



Ihr Weg zum intelligenten und nachhaltigen Unternehmen

V012 - Global Trade Management im Zusammenspiel mit Compliance-Prüfungen mit SAP S/4HANA International Trade

Frank Tycner, SAP SE

11.10.2022

Disclaimer

The information in this presentation is confidential and proprietary to SAP and may not be disclosed without the permission of SAP. Except for your obligation to protect confidential information, this presentation is not subject to your license agreement or any other service or subscription agreement with SAP. SAP has no obligation to pursue any course of business outlined in this presentation or any related document, or to develop or release any functionality mentioned therein.

This presentation, or any related document and SAP's strategy and possible future developments, products and or platforms directions and functionality are all subject to change and may be changed by SAP at any time for any reason without notice. The information in this presentation is not a commitment, promise or legal obligation to deliver any material, code or functionality. This presentation is provided without a warranty of any kind, either express or implied, including but not limited to, the implied warranties of merchantability, fitness for a particular purpose, or non-infringement. This presentation is for informational purposes and may not be incorporated into a contract. SAP assumes no responsibility for errors or omissions in this presentation, except if such damages were caused by SAP's intentional or gross negligence.

All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates, and they should not be relied upon in making purchasing decisions.

Agenda

Global Trade Management (Peter Langner; ADventas Consulting GmbH)

- What is Global Trade Management?

International Trade (Frank Tycner; SAP SE)

- Background information

Interaction between Global Trade Management and International Trade (Frank Tycner; SAP SE)

- Process example with Trade Compliance check for Legal Control

Summary

SAP S/4HANA for International Trade

Legal framework for Germany

- „The [Federal Office for Economic Affairs and Export Control](#) is a **superior federal authority** subordinated to the Federal Ministry of Economics and Energy. It is entrusted with important administrative tasks of the federal government in Foreign Trade, Promotion of Economic Development and SME, Energy, and Auditor Oversight
- “A **central task** is **export control**. Being involved in the export control policy of the federal government, Federal Office for Economic Affairs and Export Control **is a licensing authority** working in close co-operation with other federal agencies on a complex export control system. Within the framework of international and legal commitments, **export controls are oriented towards the security need and foreign political interests of the Federal Republic of Germany.**”
- “Another relevant task of the Federal Office for Economic Affairs and Export Control in the area of **foreign trade** is to **implement the import regulations** adopted as part of the European Union’s common trade policy.”



SAP GRC solutions

International Trade as part of Governance, Risk and Compliance



Enterprise risk and compliance

SAP Process Control
SAP Risk Management
SAP Audit Management
SAP Regulation Management by Greenlight
SAP Business Integrity Screening



Access governance

SAP Access Control
SAP Cloud Identity Access Governance offering
SAP Dynamic Authorization Management by NextLabs
SAP Access Violation Management by Greenlight
SAP Identity Management
SAP Single Sign-On



Cybersecurity and data protection

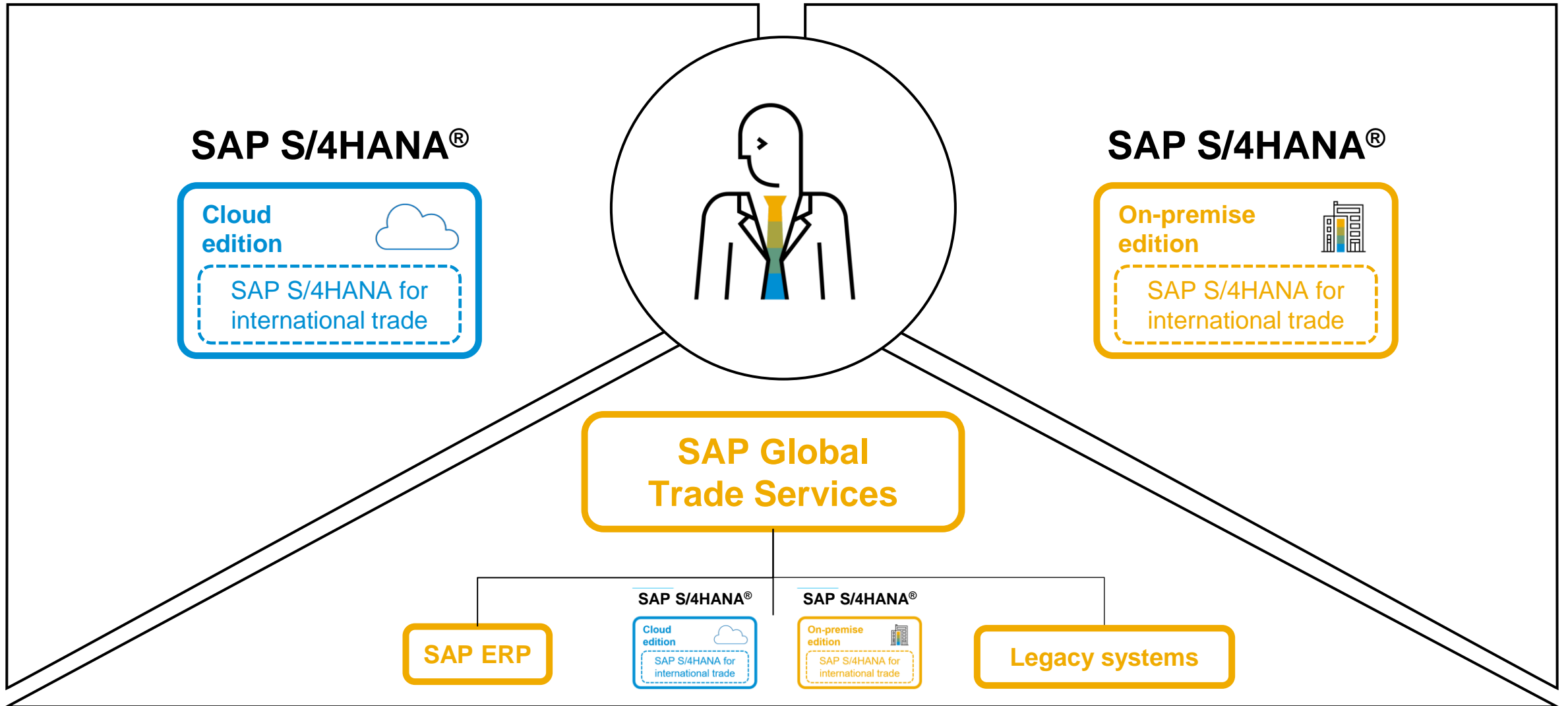
SAP Enterprise Threat Detection
SAP Enterprise Digital Rights Management by NextLabs
SAP Data Custodian
UI field masking and logging
Code vulnerability analysis
SAP Fortify by Micro Focus



International trade management

SAP Global Trade Services (SAP GTS), export management
SAP GTS, import management
SAP GTS, trade preference management
Special customs procedures
SAP S/4HANA for international trade
SAP Watch List Screening

SAP provides customers with international trade options



What it is – and what not!

