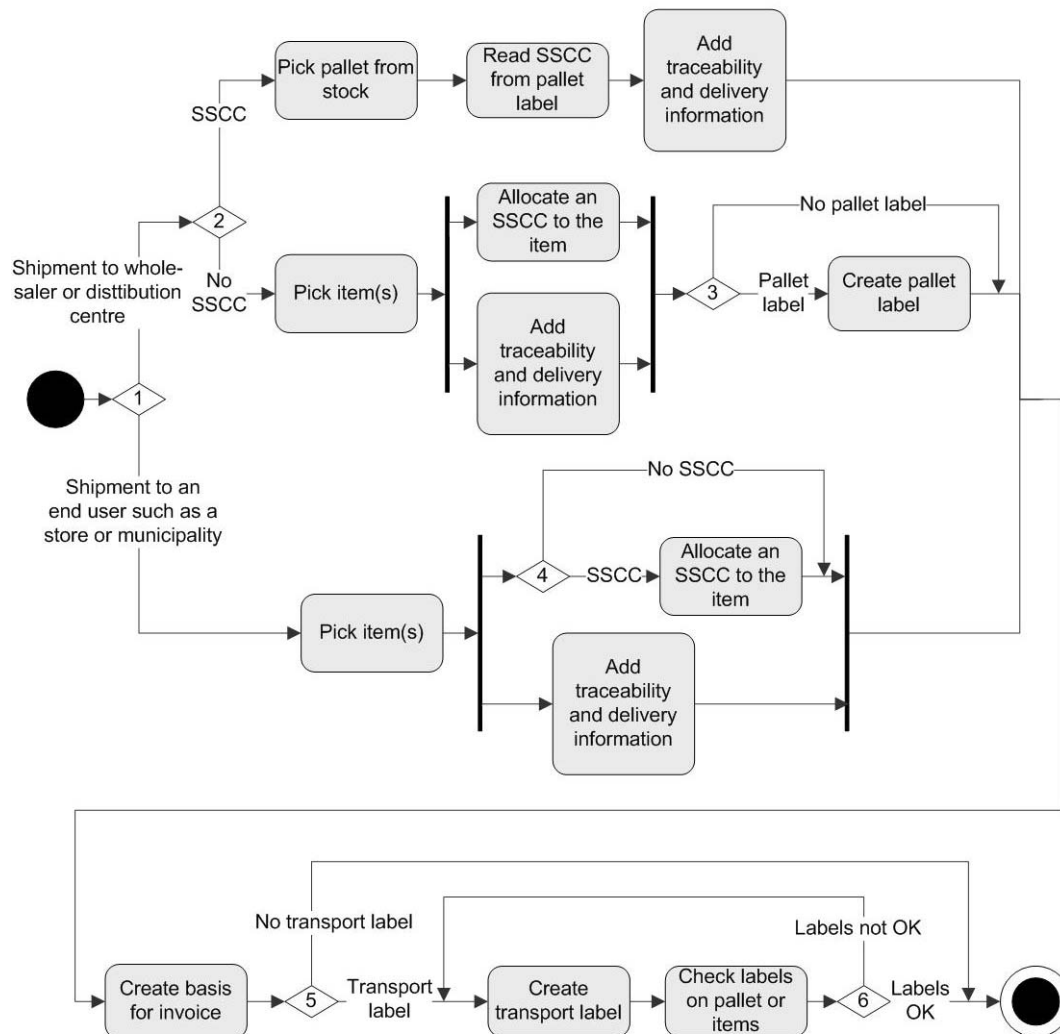


Figure 9.3. Supplier's steps when preparing delivery.

The steps that the supplier take in preparing the shipment are described below.

The method of preparing a shipment differs slightly depending on whether the recipient is a wholesaler/ distribution centre or an end user such as a store or municipality.

9.2.1.1 Delivery to wholesaler or distribution centre

A wholesaler or distribution centre orders in sufficiently large volumes that **the supplier can deliver full pallets directly from stock**. In such cases, the pallet is picked from stock and the SSCC read from the pallet label.

On the other hand, if the buyer has ordered so few packages of the same type that **the supplier cannot deliver full pallets**, the supplier picks the ordered packages onto a unit load device such as a pallet or roll-cage. Information on which items are on the device is input for subsequent use in despatch advice. The ULD is then given an SSCC.

As well as the SSCC, other relevant information, such as best-before date and batch number, needed to create a despatch advice is collected. This data can originate in several different ways:

- From the production system.
- If a homogeneous pallet is fetched direct from stock and the contents have the same best-before date and batch number, the information can be read from the pallet label.
- If the supplier has instead picked the ordered packages, then the information can be read from the package barcodes.

If there is an agreement with the carrier that the transport unit shall have a transport label, a pallet label is not needed. Otherwise a pallet label is printed and affixed to the transport unit.

The supplier then prepares the basis for an invoice and, if required, transport labels. Read more in chapter [9.2.1.3 Create basis for invoice and transport labels](#).

9.2.1.2 Delivery to end-users (stores or municipalities)

The supplier picks the ordered packages onto a unit load device such as a pallet or roll-cage. Information on which items are on the device is input for subsequent use in despatch advice.

If the supplier has an agreement with the buyer or carrier that SSCC is to be used, the units in the delivery are marked with an SSCC. Even if such an agreement does not exist, the supplier can choose to mark the units with an SSCC. This might be the case if the supplier's normal routine is to print an SSCC on the transport labels and that leaving this off in specific cases would require extra effort.

As well as the SSCC, other relevant information about the items on the pallet, such as best-before date and batch number, needed to create a despatch advice is collected. This data can be read from the package barcodes or fetched from the production system. The supplier then prepares the basis for an invoice and, if required, transport labels. Read more in chapter [9.2.1.3 Create basis for invoice and transport labels](#).

9.2.1.3 Create basis for invoice and transport labels

The basis for raising an invoice comes from the buyer's order with a reference to the buyer's call-off or order number and a reference to a contract and its current price list. This data is completed with:

- 1 Shipment information such as shipping date, delivery address, reference to packing list or despatch advice and shipped quantities.
- 2 Price information which applied on the call-off/order date. Different prices may apply depending if the invoiced selection has:
 - Contractually fixed prices
 - Contractually variable prices (current price)
 - Non-contracted prices using a discounted list price (sometimes called catalogue selection).
- 3 Contract information such as delivery and payment terms.
- 4 Customer details such as VAT registration number, company registration number, invoice recipient and bank giro and/or post giro numbers.
- 5 Sales account and VAT account per VAT rate and other internal codes such as cost centre, project number and debit account. This data is needed to raise an invoice and is only processed internally by the supplier.

If a transport label is required according to the agreement between the supplier and the haulier or the supplier and the buyer, the items included in the shipment are labeled. A transport label per pallet or item is created and printed. The main aim of the transport label is to give the haulier information to ensure that the pallet or item is delivered to the right place. A transport label may be a standard transport label (STE), a store-pack label or a customer pack label.

The transport label is affixed to the pallet or item according to the following rules:

- 1 The barcode on the label must be no less than 400mm and no more than 800mm from the bottom.
- 2 The label should be as high as possible within this range to leave room for a possible pallet label below the transport label.
- 3 The label shall be no nearer the edge than 50mm.

Before the pallet or item is released for shipment the labels should be checked to ensure that they are correctly positioned on the pallet or item and contain the correct information. The following checks should be made:

- 1 That the information on the labels is correct.
- 2 That the placement rules described above have been followed.

- 3 That the pallet or item is, when appropriate, marked with on one SSCC, i.e. if the pallet or item has both pallet and transport labels, then the transport label should not include an SSCC. If these are technical reasons which prevent the suppression of the SSCC on the transport label, then this must be identical to that on the pallet label.

If the label check shows that the labels are not correctly placed and/or do not contain the correct information, this must be corrected.

When a check has been made that the labels are correctly positioned and contain the correct information, the transport units are ready for shipment. The next step is for the supplier to send a despatch advice to the buyer, see chapter [9.2.2 Advice delivery](#).

9.2.2 Advice delivery

When the supplier has prepared the shipment (see chapter [9.2.1 Prepare shipment](#)) he sends a despatch advice to inform the buyer about the upcoming delivery. The despatch advice identifies exactly which packages are going to be delivered and the contents of each pallet.

