Infor LN Global Trade
Compliance User Guide

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About this document

This guide describes the Global Trade Compliance functionality that is used to check if specific items can be exported to a specific country, or from or to a specific business partner.

Assumed knowledge

Although you need no detailed knowledge of the LN software to read this guide, general knowledge of the Infor LN functionality will help you understand this guide.

References

Use this guide as the primary reference for global trade compliance. Use the current editions of these related references to research information that is not covered in this guide:

- *User Guide for Letters of Credit*
- *User Guide for Sales Orders U9845 US*
- *User Guide for Purchase Orders U9824 US*
- *User Guide for the Inbound Goods Flow U9788 US*
- *User Guide for the Outbound Goods Flow U9794 US*

How to read this document

This document is assembled from online Help topics.

Text in italics followed by a page number represents a hyperlink to another section in this document.

Underlined terms indicate a link to a glossary definition. If you view this document online, clicking the underlined term takes you to the glossary definition at the end of this document.

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Chapter 1
Introduction

1

Global Trade Compliance

The Global Trade Compliance functionality can be used to check if specific items can be exported to a specific country or 'from or to' a specific business partner.

This functionality is used to:

- Execute internal or external checks, or both. The internal checks are executed in Infor LN and the external checks are executed using an external application.
- Create and maintain export licenses. This information is used during the internal compliance check.

For the external check, export and import compliance data is specified for each item. This data can be sent to an external application and used as input for the compliance check. If the check fails, the export or import of goods is blocked. However, an authorized user can override the compliance check failures for documents and the export or import block can be overruled.

To implement the functionality, see *Implementing GTC (p. 7)*.

Implementing GTC

To implement the functionality:

Step 1:

The **Global Trade Compliance** check box must be selected in the **Concepts (Logistics)** tab, in the Implemented Software Components (tccom0100s000) session.

Step 2:

The **Sales Trade Compliance** check box must be selected in the Global Trade Compliance Parameters (tcgtc0100m000) session.

Step 3:

The **Subject to Trade Compliance** check box must be selected in the Items (tcibd0501m000) session.

Step 4:

Additional global trade compliance data can be specified at the export document level. This information can be printed on the Export reports.

Note

If the **Global Trade Compliance** check box is selected in the Implemented Software Components (tccom0100s000) session, the Financial Global Trade Compliance Parameters (tcgtc9199m000) session becomes available in which you can set up the letter of credit (L/C) functionality.

Chapter 2
Compliance Check

<div style="text-align: right">**2**</div>

Export Compliance Check

Export Compliance checks are executed only for export scenarios, that is, when the ship-to country is different from the ship-from country, specified for the shipment, in Warehousing.

Export compliance checks are applicable for these documents:

- Sales Order Lines (pre-shipment), see *Export compliance for sales orders (p. 27)*.
- Contract Deliverables (pre-shipment), see Export Compliance Check for Contract Deliverables.
- Warehouse Shipment Lines (actual shipment)

Exceptions for Export compliance checks

Compliance checks are not applicable for:

- Sales return order lines and consignment invoicing sales orders.
- Shipments not linked to Warehousing (for example, cost items or direct delivery).

For warehouse shipments, compliance checks are applicable only for orders with these origins:

- Sales Order (Transfer)
- Sales Schedule (Transfer)
- Sales Manual
- Contract Deliverable
- Service Order (Transfer)
- Service Manual
- Maintenance Sales Order
- Maintenance Sales Manual
- Project (Transfer)
- Project Manual
- Transfer
- Transfer Manual

The diagram describes the relationship between global trade compliance and export documents (sales documents):
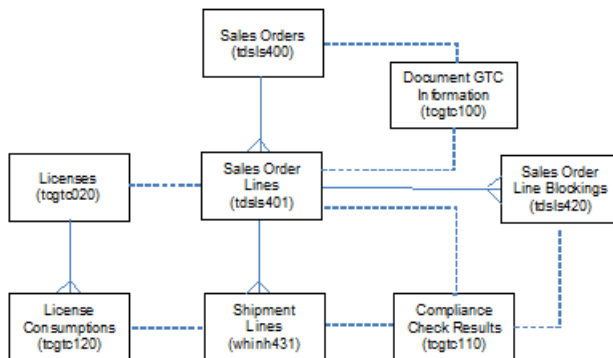
Internal Export Compliance Check

Internal Export Compliance check

Internal export checks are executed only for export scenarios, that is when the ship-to country is different from the ship-from country, specified in Warehousing, for the shipment. This is done based on licenses and exceptions setup in Infor LN.