There is some confusion regarding the capabilities of SAP S/4HANA for international trade

It is **NOT**:

- SAP GTS moved into SAP S/4HANA
- ERP for foreign trade moved into SAP S/4HANA

It **IS**:

- New development leveraging knowledge of SAP's experienced global trade team
- Opportunity to meet global trade requirements within SAP S/4HANA (**part of SAP S/4HANA Core**)

SAP S/4HANA for international trade

Scope

Classification for International Trade

- Classification of products with commodity codes and Intrastat service codes
- Classification of products with control classes and control groups for legal control
- Classification of products with customs tariff numbers (also for end-uses)
- Retransfer of commodity codes from SAP GTS to SAP S/4HANA

International Trade Compliance

- **Legal Control**
 - Control of legal regulations for import and export
 - Managing of licenses in accordance with legal control for import and export processes
 - Managing and release of blocked legal control documents
- **Embargo**
 - Manage countries under embargo
 - Manage documents
 - Release of blocked documents



*requires additional license for use of screening service

SAP S/4HANA for international trade

Scope

Intrastat

- Managing Intrastat declarations and their master data

SAP Watch List Screening

- Checking business partners in transactional documents (requires additional license for use of screening service / app)
- Note: requires additional license for use of screening service











Integration with SAP Global Trade Services

- Integration with SAP Global Trade Services lets you use SAP GTS functionality in your processes



International Trade Configuration

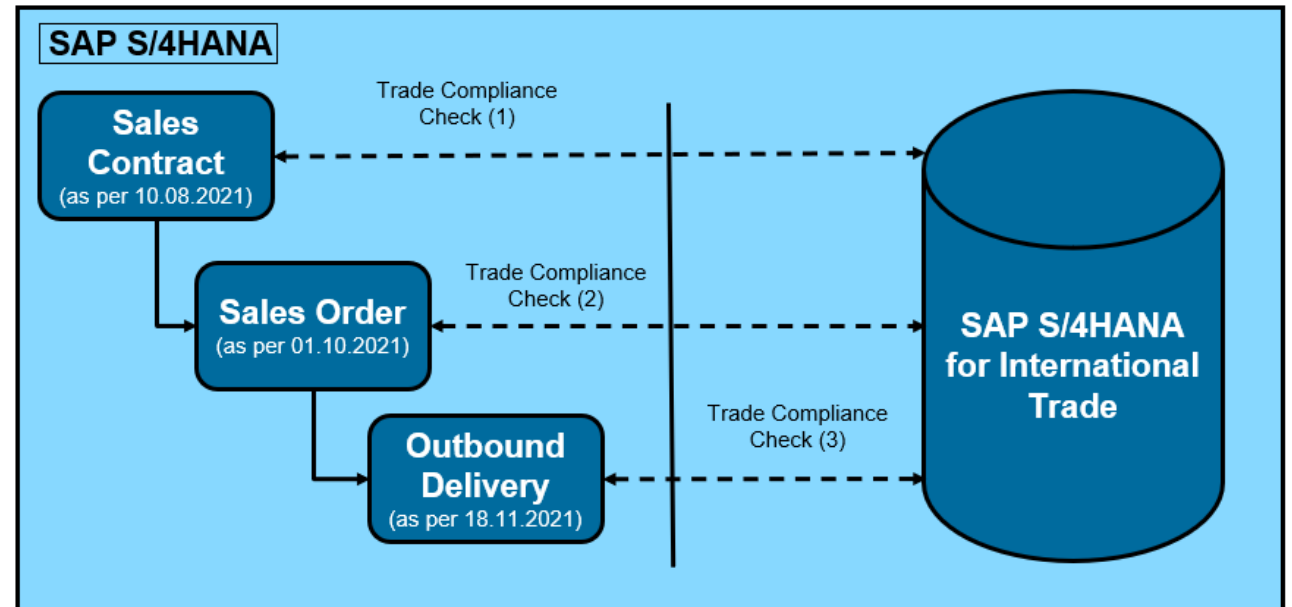
- SAP S/4HANA for International Trade is to be set up in customizing under IMG: Governance, Risk and Compliance
- Trade Compliance checks for legal control, embargo and watch list screening can be set up for ...
 - Sales Orders, Sales Contracts, Sales Scheduling Agreements, and Sales Quotation
 - Outbound Deliveries, Inbound Deliveries
 - Purchase Orders, Purchase Contracts, Purchase Requisitions, Purchase Scheduling Agreements

| Structure | |
|---|---|
| ▼ | Governance, Risk and Compliance |
| ▼ | International Trade |
| ▼ | General Settings |
| ▼ | Trade Compliance ← |
|   | Activate Sales Documents |
|   | Activate Delivery Documents |
|   | Activate Checks for Purchasing Documents |
|   | Activate Checks for Company Codes |
|   | Switch Off Subsequent Functions |
| > | Partner Roles |
| > | Legal Regulations |
| > | Preliminary Document Types |
| > | Classification |
| > | Legal Control ← |
| > | Embargo ← |
| > | Integration with SAP Watch List Screening ← |
| > | Intrastat |

International Trade

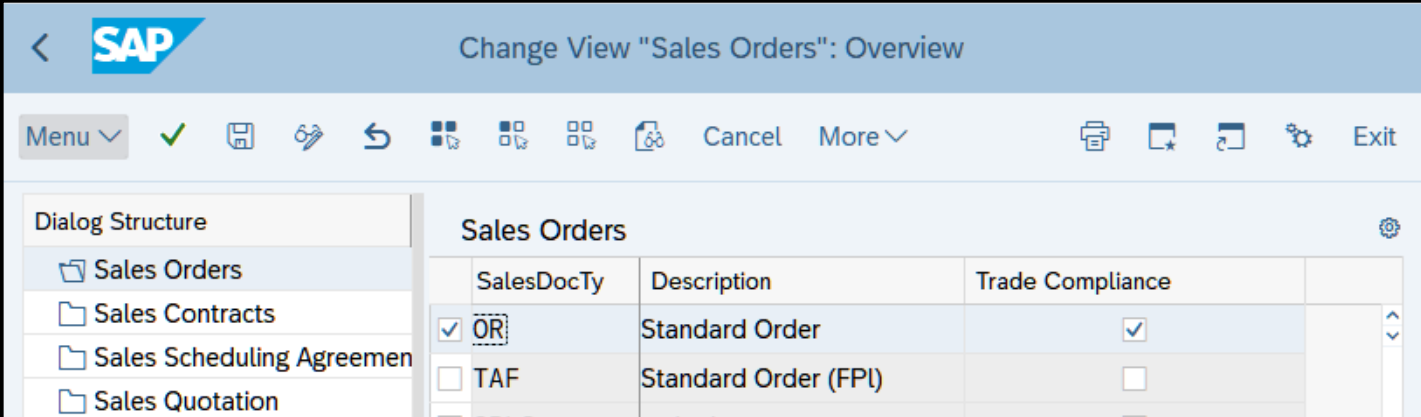
Trade compliance checks along the supply chain

- Trade Compliance checks are performed separately per business document
- For Legal Control, however, the following applies: Once you maintained a classification and licence (e.g. for the sales contract) this regulation then also applies for the subsequent documents as well (inheritance)
- **Note:** the individual checks could lead to a “mismatch” – e.g. a sales order can be of status “Released” whereas a subsequent delivery will be blocked due to a new embargo or an expired export license at a later time
- For Legal Control, however, the following applies: Once you maintained a classification and licence (e.g. for the sales contract) this regulation then also applies for the subsequent documents as well (inheritance)