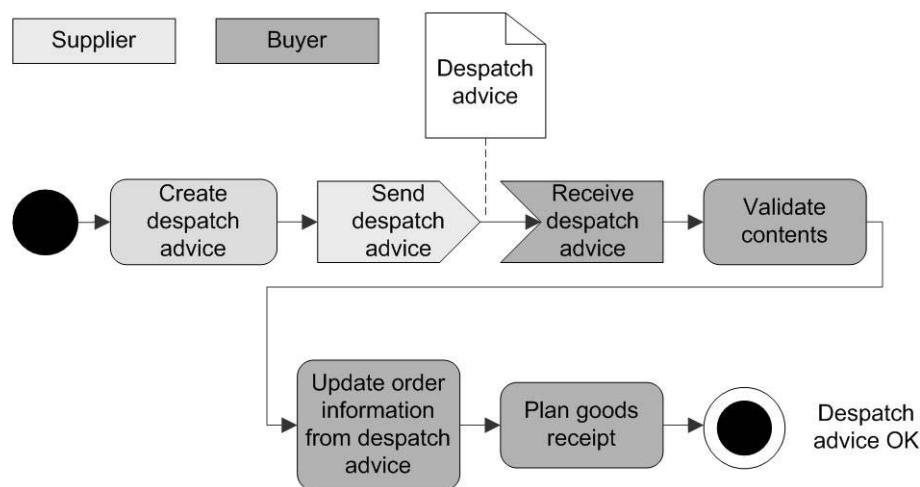


Figure 9.4. Buyer's and supplier's steps when exchanging despatch advice.

The steps that supplier and buyer take before and after transmission of the despatch advice are described below.

9.2.2.1 Create despatch advice

When the shipment is ready to leave the sender a despatch advice should be sent to the buyer /recipient. The despatch advice tells the recipient that the shipment is on its way and specifies the contents. This information was stored when the shipment was being prepared. Business document specification Despatch advice, ESAP 6 shows which information is included in the business document, see chapter [12.3.1 Despatch advice, ESAP 6](#) for an overview.

Note that:

- 1 A despatch advice shall correspond exactly to the packages that are being shipped. This means that the despatch advice cannot be prepared before the pallets are ready for shipment.
- 2 All items from the same call off sent from the same shipper to a delivery point in one shipment shall be specified in one and the same despatch advice.
- 3 One call off can result in more than one shipment.

9.2.2.2 Send and receive despatch advice

The despatch advice is sent to the buyer. Read about receipt of business documents in appendix [1.1 Receipt and technical validation](#).

9.2.2.3 Validate contents of despatch advice

Once the despatch advice has been received by the buyer's system the following validations of the content of the business document should be made:

- 1 That the despatch advice number has not previously been used by the buyer, i.e. there are no duplicates.
- 2 That the despatch advice date is reasonable.
- 3 That the GLNs used in the despatch advice header are known and valid.
- 4 That a business contract exists.
- 5 That the despatch advice refers to a call-off.
- 6 If a Call-off confirmation with changes has been sent, the despatch advice must also contain a reference to the most recently received Call-off confirmation with changes.
- 7 That the delivered quantity agrees with the ordered quantity in the call-off (if necessary, adjusted as specified in Call-off confirmation with changes). If the delivered quantity differs from the ordered/confirmed quantity then the despatch advice must include a quantity difference or back-ordered quantity and this must be the same as the difference between the delivered quantity and the ordered/confirmed quantity.
- 8 That any substitute items are in accordance with the contract. When the shipment is being prepared, unforeseen circumstances can require the supplier to substitute an ordered and confirmed item (the supplier changes the contents of the shipment). It is therefore possible for the despatch advice to contain lines with items that were neither ordered nor confirmed. The contract shall specify what changes are permitted (e.g. replace with an equivalent product).

Read about exception handling when validating content in appendix [1.2 Handling exceptions](#).

9.2.2.4 Update call-off information from despatch advice

If the document validates correctly or when the buyer has corrected the errors, information from the despatch advice is prepared for reconciliation when the goods are delivered. This information can also be used at a later time, for example in new contract negotiations. Invoice reconciliation is also prepared using the despatch advice.

The following updates are made:

- 1 If items were substituted when the delivery was prepared and this was contractually acceptable, then call-off information is updated from the despatch advice.
- 2 For variable measure items (e.g. variable weight) the shipped quantity can differ from the ordered quantity. In such cases, the buyer's system is updated with the shipped quantity which permits subsequent invoice reconciliation.

When the updates are complete the call-off is ready for invoice reconciliation.

9.2.2.5 Plan goods receipt

Since the despatch advice arrives before the goods the consignee can plan receipt using information from his item database. This can include choosing chilled, dry or frozen storage, etc.

9.2.2.6 Next

Next, the shipment is transported to the recipient, see chapter [9.2.3 Transport shipment](#).

9.2.3 Transport shipment

When the supplier has assembled the shipment and the despatch advice has been transmitted to the buyer (see chapter [9.2.2 Advice delivery](#)), the shipment is transported to the buyer.

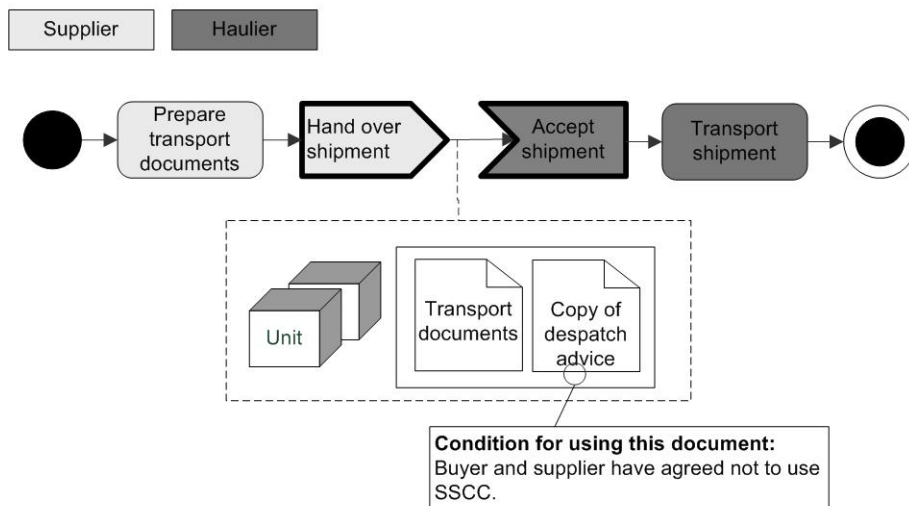


Figure 9.5. Supplier's and haulier's steps when transporting shipment.

The steps which the supplier and the haulier carry out before and after handover are described below.

9.2.3.1 Prepare transport documents

The supplier creates a transport document which shows the number of pallets that the haulier is to transport for the supplier's account as well as the delivery address. It is signed-off by the recipient upon delivery as confirmation that responsibility has passed to the recipient.

9.2.3.2 Hand over shipment

The supplier hands the shipment over to the haulier. The shipment consists of pallets, possibly with appropriate pallet and transport labels, and transport documents. If the supplier and buyer have agreed not to use SSCC in the delivery process (for example, when delivery is to be made directly to the end user such as a retail store or municipality), then a printed copy of the despatch advice must accompany the shipment. This is equivalent to a packing list and remains with the shipment through to the recipient. Using the number on the despatch advice, the recipient can find the corresponding data in his system.

9.2.3.3 Accept shipment and transport shipment

The haulier accepts the shipment and also responsibility for it. The haulier then transports the shipment to the given delivery address.

The haulier can be a third party who has been contracted by the supplier or the buyer, or it can be the supplier or buyer himself who provides the transport (i.e. takes the haulier role). The buyer and supplier have agreed where responsibility for the shipment passes from one party to the other and thus who is responsible during transport. If a third party haulier is used, then the transfer of responsibility is governed by the transport contract.

9.2.3.4 Next

Next, the recipient receives the shipment, see chapter [9.2.4 Make delivery](#).

9.2.4 Make delivery

When the haulier has transported the shipment to the delivery address (see chapter [9.2.3 Transport shipment](#)) the consignee receives the shipment.

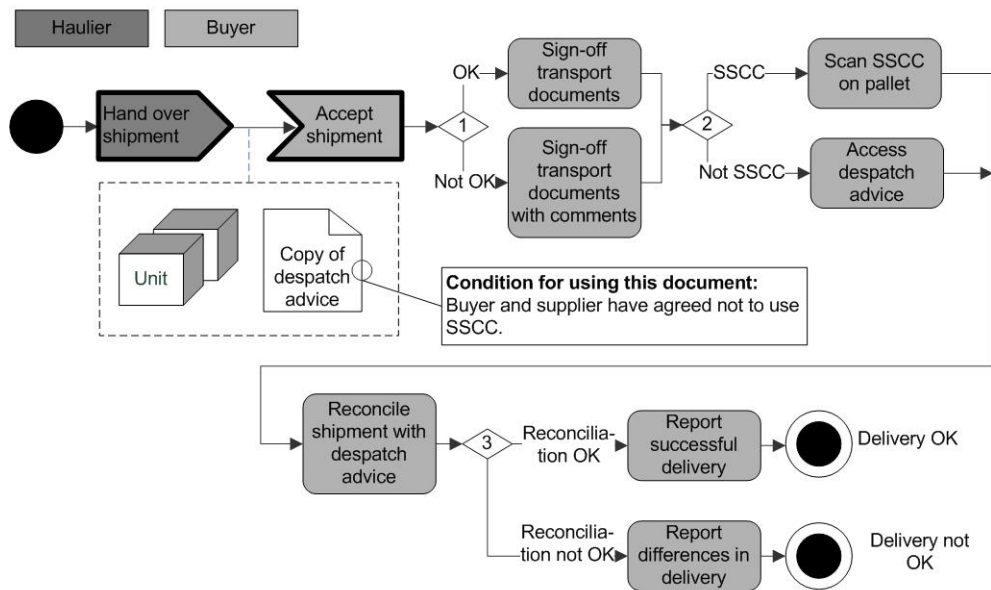


Figure 9.6. Haulier's and buyer's steps when making delivery.

