

SAP Solution Brief
SAP Global Trade Services



RESTITUTION HANDLING

Make the Most of EU Export Refunds with SAP® Global Trade Services

Common Agricultural Policy (CAP) export subsidies are vital to the competitiveness of European Union companies in price-sensitive global markets. But the complexity of export funds procedures (also known as restitution) can be daunting. The SAP® Global Trade Services application automates and streamlines all aspects of restitution handling. And that means greater visibility, more efficient refund processing – and less risk of forfeiting securities.

If you're based within the European Union (EU) and export agricultural or food products to non-EU countries, you know about the very real benefits of the Common Agricultural Policy (CAP). To support exporters, the CAP provides subsidies (or restitution), reimbursing the difference between the price of goods in Europe and on the world market. And if you want to stay competitive in today's fiercely contested trading environment, it's critical to make the most of these refunds.

But restitution procedures can be daunting, involving considerable volumes of data from multiple sources. What's more, you have to ensure that your documentation and processes comply with strict rules and regulations. And if you fail to satisfy all the conditions, you not only risk missing out on subsidies, you also stand to forfeit some – or possibly all – of the security you have to put up against the expected refund.

Then there's the headache of tracking the status of export licenses and securities. Plus the challenge of managing complex recipes for processed products that contain multiple ingredients eligible for refund.

To master all aspects of restitution handling, you need a single, integrated solution that automates and optimizes these activities – powerful software that supports you at every stage of the process, from managing securities to calculating refunds. You need the SAP® Global Trade Services (SAP GTS) application.

SAP Global Trade Services: Less Pain, More Gain

SAP Global Trade Services delivers all the capabilities you need to streamline restitution handling – and avoid potentially costly oversights and errors. Powered by the open and scalable SAP NetWeaver™ platform, SAP GTS draws on up-to-the-minute information from SAP and non-SAP systems, helping you make sound decisions and delivering end-to-end support for your import and export activities.

Effective Support Every Step of the Way

From managing securities to calculating and applying for refunds, SAP GTS optimizes all your restitution-related processes.

Administering Securities

Generally, you need a valid export license before you can apply for restitution. This entitles – and obliges – you to export a specified quantity of goods within a defined time period. To guarantee fulfillment of these obligations, you are required to deposit a security (for example, a cash payment or mortgage) when you apply for a license.

SAP GTS cuts down the time and effort required to manage securities so you can:

- Effectively maintain securities
- Automatically determine which security can be used for a new export license
- Calculate securities as a percentage of expected refunds
- Assign higher-than-average securities to specific transactions if early payment of refunds is desired
- Gain full visibility into due dates from an easy-to-use cockpit feature

Managing Export Licenses

When it comes to applying for and maintaining export licenses, SAP GTS makes life a whole lot easier for your organization.

The software allows you to:

- Effectively maintain licenses
- Automatically identify which products are eligible for refunds and determine whether you require an export license
- Create license applications in a format that can be electronically forwarded to the appropriate authorities
- View all due dates at a glance from a user-friendly cockpit

Once you have been granted a license, the official hard copy is scanned into SAP GTS and attached to the applicable license master. The license can then be used for multiple transactions. Each time you export restitution-relevant goods, a valid license is assigned – automatically or manually – to the corresponding customs documents.

Assigning Restitution Recipes

If you export processed goods, you have to create manufacturer's recipes. These recipes enable refund calculations by detailing ingredients eligible for restitution. SAP GTS helps you to efficiently manage all your recipes, and it allows you to assign one recipe to multiple products, for example, different flavors of yogurt that contain the same ingredients.

Calculating Restitution

SAP GTS automatically determines the expected refund for each product. It does so using the rates defined by the European Commission and taking into account the type of goods exported – either basic (Annex 1) or processed (non-Annex 1).

SAP GTS then lodges your refund application with the authorities and creates an invoice for the appropriate amount in your financials system. This allows you to see at a glance whether refunds have been paid or not.

360-Degree Visibility

Restitution handling is complex. Given the large number of players involved – from exporter and importer to distributors, customs officials, and banks – it's all too easy to lose sight of the status of your licenses, securities, and refund payments.

Leveraging the powerful business intelligence capabilities of SAP NetWeaver, SAP GTS solves this problem, providing you with comprehensive monitoring functionality for end-to-end transparency. You can quickly and easily see whether you are fulfilling your export obligations, and you can transfer underused licenses to third parties, making sure you don't forfeit securities. What's more, the software alerts you to due dates, ensuring you meet critical deadlines.

A Wealth of Benefits for Your Business

SAP GTS delivers all the capabilities you need to:

- Improve competitiveness by making the most of export refunds
- Ensure compliance with all requirements for restitution – from initial application through receipt of payments
- Reliably document all activities relating to CAP refunds and provide an audit trail for authorities
- Boost process efficiency and knowledge-worker productivity through enhanced integration, transparency, and planning
- Minimize the risk of forfeiting securities and export licenses

To find out more about how SAP GTS can help you drive more effective cross-border trade, check out our Web site at www.sap.com/solutions/gts.

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