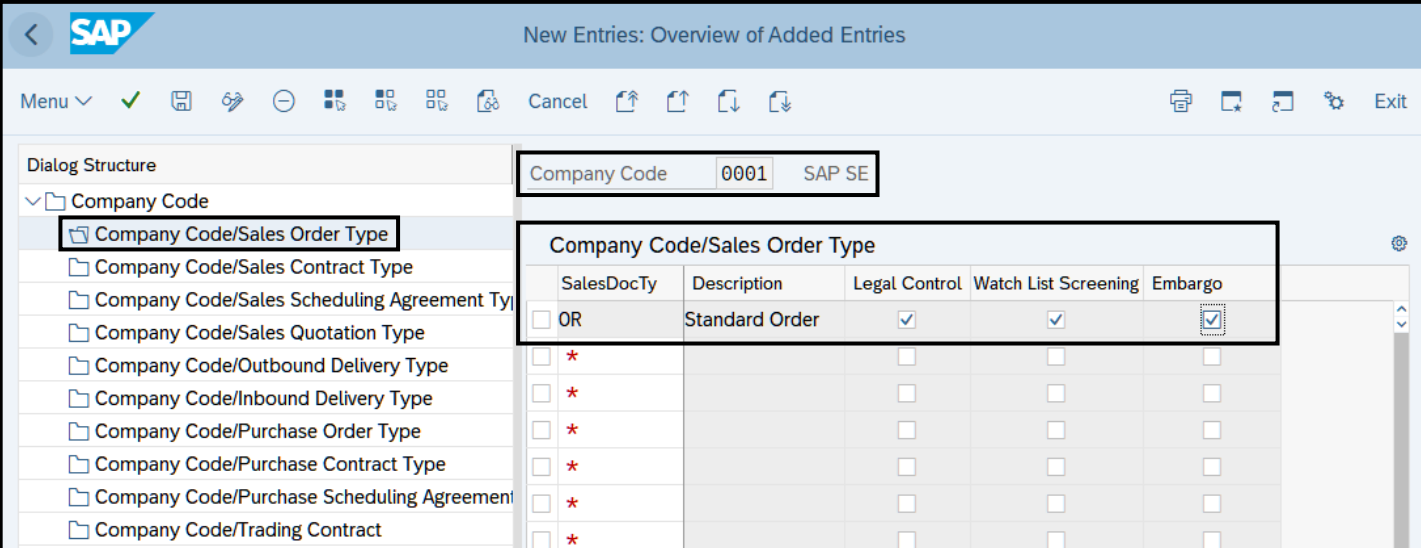
Example: Embargo Compliance check for Sales Orders

- Activate sales document type in two steps:
- First **specify the required sales document types** for which you want to perform the Trade Compliance Checks
- Secondly **specify the company code** and **select the relevant Trade Compliance Check** per document type



The screenshot shows the 'Change View "Sales Orders": Overview' dialog in SAP. The 'Dialog Structure' on the left lists 'Sales Orders', 'Sales Contracts', 'Sales Scheduling Agreement', and 'Sales Quotation'. The main table displays the following data:

| SalesDocTy | Description | Trade Compliance |
|--|----------------------|-------------------------------------|
| <input checked="" type="checkbox"/> OR | Standard Order | <input checked="" type="checkbox"/> |
| <input type="checkbox"/> TAF | Standard Order (FPI) | <input type="checkbox"/> |



The screenshot shows the 'New Entries: Overview of Added Entries' dialog in SAP. The 'Company Code' is set to '0001' and 'SAP SE'. The 'Dialog Structure' on the left lists various 'Company Code/Sales Order Type' entries. The main table displays the following data:

| SalesDocTy | Description | Legal Control | Watch List Screening | Embargo |
|-----------------------------|----------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <input type="checkbox"/> OR | Standard Order | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <input type="checkbox"/> * | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> * | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> * | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> * | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> * | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> * | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Example: Embargo Compliance check for Sales Orders

- Sales order with a Sold-to Party which is located in a country which is defined as being under embargo by legal law

SAP Change Standard Order DE00009021: Overview

Menu ✓ 63 ✕ Orders Document Cancel

Standard Order DE00009021 Net Value 360,00 EUR

Sold-to Party TR-CUS-GB Louisville Tyres Corp. / 10 Pjöngjang Road / 123456 Pjöngjang

Ship-to Party TR-CUS-GB Louisville Tyres Corp. / 10 Pjöngjang Road / 123456 Pjöngjang

Cust. Reference Cust. Ref. Date Z Base Values

Sales Item Overview Item detail Ordering party Procurement Shipping Configuration Reason for rejection

Req. Deliv.Date D 07.10.2021 Deliver.Plant

Complete Dlv. Total Weight 50,000 KG

Delivery Block Volume 0,000

Billing Block Pricing Date 07.10.2021

Pyt Terms 0001 Pay immediately w/o deduction

Inco. Version

Incoterms CIF

Inco. Location1

Group

All Items

| Item | Material | Req. Segment | Sea... | Sea... | Collec... | Theme | P... | Seas... | Order Quantity | Un | S | Item Description | Customer Material N |
|------|-----------|--------------|--------|--------|-----------|-------|------|---------|----------------|-----|---|------------------|---------------------|
| 10 | TR-MAT-01 | | | | | | 0 | | | 5PC | | Tyres | |
| | | | | | | | 0 | | | | | | |

Example: Embargo Compliance check for Sales Orders

- The sales order retrieves the information and displays the information on header and item detail level

Change Standard Order DE00009021: Header Data

Standard Order: DE00009021
Customer Reference:
Sold-to Party: TR-CUS-GB
Louisville Tyres Corp. / 10 Pjöngjang Road / 123456 Pjöngjang

Navigation: < Billing plan Accounting Conditions Account Assignment Partner Texts Order Data **Status** Additional Data A Additional Data B D... >

Processing Status

| | |
|-----------------------|---------------------------------------|
| Overall Status | Open |
| Rejection Status | Nothing Rejected |
| Delivery Status | Not Delivered |
| OverallCredStat | Not Performed |
| Overall Block Status | Not Blocked |
| ARun Status | Not Relevant |
| MSO Explosion Status | Not Relevant |
| Prod. Marktably Sts | OK – Not Relevant |
| Dangerous Goods Sts | OK – No Dangerous Goods; Not Relevant |
| Sfty Data Sheet Sts | OK – Not Relevant |
| Embargo Status | Pending |
| Screening Status | Not Relevant, No Check |
| Legal Control Status | Not Relevant, No Check |

Completeness

| | | | |
|----------------|----------|-----------|--------------------|
| Overall Header | Complete | All Items | All Items Complete |
|----------------|----------|-----------|--------------------|

Example: Embargo Compliance check for Sales Order

- Enter the respective tile in the Fiori Launchpad
- As per customizing / configuration for embargo the overall status of the sales order is automatically blocked

The screenshot shows the SAP Fiori 'Manage Documents - Trade Compliance' interface. At the top, there is a search bar with the SAP logo and the title 'Manage Documents - Trade Compliance'. Below this, there is a dropdown menu for 'Standard*'. The search filters include: Legal Regulation, Company Code, Plant, Document Category, Document Number (highlighted with a red box and containing '=DE00009021'), and Partner Cntry/Rgn. Below the filters, there are navigation icons for back and search. The main content area shows 'Documents (1)' with a dropdown for 'Standard'. A table is displayed with the following data:

| Document Category | Document Number | Earliest Delivery ... | Document Date | Blocking Status |
|-----------------------------------|-----------------|-----------------------|---------------|-----------------|
| <input type="radio"/> Sales Order | DE00009021 | 07.10.2021 | 28.09.2021 | Blocked |

Example: Embargo Compliance check for Sales Orders

- On item level the compliance check for embargo display status “Pending”
- There are two options for the trade compliance manager: to confirm or to release the compliance block