The steps which the haulier and the buyer carry out before and after handover are described below.

9.2.4.1 Hand over shipment

The haulier hands over the shipment to the consignee. The shipment consists of pallets or unit loads, possibly with appropriate pallet and transport labels. If the supplier and buyer have agreed not to use SSCC in the delivery process (for example, when delivery is to be made directly to the end user such as a retail store or municipality), then a printed copy of the despatch advice accompanies the shipment.

9.2.4.2 Accept shipment

The consignee accepts the shipment from the haulier. An initial check of the shipment is made as follows:

- 1 That all pallets are undamaged
- 2 That all pallets are correctly addressed
- 3 That the number of pallets agrees with the transport documents.

The division of responsibility for transport that has been agreed between buyer and supplier determines who the buyer should contact with claims regarding damage in transit.

9.2.4.3 Sign-off transport documents

If the shipment is OK at delivery check, the consignee signs the transport documents as evidence of receipt for the haulier. This implies that responsibility for the goods has been transferred to the buyer.

Receipt of the pallets does not mean that the buyer has automatically accepted the quality of the incoming items. This may be checked later.

9.2.4.4 Sign-off transport documents with comments

If the shipment is not OK at delivery check, i.e. that some pallets are damaged or that not all pallets have been delivered, then the consignee signs the transport documents adding information on any irregularities.

9.2.4.5 Scan SSCC on pallet

If the parties have agreed that SSCC will be used in the delivery process, the bar-coded SSCC on the pallet label is read from a terminal connected to the buyer's business system. Using the SSCC as a key, the pallet is associated with the appropriate despatch advice and the information it contains.

Information from the despatch advice is used in the following systems:

- 1 Warehouse management
- 2 Traceability
- 3 Accounts payable for invoice reconciliation

9.2.4.6 Access despatch advice

If the parties have agreed that SSCC will not be used in the delivery process, the despatch advice is accessed in the business system using the reference number of the paper copy that accompanies the shipment.

9.2.4.7 Reconcile shipment with despatch advice

Using the despatch advice as reference, the consignee checks that the correct items have been delivered. This check depends on how the pallets are handled as follows:

Alternative 1. Wholesale flow: the pallets are placed directly in the warehouse.

- 1 Check that all pallets specified in the despatch advice have been delivered.
- 2 Note any discrepancies from the despatch advice.

Alternative 2. Retail flow: the pallets are unpacked.

- 1 Check for each SSCC that the items contained correspond to the despatch advice.
- 2 Note any discrepancies from the despatch advice.

9.2.4.8 Report successful delivery

If delivery reconciliation shows that all items have been correctly delivered, then this is input to the business system and signed off by an authorised person. This allows subsequent invoice reconciliation to take place automatically.

9.2.4.9 Report differences in delivery

If delivery reconciliation show discrepancies between the despatch advice and the items delivered, then these are noted for invoice correction and error reports to the supplier. The buyer must also inform the supplier about the discrepancies. The parties must agree on how the discrepancies shall be handled in the invoice and credit note.

9.3 Business document specifications

The following chapters give an overview of the information contained in the business document used for transmitting delivery information. The chapter also includes clarification of how the business document should be implemented and links to examples. The complete specifications can be found on www.gs1.se/esap6spec-en.

9.3.1 Despatch advice, ESAP 6

The supplier uses the Despatch advice to inform the buyer of a pending shipment. The despatch advice describes the packages that are part of the shipment and how these are grouped. The business document is a list of packages with each line containing a list of items included.

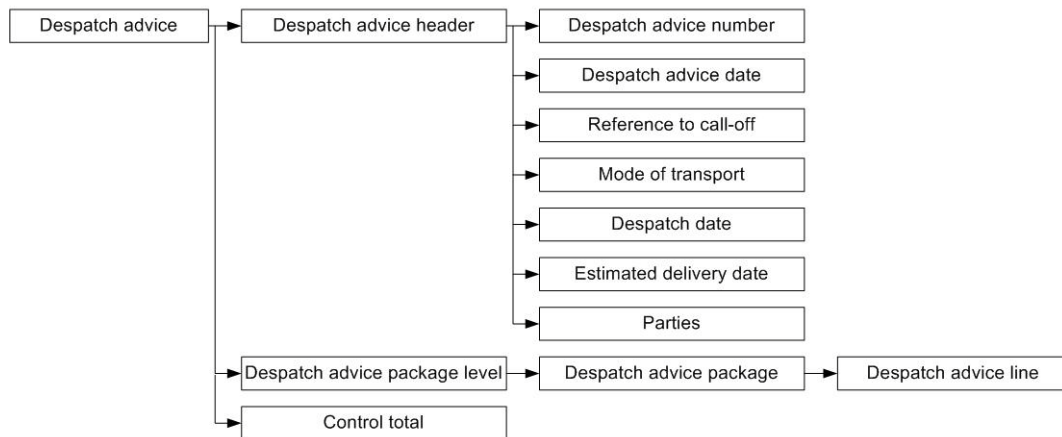


Figure 9.7. Structure of Despatch advice, ESAP 6.

9.3.1.1 Despatch advice header

The header contains information that identifies the document and the parties involved (Buyer and Supplier) and which call-off it refers to.

9.3.1.2 Despatch advice package level

One or more package levels occur per despatch advice. There is one level per package or group of packages with identical contents. The package level contains information about the package type, gross weight and identity as a SSCC (Serial Shipping Container Code). The package identity is given if the parties have agreed to use SSCC in the delivery process. The transport label of each package is then printed with the SSCC, creating a link between the package and the despatch advice.

For each package level there are one or more despatch advice lines. An despatch advice line contains information about the item such as its identity (GTIN), batch number, quantity despatched and reference to the call-off for this item.

An item from one call-off line can be split across several packages in the same shipment. A reference to the call-off line allows the despatch advice to be reconciled with the call-off.

9.3.1.3 Control total

The trailer contains control information for the document.

10 Invoice delivery

The supplier issues an invoice demanding payment for goods or services delivered. The purpose is to ensure that the buyer has sufficient information to enable him to pay the debt and update his accounting system.

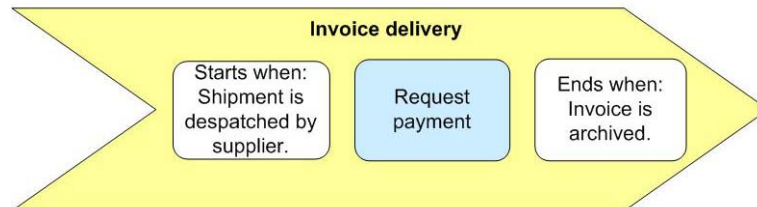


Figure 10.1. Diagram of collaboration process. The white boxes show the start and end conditions of the process. The blue boxes are the components of the implementation.

10.1 Collaboration process in summary

When the delivery terms specified in a commercial agreement have been met, the supplier sends the invoice to the buyer. The buyer receives the invoice and processes it in preparation for payment.

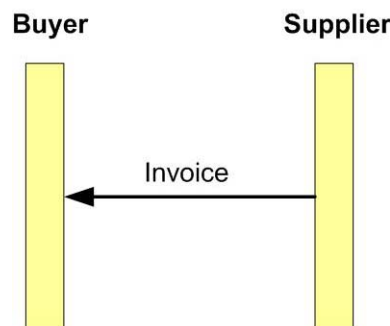


Figure 10.2. Collaboration between buyer and supplier. The arrow represents the business document that the parties exchange.

10.1.1 Initial conditions

For the collaboration process to work in the best way, the following conditions must be fulfilled before the process starts:

- 1 A business agreement has been concluded between buyer and seller.
- 2 Contractual, price and party information has been exchanged and input to the parties' business systems.
- 3 The supplier has prepared a shipment in accordance with the buyer's agreed requirements.

10.1.2 Termination conditions

The process runs until one of the following conditions are satisfied:

- 1 The invoice is archived and ready for payment. Buyer and supplier wait for payment to be made.
Or
- 2 The invoice is archived and ready for crediting. The buyer waits for a credit note.

10.1.3 Important information

10.1.3.1 One invoice per delivery

The basic rule is that one invoice shall be sent for each delivery. This also applies when a call-off is split into several deliveries.

10.1.3.2 Payment account

Information on the account to which payment should be made should be transferred before any invoicing takes place. The recipient should have input and checked those accounts which can be used in his supplier database. An invoice shall only specify one account - the account to which the supplier wants payment made for this invoice. If it is not significant for the supplier which of several accounts should be used, then the account shall not be specified in the invoice.

10.2 Implementation

This chapter provides a detailed description of how the collaboration process is implemented.