The screenshot displays the SAP S/4HANA Trade Compliance Manager interface. On the left, a summary card for 'Item 10 Outbound' shows a value of 360,00 EUR and a 'Blocked' status. The main area shows details for 'Item 10', including document number DE00009021, product TR-MAT-01, and partner country North Korea (KP). The net value is 360,00 EUR and the status is 'Blocked'. A table titled 'Embargo Status' is highlighted with a black box, showing a 'Pending' status for 'Legal Regulation for Embargo Control (ITR02)'. On the right, a panel titled 'Legal Regulation for Embargo Control (ITR02)' provides details: Company Code SAP SE (0001), Reason Embargo Block, and Status Pending. Below this, the 'Checked Partners' section lists 'Louisville Tyres Corp. (TR-CUS-GB)' with a 'North Korea (KP)' region. At the bottom right, there are buttons for 'Confirm Block' and 'Release Block'.

| Legal Regulation | Status |
|--|---------|
| Legal Regulation for Embargo Control (ITR02) | Pending |

Example: Embargo Compliance check for Sales Orders

- The trade compliance manager confirms the block and the trade compliance document get stored

The screenshot displays the SAP trade compliance interface. On the left, a table lists items with their values and status:

| Item | Value | Status |
|------------------|------------|---------|
| Item 10 Outbound | 360,00 EUR | Blocked |
| TR-MAT-01 Tyres | | Blocked |

The main area shows details for 'Item 10':

- Document Number: DE00009021
- Product: TR-MAT-01
- Plant: Plant 0001 (0001)
- Document Category: Sales Order
- Item Description: Tyres
- Partner Cntry/Rgn: North Korea (KP)
- Net Value: 360,00 EUR
- Status: Blocked
- Quantity: 5 PC
- Compl. Quantity: 0 PC

A 'Legal Regulation for Embargo Control (ITR02)' document is displayed on the right, with details:

- Company Code: SAP SE (0001)
- Reason: Embargo Block
- Status: Pending
- Decided By:

A 'Checked Partners' section is also visible, listing:

- BusinessPartner: Louisville Tyres Corp. (TR-CUS-GB)
- Country/Region: North Korea (KP)
- Partner Role: Sold-to Party
- Military Use: No
- Nuclear Sector: No
- Louisville Tyres Corp. (TR-CUS-GB)

A 'Confirm Block' dialog box is overlaid on the screen, containing a text input field with the comment 'Confirm Block of Sales Order' and 'OK' and 'Cancel' buttons. An arrow points from the 'Confirm Block' button in the bottom right of the main interface to the dialog box.

Example: Embargo Compliance check for Sales Orders

- The overall status of the compliance document changes to “Confirm Block”

The screenshot displays the SAP S/4HANA interface for a sales order item. The top navigation bar shows 'SAP Items (1)' and a search icon. The main content area is divided into three sections:

- Item 10 Outbound:** Shows a net value of 360,00 EUR and a status of 'Blocked'.
- Item 10 Details:** Provides document information: Document Number: DE00009021, Product: TR-MAT-01, Plant: Plant 0001 (0001), Document Category: Sales Order, Item Description: Tyres, and Partner Cntry/Rgn: North Korea (KP). It also shows Net Value: 360,00 EUR (Status: Blocked), Quantity: 5 PC, and Compl. Quantity: 0 PC.
- Embargo Status:** A table with two columns: 'Legal Regulation' and 'Status'. The entry for 'Legal Regulation for Embargo Control (ITR02)' has a status of 'Confirmed Block', which is highlighted with a red box.

On the right side, a sidebar titled 'Legal Regulation for Embargo Control (ITR02)' is open, showing a list of 'Checked Partners' with details for each, including BusinessPartner, Country/Region, and Partner Role. At the bottom of the sidebar, there are buttons for 'Confirm Block' and 'Release Block'.

Example: Embargo Compliance check for Sales Orders

- Accordingly the sales order displays the result as well

The screenshot shows the SAP interface for displaying standard order header data. The order number is DE00009021, and the customer reference is Louisville Tyres Corp. / 10 Pjöngjang Road / 123456 Pjöngjang. The status tab is selected, showing various processing and completeness statuses. The Embargo Status is highlighted with a black box and is set to 'Blocked'.

| Processing Status | |
|-----------------------|---------------------------------------|
| Overall Status | Open |
| Rejection Status | Nothing Rejected |
| Delivery Status | Not Delivered |
| OverallCredStat | Not Performed |
| Overall Block Status | Not Blocked |
| ARun Status | Not Relevant |
| MSO Explosion Status | Not Relevant |
| Prod. Marktably Sts | OK – Not Relevant |
| Dangerous Goods Sts | OK – No Dangerous Goods; Not Relevant |
| Sfty Data Sheet Sts | OK – Not Relevant |
| Embargo Status | Blocked |
| Screening Status | Not Relevant, No Check |
| Legal Control Status | Not Relevant, No Check |

| Completeness | |
|----------------|--------------------|
| Overall Header | Complete |
| All Items | All Items Complete |

SAP S/4HANA for International Trade & Global Trade Management

Relevant Compliance Checks for Global Trade Management

- Trade Compliance Check for Legal Control
- Trade Compliance Check for Embargo
- Trade Compliance Check for Watch List Screening



SAP S/4HANA for International Trade & Global Trade Management

Forewords

- With release SAP S/4HANA 2021 (On-Premise) business object “Trading Contract” is part of the trade compliance checks in SAP S/4HANA for International Management (also see [SAP Help Portal for SAP S/4HANA Rel. 2021](#))
- The following Trade Compliance checks can be performed: Watch List Screening, Legal Control, and Embargo
- From a process point of view the trader is able to retrieve an **intermediate result** from International Management before releasing and saving the document. This offers the ability to check the relevant data already **before** a trade compliance dept. gets involved into the sales cycle
- **Note:** a new function module ensures that SAP S/4HANA for International Trade checks whether a sales order and/or purchase order **has a trading contract as preceding document**
 - if a sales order/purchase has been created the status of the trade compliance check of the trading contract **is being inherited into the sales order/purchase order** – there is **no** additional separate trade compliance check for sales/purchase documents
 - in addition **no** trade compliance documents are being created in SAP S/4HANA for International Trade for the follow-on documents. Only the trade compliance document for the trading contract document is created and stored in International Management

SAP S/4HANA for International Trade & Global Trade Management

Forewords

- If the trading contract gets changed after a trade compliance check has been executed (e.g. changes to the delivery address which is under embargo or a subsequent maintenance of a not-allowed material) automatically another trade compliance check is processed again which might lead to a blocking status of separate line items
- A delivery also can not be processed out of a blocked trading contract / sales order since the delivery document incorporates the data from the trading contract
- **Note:** The deliveries following the sales order will again have a trade compliance check carried out (if enabled) and trade compliance documents will be created

SAP S/4HANA for International Trade & Global Trade Management

Example: Legal Control

- A Trading Contract contains material TR-MAT-05 which is **not allowed** to be processed due to legal control and material TR-MAT-01 for which no legal regulation is required

SAP Create Trading Contract (Two-Sided) Stock Shpmt

Menu ✓ [Icons] Trading Contracts Profit Simulation Cancel [Icons] Exit

Sold-to Party: TR-CUS-GB Louisville Tyres Corp. / 10 Bel Rd. / Belfast BT17 0AA Person Responsible: TYCNER
 Supplier: TR-VEN-CN China Tyres / 51 Main Street / 123456 Shanghai Document Date: 11.08.2021
 Net Value: 2.940,00 EUR / 1,00000 M Translation Date: 11.08.2021

Item Overview | Quantity Overview | Price Overview | Flexible View | Add-On Overview | Default Data

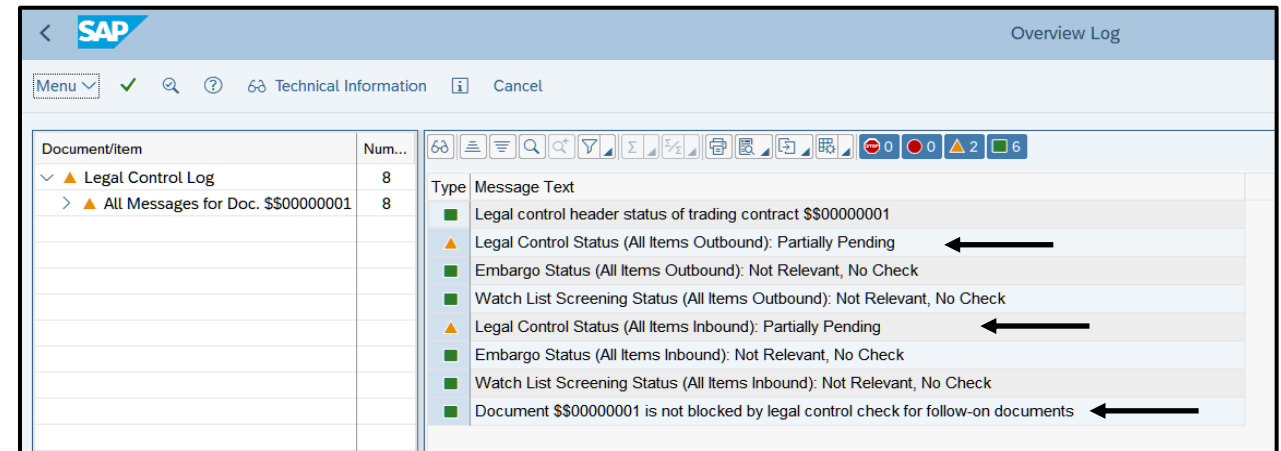
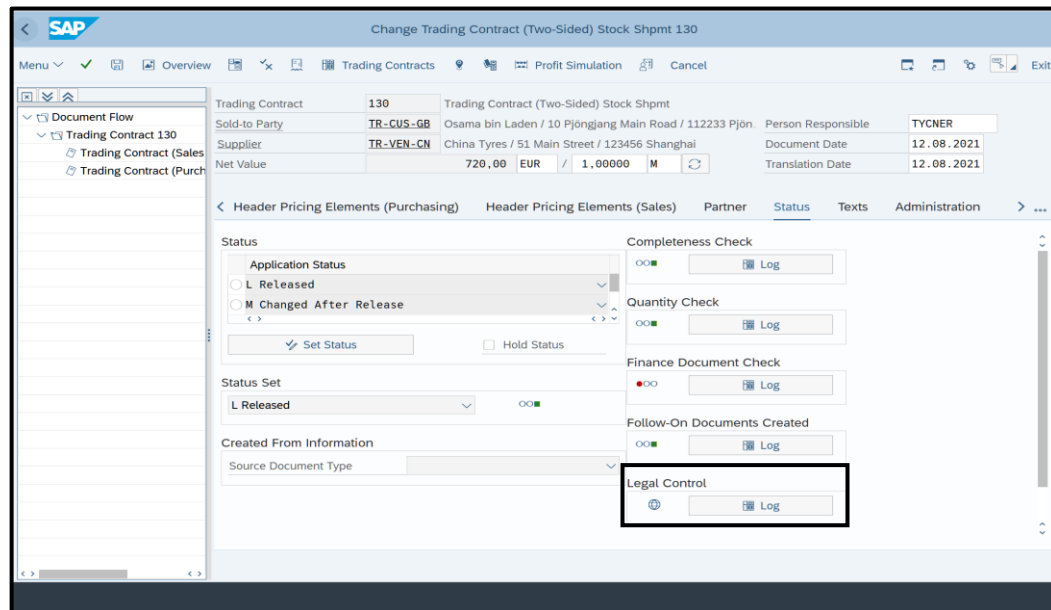
Scope of Display: ALL All Items Characteristic Disp.

| Item Category | Supplier | Material | S... | M... | B... | Item Descr. | C.. | Plant | Storage Location | Sales Quantity | Sa... | Quantity Ordered | Or... | Sales Price | Curr... | Prin... | U... | Purchase Price | Purc... | Price ... | Or... | P. PurRequeste... | S ! |
|---------------|-----------|-----------|------|------|------|-------------|-----|----------|------------------|----------------|-------|------------------|-------|-------------|---------|---------|------|----------------|---------|-----------|-------|-------------------|-----|
| 0002 St... | TR-VEN-CN | TR-MAT-01 | | | | Tyres | | Plant DP | Finished Goods | 20 PC | | 20 PC | | 72,00 EUR | | 1 PC | | 25,00 CNY | | 1 PC | D | 11.08.2021 | D |
| 0002 St... | TR-VEN-CN | TR-MAT-05 | | | | Tyres | | Plant DP | Finished Goods | 30 PC | | 30 PC | | 50,00 EUR | | 1 PC | | 15,00 CNY | | 1 PC | D | 11.08.2021 | D |

SAP S/4HANA for International Trade & Global Trade Management

Example: Legal Control

- After maintaining the data the trading contract displays the current status of the relevant compliance check
- Reason: the intermediate result for legal control from SAP S/4HANA for International Trade immediately detects an issue for at least one line item (material TR-MAT-05)
- Since the creation of the follow-on documents haven't been configured to be suppressed the sales order/purchase order can be created



SAP S/4HANA for International Trade & Global Trade Management

Example: Legal Control

Schedule Line Overview:

- Line item 10 is released
- Line item 20 is processed „Pending“

Menu ✓ [Icons] Overview [Icons] Trading Contracts Profit Simulation Cancel

Item Number: 10 Open Plant: Plant DP
 Material: TR-MAT-01 Tyres
 Size/Dimensions: Valuation Type:
 Item Category: 0002 Stock Shipment Not Position Relevant Deletion Indicator
 Supplier: TR-VEN-CN China Tyres / 51 Main Street / 123456 Shanghai

Schedule Items

Schedule Line Overview

| Sch... | Req. Deliv.Date | Delivery Date | Sales Quantity | Sa... | Arrival Time | Legal Control Status Outbound | Del.Date Pu... | Order Quant... | Or... | Time | Legal Control Status Inbound |
|-----------------------------|-----------------|---------------|----------------|-------|--------------|-------------------------------|----------------|----------------|-------|----------|------------------------------|
| <input type="checkbox"/> 10 | D | 11.08.2021 | 20 PC | | 00:00:00 | A Released | 11.08.2021 | 20 PC | | 00:00:00 | A Released |
| <input type="checkbox"/> 0 | | | | | 00:00:00 | Not Relevant, No Ch... | | | | 00:00:00 | Not Relevant, No ... |

| Sch... | Req. Deliv.Date | Delivery Date | Sales Quantity | Sa... | Arrival Time | Legal Control Status Outbound | Del.Date Pu... | Order Quantity | Or... | Time | Legal Control Status Inbound |
|-----------------------------|-----------------|---------------|----------------|-------|--------------|-------------------------------|----------------|----------------|-------|----------|------------------------------|
| <input type="checkbox"/> 10 | D | 11.08.2021 | 30 PC | | 00:00:00 | B Pending | 11.08.2021 | 30 PC | | 00:00:00 | B Pending |