10.2.1 Request payment

The supplier sends the buyer an invoice.

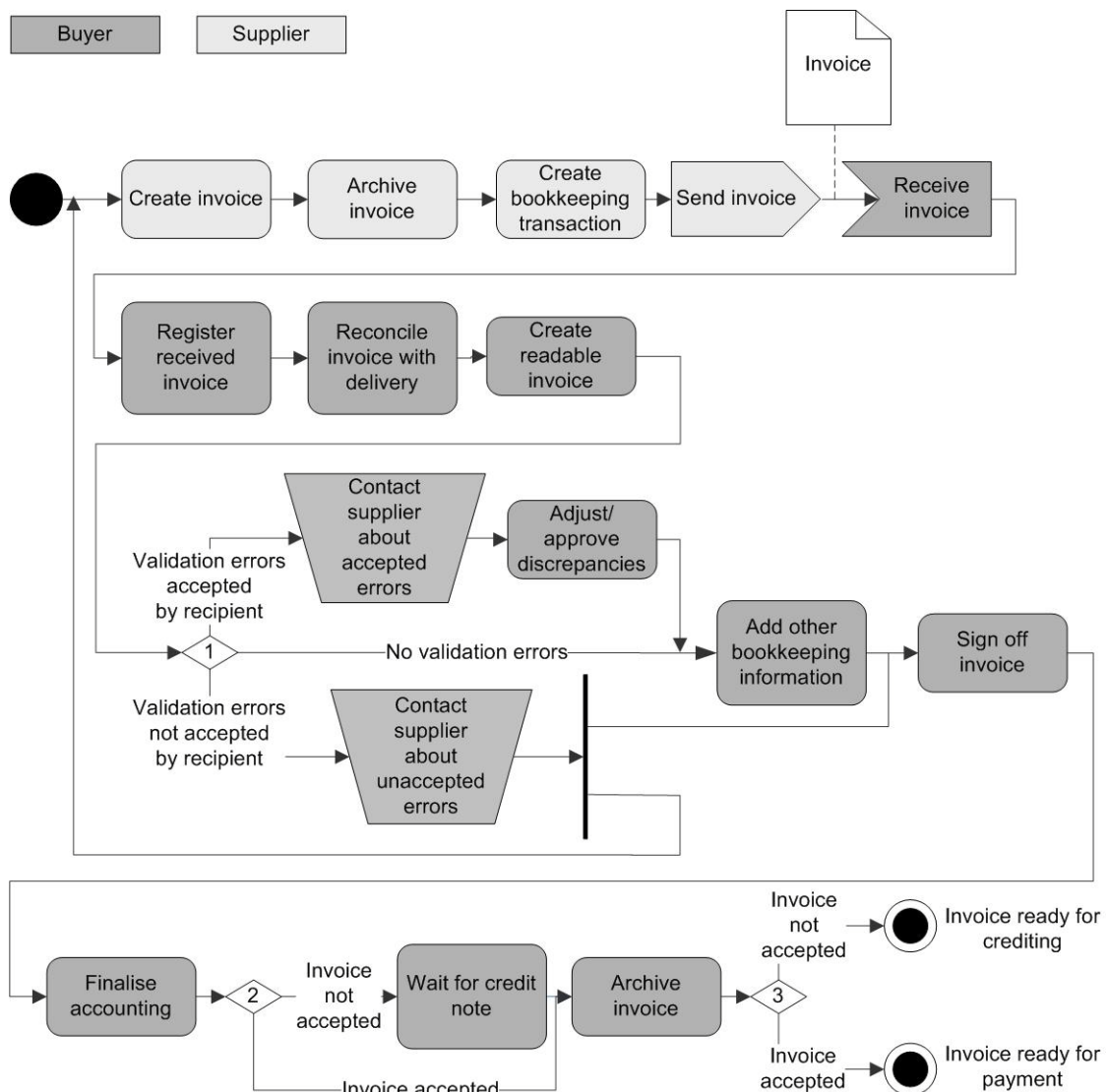


Figure 10.3. Buyer's and supplier's steps when exchanging invoice.

The steps that the parties should take before the business document *Invoice* is sent and after it has been received are described below.

10.2.1.1 Prepare invoice

Once a shipment has been despatched the supplier prepares an invoice from the data captured during the delivery process. The business document specification Invoice, ESAP 6 shows which information is included in the business document, see chapter [10.3.1 Invoice, ESAP 6](#) for an overview.

10.2.1.2 Archive invoice

When the supplier has created the invoice, it must be archived. The invoice is part of the accounting information. Archiving of accounting information must be done in a way that meets to the requirements of the VAT Act, the Bookkeeping Act and generally accepted accounting principles according to the Accounting Standards Board's guidelines and general advice. Learn more about these requirements in [Appendix 2: Archiving and retrieval of invoices](#).

10.2.1.3 Create bookkeeping information

The supplier creates bookkeeping information for the invoice. The data is input to accounts receivable to ensure that payment is made at the right time.

10.2.1.4 Send and receive invoice

The invoice is sent to the buyer or agreed invoicee. Read about receipt of business documents in appendix [1.1 Receipt and technical validation](#).

10.2.1.5 Register/book invoice

When the invoice has been received by the buyer's system, it must be given an internal verification number and date of receipt. Alternatively, the invoice can be booked at this point.

10.2.1.6 Validate contents of invoice against previously transmitted information

Once the invoice has been registered the following validations of the content of the business document should be made:

- 1 That the invoice number has not previously been used by the supplier, i.e. that there are no duplicates at the buyer. To ensure that duplicates are never raised, the supplier can use a Global Document ID as the invoice number.
- 2 That the due date for payment is consistent with the agreed payment terms.
- 3 That the invoice refers to a valid agreement and price list and that there is a contract with the supplier. If this information is missing, the buyer should assume that contract and price information exchanged previously applies. If several prices lists and/or contracts exist during the same contract period, then the invoice must contain this information.
- 4 That the identification (GLN) of the supplier, buyer and any other parties specified in the invoice, agrees with those in the call-off.
- 5 That the currency conversion rate is specified if the invoicing currency is not Swedish crowns.
- 6 That reason for not charging VAT is given in an invoice line if the invoiced item is not charged with VAT.
- 7 That unit prices are consistent with the underlying price list. Different preconditions apply to the following price types:
 - Contract price in the invoice is the same as the contract price in the agreement.
 - Discounted price in the invoice is the same as in the agreement.
 - Current price in the invoice need not be the same as in the agreement.
- 8 That all totals are present and correctly calculated:
 - That invoiced quantity times invoice price is the same as the line total.
 - That VAT is correctly calculated.
 - That the sum of the lines is the same as the total.
- 9 That any freight charges agree with the delivery/transport conditions.
- 10 That technology discount and invoice discounts are used in accordance with contract and correctly calculated.

- 11 That information about postgiro or bankgiro numbers is valid. If this information is not in the invoice, the buyer is to assume that an agreed account is used for payment. If alternative postgiro or bankgiro numbers can occur for different payments according to contract during the contract period, it is necessary that the invoice includes payment account information.
- 12 That the invoice has a reference to a call off.
- 13 That the invoice has a reference to a dispatch advice if an electronic dispatch advice has been sent for this specific delivery.
- 14 That the invoice has a reference to a packing list if the parties have agreed that the invoice shall contain a reference to a packing list and if an electronic dispatch advice has not been sent to the specific delivery.

10.2.1.7 Create readable invoice

In conjunction with validation, the invoice is completed with plain text to make it readable and comprehensible as follows:

- 1 The codes and qualifiers of the syntax are translated to text in the readable invoice.
- 2 Codes from code lists are translated to plain text, e.g. MTR is translated to meter.
- 3 Information which has been transmitted as codes, for example GLN and GTIN, shall be completed with the plain text for that code.

When validation is complete and the invoice has been made readable, a decision can be made how to continue processing. Some items on the validation check list which are reported as errors can be adjusted by the buyer at a later stage. Other errors cannot be accepted by the buyer. How errors are categorized is agreed between the parties within the framework of current tax and bookkeeping legislation.

10.2.1.8 Contact supplier about unaccepted validation errors

If the invoice does not validate correctly and the errors cannot be accepted by the buyer, the buyer should contact the supplier as contractually agreed. This contact results in the supplier creating and sending a new invoice as well as starting a credit process that leads to a credit note for the erroneous invoice being sent.

10.2.1.9 Contact supplier about accepted validation errors and adjust or approve discrepancies

If validation reports errors that can be adjusted by the buyer, invoice processing can proceed. The buyer contacts the supplier and informs him what corrections he needs to make. The way this is done is defined in the agreement. The discrepancies found in validation are corrected or accepted and approved. After that the invoice is handled the same way as an invoice with no validation errors.

10.2.1.10 Add other bookkeeping information

If validation reports no errors, or if the errors have been adjusted by the buyer, the next step is to add information to the invoice for auditing purposes, if needed. This can include:

- Packing list, if the invoice is not detailed. This means that the packing list must accompany the invoice for this to be acceptable as an audit voucher.