SAP S/4HANA for International Trade & Global Trade Management

Example: Legal Control

- In the Trading Contract - on item detail level - correspondingly the status information from SAP S/4HANA for International Trade is displayed

Menu ✓ [Icons] Overview [Icons] Trading Contracts Profit Simulation Ca

Item Number **10** Open Plant Plant DP

Material TR-MAT-01 Tyres

Size/Dimensions

Item Category 0002 Stock Shipment Not Position Relevant

Overview Material Data Sales I Sales II Purchasing I Purchasing II Purch

| | | | |
|------------------------------------|----|----|---|
| Open Quantities for Deliveries | 20 | PC | 1 |
| Open Quantities for Goods Receipts | 20 | PC | |

Trade Compliance Check

Inbound Status

| | |
|------------------------------|------------------------|
| Embargo Status Inbound | Not Relevant, No Check |
| Watch List Scrng Sts Inbound | Not Relevant, No Check |
| Legal Control Status Inbound | <u>A Released</u> |

Outbound Status

| | |
|-------------------------------|------------------------|
| Embargo Status Outbound | Not Relevant, No Check |
| Watch List Scrng Sts Outbound | Not Relevant, No Check |
| Legal Control Status Outbound | <u>A Released</u> |

Menu ✓ [Icons] Overview [Icons] Trading Contracts Profit Simulation [Icons]

Item Number **20** Open Plant Plant DP

Material TR-MAT-05 Tyres

Size/Dimensions Valuation Type

Item Category 0002 Stock Shipment Not Position Relevant

Overview Material Data Sales I Sales II Purchasing I Purchasing II Purchasing Down Paym

| | | | | |
|------------------------------------|----|----|----------|-----|
| Open Quantities for Deliveries | 30 | PC | 1.500,00 | EUR |
| Open Quantities for Goods Receipts | 30 | PC | 450,00 | CNY |

Trade Compliance Check

Inbound Status

| | |
|------------------------------|------------------------|
| Embargo Status Inbound | Not Relevant, No Check |
| Watch List Scrng Sts Inbound | Not Relevant, No Check |
| Legal Control Status Inbound | <u>B Pending</u> |

Outbound Status

| | |
|-------------------------------|------------------------|
| Embargo Status Outbound | Not Relevant, No Check |
| Watch List Scrng Sts Outbound | Not Relevant, No Check |
| Legal Control Status Outbound | <u>B Pending</u> |

SAP S/4HANA for International Trade & Global Trade Management

Example: Legal Control

- The status in the **sales order** reflects the same status as the trading contract as it is copied from the Trading Contract (**no** separate Trade compliance check as in standard behavior)
- Note that there is no corresponding status overview in the purchase order – the purchase order changes into „Hold“ status

Display Standard Order DE00008835: Item D

Menu ✓ [Icons] < > >> Cancel

< < > >>

| | | | | |
|---------------------|-----------|---------------|-----|---------------|
| Sales Document Item | 10 | Item Category | TAN | Standard Item |
| Material | TR-MAT-01 | | | Tyres |

Sales A Sales B Shipping Billing Document Conditions Account Assig

Processing status

| | |
|----------------------|------------------------|
| Overall Status | Open |
| Reason for Rejection | |
| Delivery Status | Not Delivered |
| ARun Status | Not Relevant |
| Prod. Marktably Sts | OK – Not Relevant |
| Dangerous Goods Sts | OK – Not Relevant |
| Sfty Data Sheet Sts | OK – Not Relevant |
| Embargo Status | Not Relevant, No Check |
| Watch List Scrng Sts | Not Relevant, No Check |
| Legal Control Status | Released |

Display Standard Order DE00008835: Item

Menu ✓ [Icons] < > >> Cancel

< < > >>

| | | | | |
|---------------------|-----------|---------------|-----|---------------|
| Sales Document Item | 20 | Item Category | TAN | Standard Item |
| Material | TR-MAT-05 | | | Tyres |