The additional information can be a paper document, a computer file or a scanned image, for example of a packing list. Additional information can also be provided by referring to a document stored in another place.

10.2.1.11 Sign off invoice verification

The next step is to approve the invoice verification. This is done regardless of the validation results, that is regardless of whether the invoice validated correctly or not. Signing off can be done manually or automatically.

10.2.1.12 Finalise accounting and, if necessary, wait for credit note

When the verification has been approved, the invoice can be finally booked. If validation has resulted in unaccepted errors, the invoice is marked as awaiting crediting. Monitoring can take place manually or automatically.

10.2.1.13 Archive invoice

When the invoice has been finally booked, it must be archived. The invoice is part of the accounting information. Archiving of accounting information must be done in a way that meets to the requirements of the VAT Act, the Bookkeeping Act and generally accepted accounting principles according to the Accounting Standards Board's guidelines and general advice. Learn more about these requirements in [Appendix 2: Archiving and retrieval of invoices](#).

10.2.1.14 Next

If the archived invoice was correct the buyer pays the invoice. If the archived invoice was erroneous the buyer must instead wait for a credit note from the supplier.

10.3 Business document specification

This chapter gives an overview of the information contained in the Invoice business document. The chapter also includes clarification on how the business document should be implemented and links to examples. The complete specifications can be found on www.gs1.se/esap6spec-en.

10.3.1 Invoice, ESAP 6

An invoice is sent by the supplier to the buyer.

One invoice is sent for each delivery.

When the invoice is archived, it is strongly recommended that all associated information is also archived, even that which was exchanged separately (such as names, addresses, article descriptions).

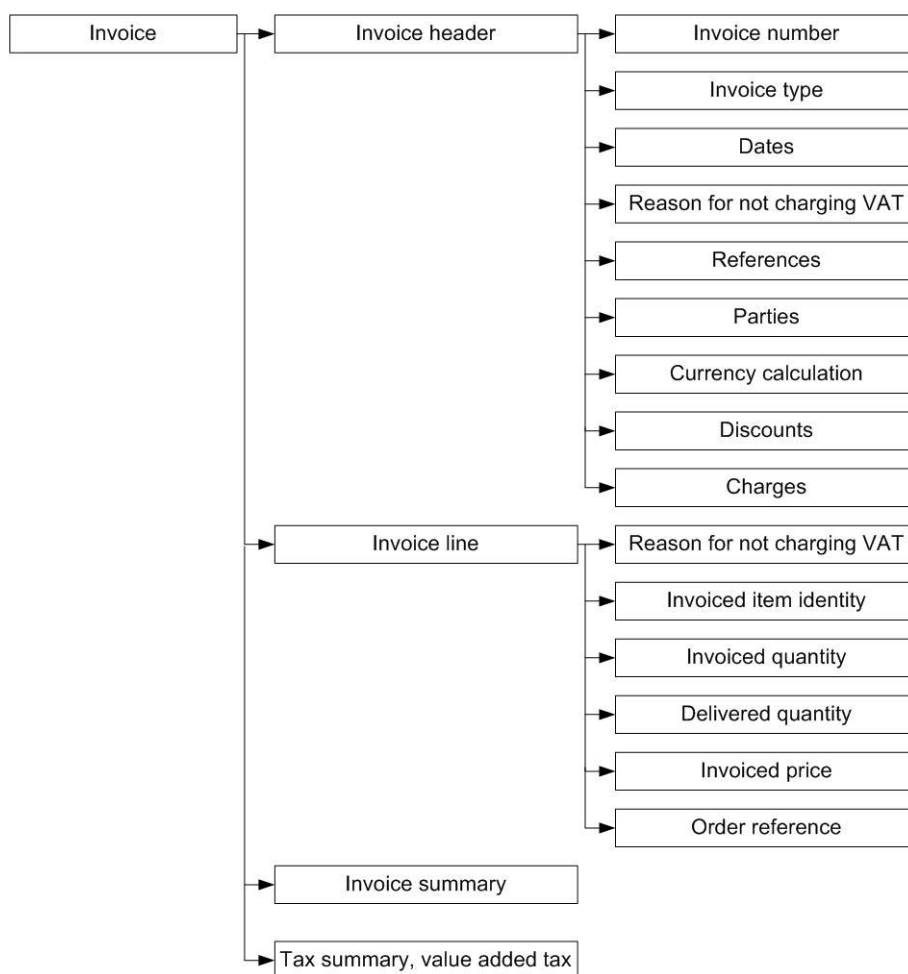


Figure 10.4. Structure of Invoice, ESAP 6.

10.3.1.1 Invoice header

The invoice header contains:

- **Invoice identity.** To ensure that duplicates are not created, GDTI can be used to identify an invoice.
- **Invoice type** indicates that this is an invoice as opposed to a credit note.
- **Dates** (invoice date, due date, actual delivery date, despatch date).
- **Reason for not charging VAT.** Reason for not charging VAT is given in the header if no items are charged with VAT. If some items of the invoice are not charged with VAT, the reason for not charging VAT must be given per line. **Note:** Reason for not charging VAT was previously called Justification for tax exemption. The change of name was made in order for the name to be compliant with the changes in VAT legislation effective 1 January 2013. Read more in document "Changes resulting from changes in the Swedish VAT act", at www.gs1.se/esap6spec-en.
- **References** to contract, price list, call-off etc.
- **Identification of parties** (supplier, buyer etc.).
- **Currency calculation** must be used if the invoice is issued in a currency other than Swedish kronor. An example of the use of currency conversion can be found at www.gs1.se/240-en.
- **Technology discount** – used to encourage use of electronic call-offs rather than manual procedures such as telephone and fax.

- **Invoice discount** – used to specify a volume discount for the current invoice. The discount can apply to several deliveries (several invoices) which does not necessarily mean a discount for this delivery.
- **Charges.** Possible charges are freight charge, express freight charge.

10.3.1.2 Invoice line

The invoice contains one invoice line per invoiced **item**. The invoice line contains:

- **Identity of the invoiced item.**
- **Invoiced quantity.**
- **Invoiced price.** The price is stated as one of the following price types: Contract price, Current price, Current price, discounted, Discount price. At www.gs1.se/244-en you can find a detailed description of the price types.
- **Reason for not charging VAT.** Reason for not charging VAT is given per line if some items of the invoice are not charged with VAT. If no items of the invoice are charged with VAT, reason for not charging VAT must instead be given in the header. **Note:** This was previously called Justification for tax exemption, see Reason for not charging VAT under Invoice header above.
- Reference to call-off line.

10.3.1.3 Invoice summary

The Invoice summary occurs once per invoice document. It contains information on the sum to be paid, taxes, discounts and charges, and control totals for the invoice document.

10.3.1.4 Tax subtotals

The Tax subtotals occur once per tax type and tax rate and tax category.

11 Pay invoice

The buyer transfers an amount to the supplier as specified in the invoice as payment for goods and services delivered. GS1 Sweden has not specified a procedure for payment. One of the following organisations who have developed standards and services for electronic payments should be contacted instead:

- **Swedish Banker's Association:** www.swedishbankers.se
- **Bankgirocentralen BGC AB:** www.bgc.se
- **Plusgirot Nordea:** www.plusgirot.se

12 Prepare credit note

The process of issuing a credit note is used to reimburse the buyer, for example, for returned or faulty products or services, for credit of returned packaging, or for payment of accumulated volume discounts. The supplier sends a credit note to the buyer. The credit note contains all information needed to settle the debt which has arisen and prepare for bookkeeping.

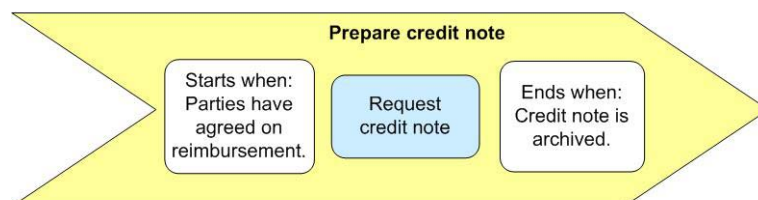


Figure 12.1. Diagram of collaboration process. The white boxes show the start and end conditions of the process. The blue boxes are the components of the implementation.

12.1 Collaboration process in summary

When the parties have agreed on reimbursement, for example the return of a product or service or payment of accumulated volume discount, the supplier prepares a credit note which he then sends to the buyer. The buyer receives the credit note and processes it in preparation for crediting.

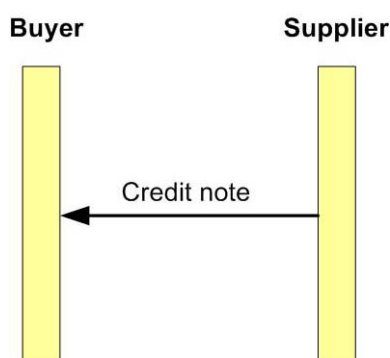


Figure 12.2. Collaboration between buyer and supplier. The arrow represents the business document that the parties exchange.