Sales A Sales B Shipping Billing Document Conditions Account Ass

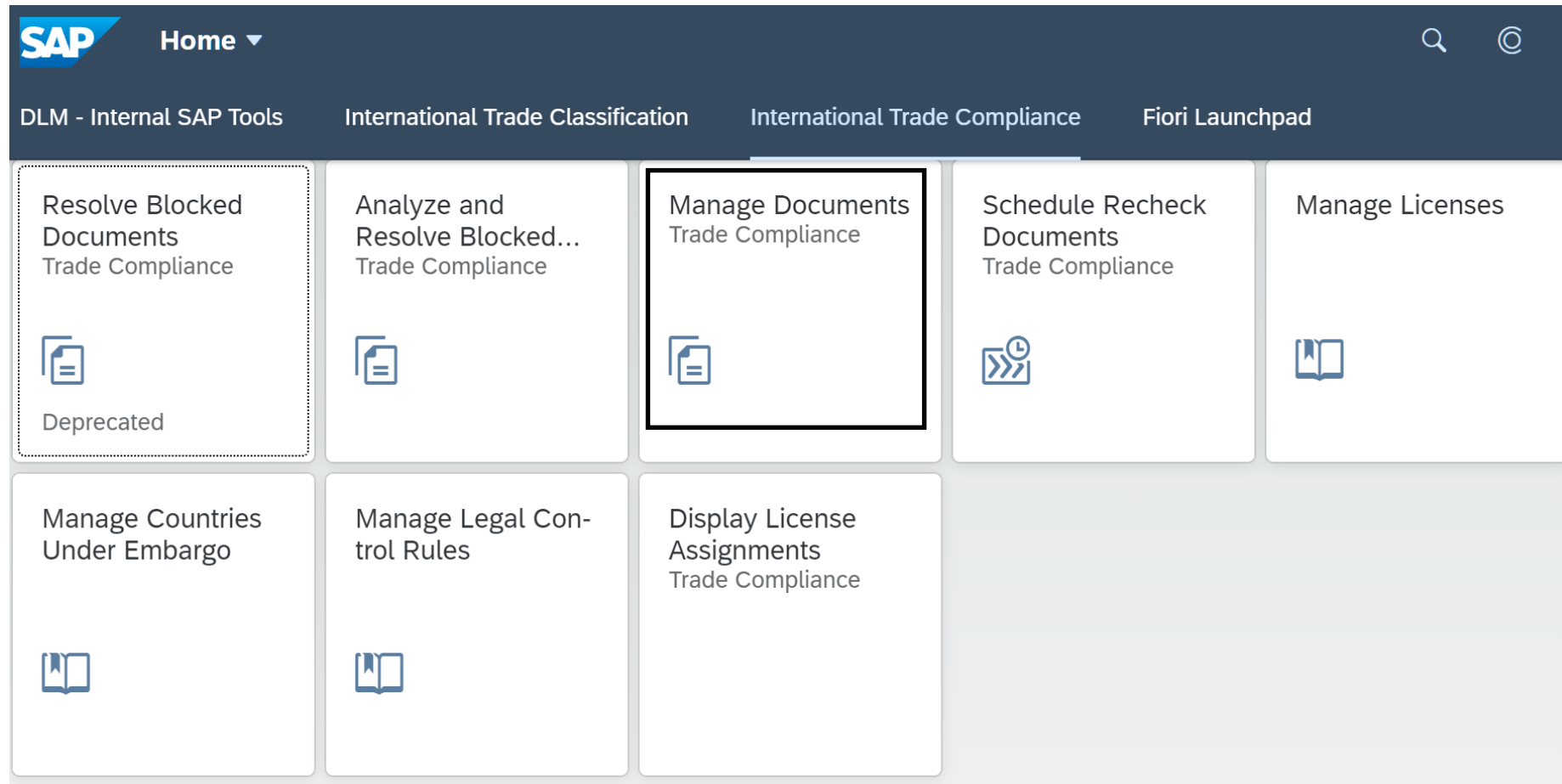
Processing status

| | |
|----------------------|------------------------|
| Overall Status | Open |
| Reason for Rejection | |
| Delivery Status | Not Delivered |
| ARun Status | Not Relevant |
| Prod. Marktably Sts | OK – Not Relevant |
| Dangerous Goods Sts | OK – Not Relevant |
| Sfty Data Sheet Sts | OK – Not Relevant |
| Embargo Status | Not Relevant, No Check |
| Watch List Scrng Sts | Not Relevant, No Check |
| Legal Control Status | Pending |

SAP S/4HANA for International Trade & Global Trade Management

Example: Legal Control

- Fiori Launchpad – space „International Trade Compliance“ – tile „Manage Documents“



SAP S/4HANA for International Trade & Global Trade Management

Example: Legal Control

- Overall status in Trade Compliance document for Trading Contract 129: *Blocked*

The screenshot displays the SAP S/4HANA Trade Compliance interface. At the top, the header reads "Manage Documents - Trade Compliance". Below this, there are several filter fields: "Legal Regulation", "Company Code", "Plant", "Document Category", "Document Number" (containing "=129"), and "Document Date". A "Go" button and "Adapt Filters (1)" are visible. The main area shows a table of documents with the following data:

| Document Category | Document Number | Earliest Delivery ... | Document Date | Blocking Status |
|-------------------|-----------------|-----------------------|---------------|-----------------|
| Trading Contract | 129 | 11.08.2021 | 11.08.2021 | Blocked |

The "Blocking Status" column for the trading contract is highlighted with a red box, indicating its status as "Blocked".

SAP S/4HANA for International Trade & Global Trade Management

Example: Legal Control

- Line item 10 is released whereas for inbound and outbound processes of material TR-MAT-05 the trade compliance check indicates that the material is blocked

The screenshot displays the SAP S/4HANA interface for trade items. On the left, a list of items is shown with their respective values and legal control status. Item 10 (Inbound and Outbound) is released, while Item 20 (Inbound and Outbound) is blocked. On the right, the details for Item 10 are shown, including document number, product, plant, partner country, and net value. Below this, the legal control status is detailed, showing a regulation for International Trade (ITR01) with a definitive date of 11.08.2021 and a status of 'Released by System Check'.

| Item | Value | Legal Control Status |
|------------------|--------------|----------------------|
| Item 10 Inbound | 500,00 CNY | Released |
| Item 10 Outbound | 1.440,00 EUR | Released |
| Item 20 Inbound | 450,00 CNY | Blocked |
| Item 20 Outbound | 1.500,00 EUR | Blocked |

Item 10 Details:

- Document Number: 129
- Product: TR-MAT-01
- Plant: Plant DP (0001)
- Net Value: 500,00 CNY
- Document Category: Trading Contract
- Item Description:
- Partner Cntry/Rgn: China (CN)
- Quantity: 20 PC
- Compl. Quantity: 0 PC
- Status: Released

Legal Control Status:

| Legal Regulation | Definitive Date | Status |
|--|-----------------|--------------------------|
| Legal Regulation for International Trade (ITR01) | 11.08.2021 | Released by System Check |

SAP S/4HANA for International Trade & Global Trade Management

Example: Legal Control

- There is no classification / licence agreement for material TR-MAT-05. Hence, the trade compliance document (and the Trading Contract) can only be confirmed as „Blocked“
- Alternatively the Trade Compliance Manager can maintain a new/additional licence regulation in order to release the trade compliance document

The screenshot displays the SAP S/4HANA interface for trade compliance management. On the left, a list of items is shown, with 'Item 20 Inbound' (TR-MAT-05) selected, indicating a value of 450,00 CNY and a status of 'Blocked'. The main area shows details for 'Item 20', including document number 129, product TR-MAT-05, and plant Plant DP (0001). The status is 'Blocked' with a reason of 'Missing Classification'. A table under 'Legal Control Status' lists the 'Legal Regulation for International Trade (ITR01)' with a definitive date of 11.08.2021. On the right, a panel for 'Legal Regulation for International Trade (ITR01)' shows details such as company code SAP SE (0001) and definitive date 11.08.2021. The status is 'Pending' with the reason 'Missing Classification'. Buttons for 'Edit Classification' and 'Confirm Block' are highlighted with red boxes.

| Legal Regulation | Definitive Date |
|--|-----------------|
| Legal Regulation for International Trade (ITR01) | 11.08.2021 |

SAP S/4HANA for International Trade & Global Trade Management

Example: Legal Control

- Maintenance of licence classification for line item 20 (Inbound) (must be configured in customizing for International Trade beforehand)
- **Note:** once a licence classification has been maintained it applies for all proceedings/subsequent trade documents (inheritance; standard logic)

The screenshot displays the SAP S/4HANA interface for International Trade Management. The left sidebar shows a list of items: Item 10 Inbound (500,00 CNY, Released), Item 10 Outbound (1.440,00 EUR, Released), Item 20 Inbound (450,00 CNY, Blocked), and Item 20 Outbound (1.500,00 EUR, Blocked). The main area shows details for Item 20, including Document Number 129, Product TR-MAT-05, Plant Plant DP (0001), Document Category Trading Contract, Item Description, and Partner Country/Region China (CN). The Net Value is 450,00 CNY, Status is Blocked, Quantity is 30 PC, and Compl. Quantity is 0 PC. The Legal Control Status section shows a table with one entry: Legal Regulation for International Trade (ITR01) with a Definitive Date of 11.08.2021. A 'Show Details' link is available. On the right, the 'Legal Regulation for International Trade (ITR01)' panel is open, showing a list of classifications. A box highlights the following details: Control Relevant: Yes, Commodity Code: 85030010, Control Class: 2B001, Control Grouping: CG1, Customs Tariff No.: ctn1, and Changed by User: Yes. A 'Confirm Block' button is visible at the bottom right of the panel.

| Legal Regulation | Definitive Date | |
|--|-----------------|---|
| Legal Regulation for International Trade (ITR01) | 11.08.2021 | > |

SAP S/4HANA for International Trade & Global Trade Management

Example: Legal Control

- Status switches to „Released“ for line item 20 (Inbound)

The screenshot displays the SAP S/4HANA interface for International Trade & Global Trade Management. The main view shows details for Item 20 (Inbound), which is highlighted in blue. The item is associated with Material TR-MAT-05 and has a status of 'Released'. The net value is 450,00 CNY, and the quantity is 30 PC. The legal control status is also shown as 'Released'.