12.1.1 Initial conditions

For the collaboration process to work in the best way, the following conditions must be fulfilled before the process starts:

- 1 A business agreement has been concluded between buyer and seller.
- 2 Contract and party information for both buyer and supplier is available in both the buyer's and supplier's system.
- 3 The supplier has agreed to reimburse the buyer for incorrect invoicing or returned items/packaging according to the buyer's Announcement for returns or Returns advice, or to pay an accumulated volume discount.
- 4 Invoice(s) to be credited must already be entered into the parties' bookkeeping systems.

12.1.2 Termination conditions

The process runs until one of the following conditions are satisfied:

- 1 The correct credit note is archived and the amount is ready to be credited to the buyer's account, or matched against another unpaid invoice from the same supplier, **or**
- 2 The erroneous credit note is archived and the buyer waits for a correct credit note from the supplier.

12.1.3 Important information

12.1.3.1 Referring to a credited invoice or invoicing period

When crediting an incorrect invoice, the credit note shall refer to the invoice being credited. When crediting returned items/packaging or paying a yearly bonus based on more than one invoice, the credit note must refer to the period during which these invoices were issued (invoicing period).

12.1.3.2 Credit account

Information on the buyer's credit account must be sent before a credit note is issued. The supplier shall have input to his customer database and check the validity of the credit account(s) that can be used for the payment of credit balances.

12.2 Implementation

This chapter provides a detailed description of how the collaboration process is implemented.

12.2.1 Request credit note

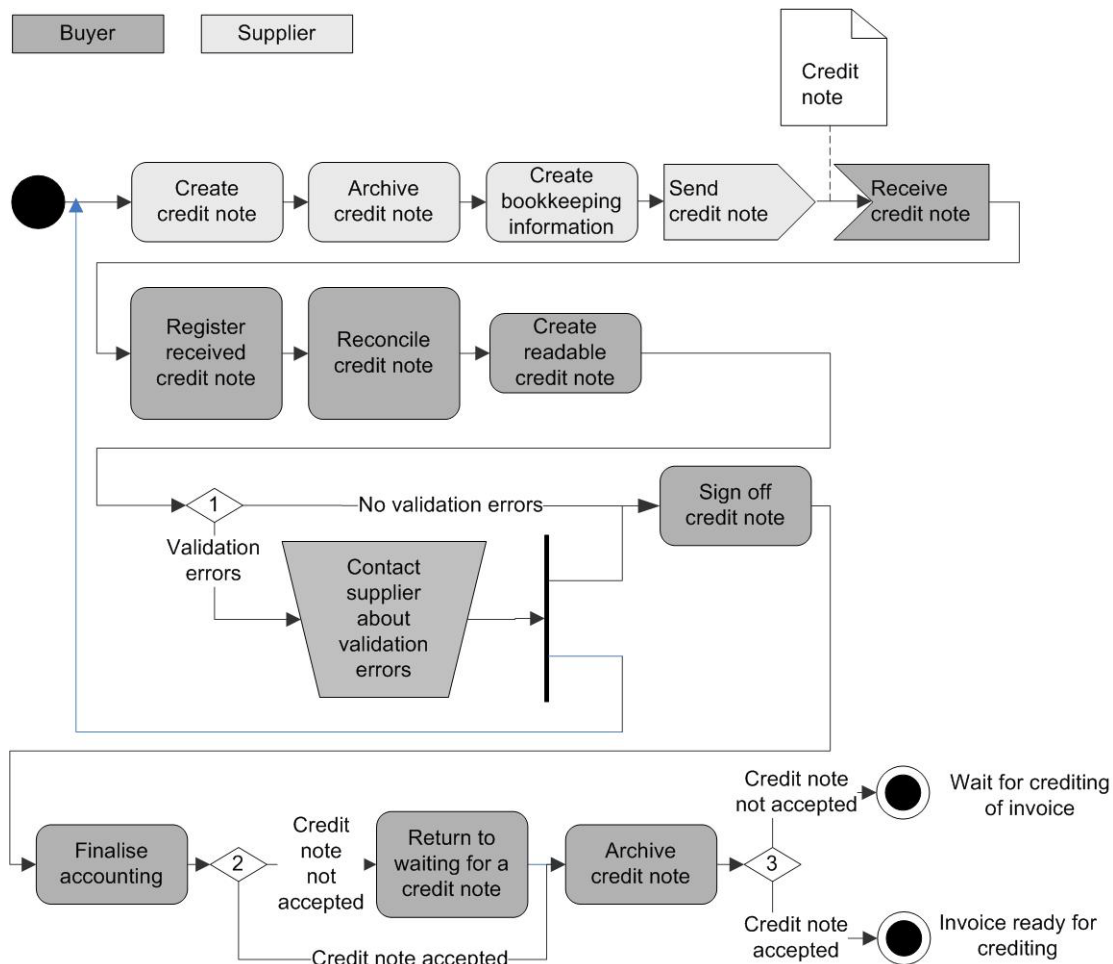


Figure 12.3. Buyer's and supplier's steps when exchanging credit note.

The steps that the parties should take before the business document *Credit note* is sent and after it has been received are described below.

12.2.1.1 Create credit note

A credit note is created on the basis of, for example, the triggering of a contractual agreement on volume discounts, or information that there are errors in an original invoice such as wrong invoiced price.

The business document specification Credit note, ESAP 6 shows which information is included in the business document, see chapter [12.3.1 Credit note, ESAP 6](#) for an overview.

12.2.1.2 Archive credit note

When the supplier has created the credit note, it must be archived. The credit note is part of the accounting information. Archiving of accounting information must be done in a way that meets the requirements of the VAT Act, the Bookkeeping Act and generally accepted accounting principles according to the Accounting Standards Board's guidelines and general advice. Learn more about these requirements in [Appendix 2: Archiving and retrieval of invoices](#).

12.2.1.3 Create bookkeeping information

Bookkeeping information for the credit note is created. The data is input to accounts receivable to ensure that payment is made at the right time.

12.2.1.4 Send and receive credit note

The credit note is sent to the buyer or another company assigned as invoice (and credit note) recipient. Read about receipt of business documents in appendix [1.1 Receipt and technical validation](#).

12.2.1.5 Register/book credit note

When the credit note has been received by the buyer's system it must be given an internal verification number and date of receipt. Alternatively, the credit note can be booked at this point.

12.2.1.6 Validate contents of credit note against previously transmitted information

Once the credit note has been registered, the following validations of the content of the business document should be made:

- 1 That the invoice number has not been used previously by the supplier, i.e. that there are no duplicates at the buyer. To ensure that no duplicates are created, the supplier can use GDTI as the identity of the credit note.
- 2 That the due date (if used) is reasonable in relation to the payment terms.
- 3 That the reason for not charging VAT is given in the header if the entire original invoice is being credited and no items are charged with VAT.
- 4 That the justification for tax exemption is given per line if part of an invoice is credited and not all items are tax exempt.
- 5 That the credit note refers to a unique invoice or an invoicing period.
- 6 That the referenced invoice exists if the credit note refers to a unique invoice.
- 7 That invoices exist for the referenced invoicing period if the credit note refers to an invoicing period.
- 8 That the reason for the credit note is given in the header if the entire original invoice is being credited.
- 9 That the reason for the credit note is given in the header if one or more charges in the original invoice are being credited.
- 10 That the reason for credit note is given for each credited item line if part of the original invoice is being credited.
- 11 That the identities (GLN) of the supplier, buyer and any other parties given in the credit note header are consistent with those in the original invoice.
- 12 That a currency conversion is present if the credit note is not issued in Swedish kronor.
- 13 That any credited charge is the same as the invoiced charge in the original invoice. This applies when part of an invoice is credited.
- 14 That the credited quantity of an item is the same as the invoiced quantity in the original invoice. This applies when part of an invoice is credited.

- 15 That the unit price for an item is the same as the unit price in the original invoice. This applies when part of an invoice is credited.
- 16 That all totals in the invoice summary are the same as in the original invoice. This applies when an entire invoice is credited.
- 17 That there are no lines in the credit note when an entire invoice is credited.
- 18 That all tax information in the credit note is the same as in the original invoice. This applies when an entire invoice is credited.
- 19 That all tax information in the credit note is based on the credited lines. This applies when part of an invoice is credited.
- 20 That the credit note has information on the tax currency if this was present in the original invoice.

12.2.1.7 Create readable credit note

In conjunction with validation, the credit note is completed with plain text to make it readable and comprehensible as follows:

- 1 The codes and qualifiers of the syntax are translated to text in the readable credit note.
- 2 Codes from code lists are translated to plain text, e.g. Z04 is translated to "wrong price".
- 3 Information which has been transmitted as codes, for example GLN and GTIN, shall be completed with the plain text for that code.

When validation is complete and the credit note has been made readable a decision is made on how to continue processing.

12.2.1.8 Contact supplier about validation errors

If the credit note does not validate correctly, the buyer should contact the supplier as contractually agreed. The buyer informs the supplier of the problems and requests a new credit note.

12.2.1.9 Sign off credit note verification

The next step is to approve the credit note verification. This is done regardless of the validation results, that is regardless of whether the credit note validated correctly or not. Signing off can be done manually or automatically.

12.2.1.10 Finalise accounting and, if necessary, return to waiting for credit note

When the verification has been approved, the credit note can be finally booked. If there were errors in validation, the buyer should return to waiting for a credit note. This can be done manually or automatically.

12.2.1.11 Archive credit note

When the credit note has been finally booked, it must be archived. The credit note is part of the accounting information. Archiving of accounting information must be done in a way that meets the requirements of the VAT Act, the Bookkeeping Act and generally accepted accounting principles according to the Accounting Standards Board's guidelines and general advice. Learn more about these requirements in [Appendix 2: Archiving and retrieval of invoices](#).

12.2.1.12 Next

Once the credit note has been archived it can be matched against another unpaid invoice from the same supplier. Alternatively the supplier can credit the buyer's account. If the credit note was in error, the buyer must wait for a corrected credit note from the supplier.

12.3 Business document specification

This chapter gives an overview of the information contained in the business document used for transmitting credit note information. The chapter also includes clarification of how the business document should be implemented and links to examples. The complete specifications can be found on www.gs1.se/esap6spec-en.

12.3.1 Credit note, ESAP 6

A credit note is sent by the supplier to the buyer. One credit note refers to either one invoice or one invoicing period.

There are two ways of crediting an incorrectly invoiced price or quantity. One way is to credit the entire invoice and issue a new, correct invoice. This method is always correct, that is all systems should be able to handle this process. The alternative is to only credit the line(s) in error and subsequently issue a new invoice for the credited line(s).

When archiving a credit note it is strongly recommended that all related content is archived, even if this has been exchanged earlier (e.g. plain text for names, addresses, item descriptions).

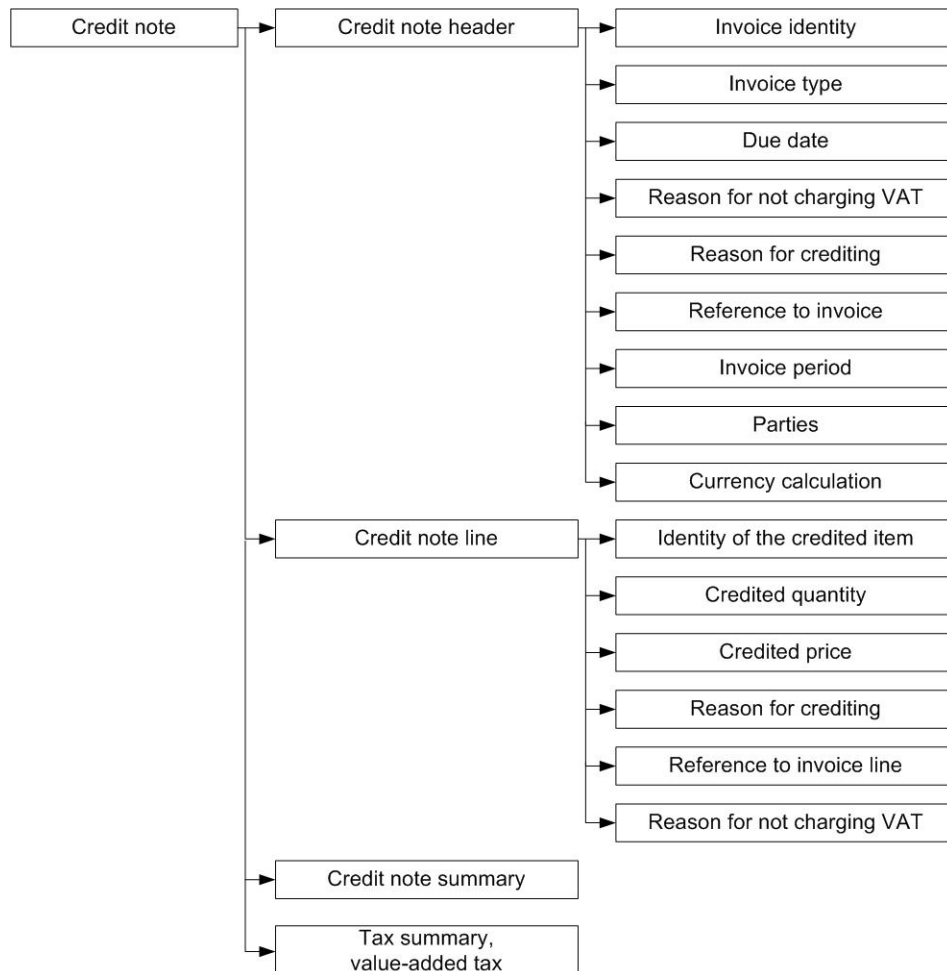


Figure 12.4. Structure of Credit note.

12.3.1.1 Credit note header

(See Invoice header in Invoice 6.1.6).

The header contains:

- **Invoice identity.** To ensure that duplicates are not created, GDTI can be used to identify a credit note.
- **Invoice type** indicates that this is a credit note as opposed to an invoice.
- **Due date.** Information on due date is not necessary.
- **Reason for not charging VAT.** Reason for not charging VAT is given in the header if no items are charged with VAT. If some of the items of the credit note are not charged with VAT, the reason

for not charging VAT must be given per line. **Note:** Reason for not charging VAT was previously called Justification for tax exemption. The change of name was made in order for the name to be compliant with the changes in VAT legislation effective 1 January 2013. Read more in document "Changes resulting from changes in the Swedish VAT Act" at www.gs1.se/esap6spec-en.

- **Reason for crediting.** The reason for this credit must always be given, either in the header or per line. The header is used when the reason is the same for all lines, e.g. for returns.
- **Reference to invoice** must always be given when the credit note refers to a single invoice.
- **Invoice period** must always be given if the credit note refers to more than one invoice, for example reimbursement of deposit for returned packaging. The invoicing period is determined by the dates of the first and last invoices in the period.
- **Identification of parties** (supplier, buyer and, optionally, invoice recipient, etc.).
- **Currency calculation** must be used if the credit note is issued in a currency other than Swedish kronor. An example of the use of currency conversion can be found at www.gs1.se/240-en.

12.3.1.2 Credit note line

(See Invoice line in Invoice 6.1.6).

A credit note line is used when part of an invoice is to be credited. If an entire invoice is credited, there are no lines in the credit note, just the header. Note that it is always an entire invoice line that is credited. That is, the entire quantity of the invoiced item must be credited. For example, if 12 packages of milk have been invoiced, but only 10 were delivered, the credited quantity is 12.

A credit note line contains the following information:

- **Identity of the credited item.** (See class Invoiced item identity in Invoice 6.1.6).
- **Quantity of the credited item.** (See class Invoiced quantity in Invoice 6.1.6). If the credit relates to an incorrectly invoiced price, the credited quantity must be the same as the invoiced quantity. If the credit relates to an incorrectly invoiced quantity, the credited quantity must be the same as the invoiced quantity. At the same time a new invoice is issued for the correct quantity of the delivered item.
- **Credited price.** (See class Invoiced price in Invoice 6.1.6). The credited price shall always be of the same amount and same price type as in the invoice.
- **Reason for crediting.** The reason for this credit must always be given at line level when the reason is not the same for all credited items.
- **Reference to invoice and invoice line.** Used when part of a single invoice is credited.
- **Reason for not charging VAT.** Reason for not charging VAT is given per line if some items of the credit note are not charged with VAT. If no items of the credit note are charged with VAT, reason for not charging VAT must instead be given in the header. Note: This was previously called Justification for tax exemption, see Reason for not charging VAT under Credit note header above.

12.3.1.3 Credit note summary

(See Invoice summary in Invoice 6.1.6).

The credit note summary contains information on the sum to be credited as well as taxes, discounts and charges and control totals.

- **Amount due.** When an entire invoice is credited, the amount payable in the credit note must be the same as in the invoice.
- **Rounding off.** When an entire invoice is credited, the amount in the credit note must be the same as in the invoice.
- **Line item total.** When an entire invoice is credited, the amount in the credit note must be the same as in the invoice.

- **Total taxable amount.** When an entire invoice is credited, the amount in the credit note must be the same as in the invoice.
- **Total taxes.** When an entire invoice is credited, the amount in the credit note must be the same as in the invoice.
- **Total allowance or charge amount.** When an entire invoice is credited, the amount in the credit note must be the same as in the invoice. If the total in the invoice resulted in a reduction of the invoiced amount, the same amount shall be debited in the credit note, i.e. this amount shall be negative in the credit note.

12.3.1.4 Tax summary, value-added tax

The tax summary contains all information on taxes and the amount to be credited. It is repeated for each tax type, rate and category.

When an entire invoice is credited, the tax summary, including currency, shall be the same as in the invoice.