The right-hand pane displays the 'Legal Regulation for International Trade (ITR01)' details, including the company code (SAP SE (0001)), definitive date (11.08.2021), net value (450,00 CNY), quantity (30 PC), and completion quantity (0 PC). The status is 'Released by User', and the reason is 'License Assigned by User'. The decision is made by Frank Tycner (TYCNER).

The 'Legal Control Status' section shows a table with the following data:

| Legal Regulation | Definitive Date |
|--|-----------------|
| Legal Regulation for International Trade (ITR01) | 11.08.2021 |

Legal Regulation for International Trade (ITR01) ✕

Company Code: SAP SE (0001)

Definitive Date: 11.08.2021

Net Value: 450,00 CNY

Quantity: 30 PC

Compl. Quantity: 0 PC

Status: Released by User

Reason: License Assigned by User

Decided By: Frank Tycner (TYCNER)

SAP S/4HANA for International Trade & Global Trade Management

Example: Legal Control

- Same procedure applies for item 20 to release the material

The screenshot displays the SAP S/4HANA interface for legal control management. On the left, a list of items is shown, with 'Item 20 Outbound' (TR-MAT-05) highlighted in a red box, indicating its status as 'Released'. The main area shows details for 'Item 20', including document number 129, product TR-MAT-05, and a status of 'Released'. The 'Legal Control Status' section is active, showing a table with one entry: 'Legal Regulation for International Trade (ITR01)' with a definitive date of 11.08.2021. On the right, a detailed view of the legal regulation is shown, with 'Status: Released by User' highlighted in a red box. Other details include 'Reason: License Assigned by User' and 'Decided By: Frank Tycner (TYCNER)'. The bottom right corner features a 'Confirm Block' button.

| Legal Regulation | Definitive Date | |
|--|-----------------|---|
| Legal Regulation for International Trade (ITR01) | 11.08.2021 | > |

SAP S/4HANA for International Trade & Global Trade Management

Example: Legal Control

- The overall status of the trade compliance document has changed to status „Released“ accordingly

The screenshot displays the SAP S/4HANA 'Manage Documents - Trade Compliance' interface. At the top, there is a navigation bar with the SAP logo and the title 'Manage Documents - Trade Compliance'. Below this, there are several filter fields: 'Legal Regulation', 'Company Code', 'Plant', 'Document Category', 'Document Number' (with a search icon and a value '=129'), and 'Document Date'. A 'Partner Cntry/Rgn' field is also present. A 'Go' button and 'Adapt Filters (1)' are located to the right of the filters. Below the filters, there is a table with one document entry. The table has columns for 'Document Category', 'Document Number', 'Earliest Delivery ...', 'Document Date', and 'Blocking Status'. The 'Blocking Status' column for the document is highlighted with a black box and contains the text 'Released' in green. The document is a 'Trading Contract' with document number '129' and a date of '11.08.2021'. There are also 'Recheck' and 'Settings' icons in the top right of the table area.

| Document Category | Document Number | Earliest Delivery ... | Document Date | Blocking Status |
|-------------------|-----------------|-----------------------|---------------|-----------------|
| Trading Contract | 129 | 11.08.2021 | 11.08.2021 | Released |

SAP S/4HANA for International Trade & Global Trade Management

Example: Legal Control

- The status of the Trading Contract gets updated and finally line item 20 can be processed as well

The screenshot displays the SAP S/4HANA interface for a trading contract. The main title is "Display Trading Contract (Two-Sided) Stock Shpmt 129". The interface includes a navigation bar with "Trading Contracts" and "Profit Simulation" tabs. A document flow tree on the left shows the hierarchy: Trading Contract 129 > Trading Contract (Sales Side) DE00008835 > Outbound Delivery for Deliv. via Warehouse AMER20 > Goods Issue 4900327362 > Accounting Document 5001092485 > Trading Contract (Purchasing Side) 4503090364 > Goods Receipt 5001075266 > Accounting Document 5001092476.

The main data area shows the following fields:

| | | | | |
|-----------------|---------------------|-----------------------|-------|--------------------|
| Item Number | 20 | Open | Plant | Plant DP |
| Material | TR-MAT-05 | Tyres | | |
| Size/Dimensions | | Valuation Type | | |
| Item Category | 0002 Stock Shipment | Not Position Relevant | | Deletion Indicator |

The "Trade Compliance Check" section is expanded, showing the following status fields:

| Inbound Status | |
|------------------------------|------------------------|
| Embargo Status Inbound | Not Relevant, No Check |
| Watch List Scrng Sts Inbound | Not Relevant, No Check |
| Legal Control Status Inbound | A Released |

| Outbound Status | |
|-------------------------------|------------------------|
| Embargo Status Outbound | Not Relevant, No Check |
| Watch List Scrng Sts Outbound | Not Relevant, No Check |
| Legal Control Status Outbound | A Released |

The "Position Relevant Control" section shows:

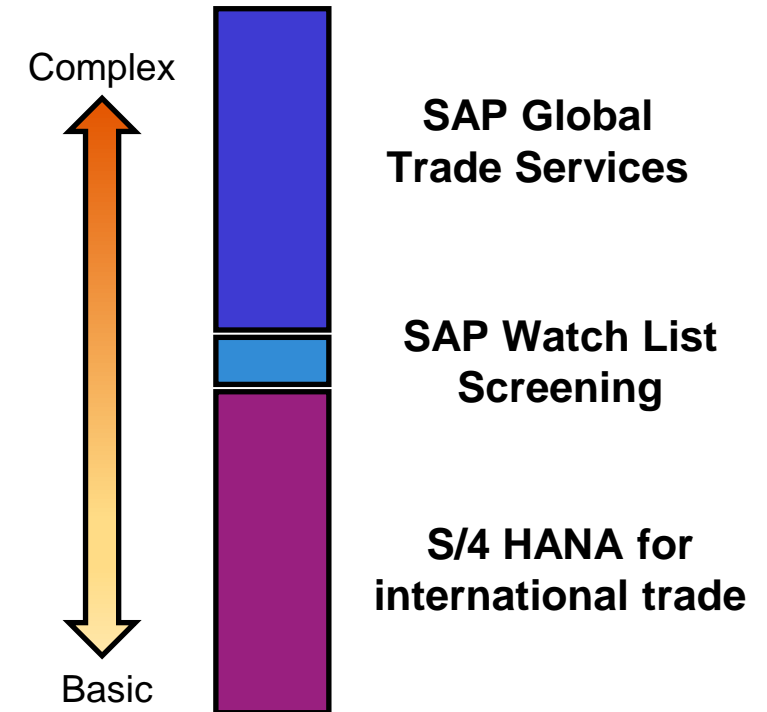
| | |
|-------------------|-----------------------|
| Position Relevant | Not Position Relevant |
|-------------------|-----------------------|

The "Item Processing Status" section shows:

| | |
|---------------------|--------------|
| Closure Status Code | 1 Not Closed |
|---------------------|--------------|

Summary

- SAP S/4HANA for international trade provides key functionality to meet global trade requirements – now also in the area of Global Trade Management
- The Trading Contract itself has been enhanced correspondingly by dedicated functions to integrate SAP S/4HANA for International Trade and to process trade compliance checks smoothly - some logic has been adjusted to match the global trade specific requirements
- Embedded within SAP S/4HANA at no additional cost – except for services for Watch List Screening (as of October 2021)
- Two decades of proven global trade experience built into the solution
- Prebuilt integration to market-leading SAP Global Trade Services and SAP Watch List Screening when requirements expand



Thank you.

Contact information:

Frank Tycner

frank.tycner@sap.com