12.3.1.5 Examples

At GS1's website are some examples of how the credit note is used:

- How do I credit an incorrectly invoiced price? www.gs1.se/241-en
- How do I credit an unsold item that has been returned? www.gs1.se/242-en
- How do I credit damaged goods? www.gs1.se/243-en

Appendix 1: Receipt of business document and exception handling

1.1 Receipt and technical validation

When a business document is received by the recipient's system, the receipt is logged with at least the time, sender and recipient which allows the recipient to check that the document meets the requirements for receipt to be accepted.

The interchange agreement defines which information is logged. It also states if and how acknowledgements and receipts will be used. This affects the timing of the formal receipt of the business document by the recipient.

The following technical validations are carried out to confirm that the document has been correctly received:

- 1 That the sender's identity (GLN) is correct.
- 2 That the recipient's identity (GLN) is correct.
- 3 That the message is syntactically correct.
- 4 That the electronic signature (if used) is valid.

If the document is correct according to the technical validation the recipient continues to process the business document. This is described for each document exchange elsewhere in this handbook.

If the business document is not correct according to the technical validation, the recipient cannot accept the business document. The interchange agreement defines how this should be handled.

1.2 Handling exceptions

If the contents of the business document differs from what the parties have agreed upon in the business agreement the recipient should take appropriate action. The way this is to be done should be defined in the agreement, e.g. if the recipient should contact the sender, in what manner and if the sender should correct the errors and send a new business document.

Appendix 2: Archiving and retrieval of invoices

Legislation for archiving invoices exists to enable retrospective checks and audits of executed transactions. Checks and audits may need to be performed by the company itself, external auditors, investigators from the Economic Crime Authority or tax and customs inspectors. If a company fails to follow the rules it may risk prosecution for accounting or tax fraud. This chapter provides a guide to how companies should manage the archiving and retrieval of invoices so that legal requirements are met.

2.1 Responsibility

The trader responsible for bookkeeping is always responsible for archiving accounting information consistent with the requirements of the VAT Act (ML), the Bookkeeping Act (BFL) and generally accepted accounting principles of the Accounting Standards Board (BFN).

The task of archiving can be handed over to a third party, such as an accounting firm or other service provider, according to a contractual agreement. This agreement must make it clear that service provider meets the requirements for filing under ML, BFL and BFN principles.

2.2 General information on archiving and storage

Archiving of invoices starts at a vendor/supplier immediately after an invoice has been prepared and issued and at a buyer/customer immediately after the invoice is received and registered. The archiving period is the calendar year in which the fiscal year ends and another seven years, according to the Bookkeeping Act.

Media that is used to store invoices should be durable and easily accessible. As a basic rule, invoices must be stored in Sweden, in good order and in a safe and transparent manner. Under certain conditions, invoices on machine-readable media may be stored in another country within the EU.

2.3 Alternative ways of storing invoices

Invoices can be stored in the following forms:

- 1 Ordinary readable form (document)
- 2 Microfilm/fiche
- 3 Machine-readable form (electronic invoices).

Invoices archived in machine-readable form must be accessible through immediate printing in ordinary readable form or on microfilm/fiche throughout the archiving period.

The rules for the form in which invoices are stored differ for invoices that the trader has issued and invoices the trader has received from business partners:

- For invoices the trader has issued in electronic form (on machine-readable medium) the basic rule is that the company shall also archive the invoices in electronic form. However, the company may choose to immediately print and compile invoices in readable form or as microfilm/fiche and then archive the invoices in this form throughout the archiving period.
- Invoices the trader has received shall be archived in the form they had when they were received. This means that electronic invoices must be kept in machine-readable form. Secure conversion to another machine-readable medium may be made, i.e. the invoice content must be unchanged after the conversion.

2.4 Where should invoices be stored during the archiving period?

As a basic rule, invoices must be stored in Sweden, in good order and in a safe and comprehensible manner. Under certain conditions, invoices on machine-readable media may be stored in another country within the EU. The basic rule is that invoices be stored in Sweden. A company may store electronic invoices and make hardware and systems available in another country within the EU if:

- 1 the location of storage and any changes are notified to the tax authorities, and

- 2 the company at the request of the tax or customs authorities allows instant electronic access to the accounting information for control purposes during the archiving period, and
- 3 the company can instantly print information in the electronic invoices in Sweden in ordinary readable form or on microfilm/fiche.

2.5 Other points on archiving of electronic invoices

2.5.1 Encryption

Data in electronic invoices may be encrypted only if this is justified for security reasons and the information is immediately presentable in clear text. If the company cannot guarantee that decryption of archived invoices is immediately possible during the entire archiving period then encryption may not be done.

2.5.2 Archiving securely

There is no general requirement that the archived accounting information must be kept in a safe. When storage is on machine-readable media on which is added to and updated, a backup of the accounting information must be made. Authorisation and administrative procedures should be in place to ensure that stored information can only be read, not changed.

2.5.3 Transparency, accessibility and good order

Archiving of accounting information should be made so that an external auditor can have access to information in readable form within a reasonable time. For larger volumes of archived accounting information it is therefore desirable that the company prepares an archiving plan so that information is transparent.

If accounting information is stored on machine-readable medium, hardware and software that enables printing in normal readable form must be available. For this reason it is for practical purposes appropriate that stored information is converted securely when replacing hardware and software to ensure that it is readable in the new system.

2.6 References and links

For further reading, here is a reference to the rules with comments and links to the applicable rules and regulations.

2.6.1 References to the liability for archiving and retrieval of invoices

ML, Chapter 11 a, § 1:

A trader who is obliged to issue invoices is also obliged to ensure that a copy of the invoice is preserved. The obligation to ensure that a copy of an invoice is preserved also applies to invoices the trader receives.

BFL Chapter 7. § 1 and § 6:

Documents, microfilm/fiche and machine readable media used to store accounting information must be durable and easily accessed. They shall be stored until the end of the seventh year after the end of the calendar year in which the fiscal year ended. They must be kept in Sweden, in good order and in a secure and transparent manner.

From BFNAR 2000:5 Accounting information and its archiving:

"Archiving provisions are a central feature of the Bookkeeping Act. These ensure stakeholders access to accounting information for the whole of the legally required archiving period."

Comment: The practical implications of the media on which invoices are stored are durable is that the accounting entity must at regular intervals during the seven-year retention period verify that the information in the invoices is still readable. If hardware or software is changed then the information should be converted, preferably to a machine-readable medium that is readable by the new system.

2.6.2 References regarding the form in which invoices are to be preserved

BFL Chapter 7. § 1:

Accounting information shall be kept as:

- 1 Ordinary readable form (documents)
- 2 Microfilm/fiche that can be read with magnification aids, or
- 3 Other form that can be read, listened to or otherwise comprehended only using technical means (machine-readable medium) and by immediate printing can be produced in a form referred to in 1 or 2.

Documents, microfilm/fiche and machine-readable media that the company received from someone else shall be preserved in the state the material had when it came to the company.

Documents, microfilm/fiche and machine readable media with accounting information that the company itself has produced shall be preserved in the condition it had when it was compiled.

2.6.3 References for transfer of accounting information on machine-readable media to another form

BFL Chapter 7. § 6:

A company may destroy a computer file with invoices transmitted electronically if the information in the electronic invoices is securely transferred and converted to other machine readable media in a format that is consistent with the business system that the company uses.

Comment: The provisions in the BFL on accounting information form of preservation are clarified in BFNs Guidance with general advice 2000:5.

This clarifies the difference between the concepts of creating an invoice and issuing an invoice. An invoice can be created electronically in a billing system but can then be issued and printed in duplicate, one of which is sent to the recipient and the remaining copy can be archived as accounting information. In most cases, however, companies archive the electronic invoice created in the billing system. It should in this context emphasized that electronic invoices can be sent only after the recipient has agreed to receive electronic invoices and the technical requirements for sending and receiving electronic invoices have been agreed between the trading partners.

For received electronic invoices, the company is required to archive them in machine-readable medium, even if they are printed in ordinary readable form. If the printed invoices are annotated with additional bookkeeping information, this shall also be preserved as accounting information with reference to the electronic invoice. Information in the electronic invoice may be immediately transferred to other machine-readable medium by the company. The received data file containing the electronic invoices does not need to be saved after transfer to another machine-readable medium, provided that the transfer has been done in a secure manner, i.e. that the information in the invoices has not changed.

2.6.4 Other aspects of archiving of accounting information in accordance with BFL, BFN's general advice and ML

BFN's guidelines and general advice clarify that archiving must be done so that the information is transparent, accessible by external reviewers and kept in good order throughout the archiving period. To satisfy these requirements, a company with large volumes of accounting information should establish an archiving plan. This should state where received and issued invoices are stored and in what form: normal readable form, microfilm/fiche or machine-readable form. If invoices are stored on machine-readable media, hardware and software for instant printing in normal readable form or microfilm/fiche must be available. Authorisation procedures should be in place that make it impossible to change archived accounting information.

2.6.5 Links to current regulations

Current regulations for archiving and retrieval of invoices are on the following websites:

- **Bookkeeping Act:** www.riksdagen.se
- **Accounting Standards Board:** www.bfn.se
- **Tax Agency:** www.skv.se