The Internal export compliance check is enabled only if the **Sales Trade Compliance** check box, on the **General** tab; and the **Internal Check** check box on the **Export Compliance** tab in the Global Trade Compliance Parameters (tcgtc0100m000) session are selected. You must also specify the required information in the **Number Group for Licenses** and **Series for Licenses** fields.

Import Compliance Check

Import Compliance checks are executed only for import scenarios, that is, when the ship-from country is different from the ship-to country, specified for the receipt in Warehousing.

The Simulate Import Compliance Checks (tcgtc1200m100) session can be used to update no real planned activities, for the import compliance check. The check is based on the specified values and the user can execute the internal compliance checks.

Import compliance checks are applicable for these documents:
- Purchase Order Lines
- Warehouse Receipt Lines (actual receipt)
- Advanced Shipment Notices , if applicable (An advance shipment notice is received before a shipment is fulfilled and the compliance check is executed for the record).

Exceptions for Import compliance checks:

Compliance checks are not applicable for:

- Purchase return order lines and consignment payment purchase orders.
- Receipts not linked to Warehousing (for example, cost items or direct delivery).
- Sales Return receipts.

For warehouse receipts, compliance checks are applicable for all origins.

Internal Import Compliance Check

Internal Import Compliance check

Internal import checks are executed only for import scenarios, that are based on licenses and exceptions setup in Infor LN.

The Internal import compliance check is enabled only if the **Purchase Trade Compliance** check box, on the **General** tab; and the **Internal Check** check box on the **Import Compliance** tab in the Global Trade Compliance Parameters (tcgtc0100m000) session are selected. You must also specify the required information in the **Number Group for Licenses** and **Series for Licenses** fields.

The **Series for Licenses** field is used to create new Import Licenses IDs, to uniquely record a license for specific item and other attributes.

Compliance check results

When a document compliance check is performed, the check result is displayed in the Document Compliance Check Results (tcgtc1510m000) session.

If the **Log History** check box is selected in the Global Trade Compliance Parameters (tcgtc0100m000) session, a history record is logged in the Document Compliance Check Results History (tcgtc1560m000) session.

Note

- Compliance check results cannot be specified, maintained, or deleted manually. Additional data for the results can be added using the notes, which are linked to the results.
- If a compliance check is not successful, the document procedure cannot be continued. For sales order lines and purchase order lines, the order line is blocked after the compliance check failure. In addition, shipments and receipts cannot be confirmed. When the compliance check is successful, the order line procedure can be continued, and the shipment or receipt can be confirmed.

Approving Compliance Check Results

The successful processing of the compliance check for the shipment lines results in a confirmed shipment line. However, the user can control the confirmation of shipment lines, using the **Sales Compliance Check Result Approval** field in the Global Trade Compliance Parameters (tcgtc0100m000) session.

If the **Sales Compliance Check Result Approval** field is set to:

- **Yes**, Infor LN does not confirm the shipment lines even after a successful compliance check. You must manually approve the lines using the Document Compliance Check Results (tcgtc1510m000) session.
- **Yes** and an exception exists, the check must be approved manually.
- **No**, Infor LN approves the processing of compliance check.
- **Via Exceptions**, a search is executed to locate a valid exception in the Export Document Exceptions (tcgtc0130m000) session. If exceptions are not available, Infor LN approves the successful compliance check.

Note

To approve successful shipment compliance results, you can also implement a workflow.

Override or Delete Compliance Check Results

Authorized users can override a compliance check failure and successfully process the check. When the compliance check fails, the user can still confirm a shipment line or release a blocked order line by overriding the compliance check failure.

To override a compliance check result:

- Select a failure result record, and click the **Override Document Compliance Check Results** in the Document Compliance Check Results (tcgtc1510m400) session.
- An override reason code must be specified.
- The details of the user who overrides the check failure are saved.

Note

- The user cannot override failure checks for shipment line related compliance checks.
- Authorized users can also undo an override for a failure check, using the **Undo Override Document Compliance Check Results** option. The override data is deleted from the compliance check result and the status of the document is reverted.

All changes, including the override data, to compliance check results are saved in the Document Compliance Check Results History (tcgtc1560m000) session.

For deleting compliance check results, see *Deleting Compliance Check Results (p. 13)*.

Deleting Compliance Check Results

To delete Compliance Check Results:

Step 1:

You can delete the compliance check results using the Delete Document Compliance Check Results (tcgtc1210m000) session.

Step 2:

You can delete the data based on a **Selection Range** or use the **Up to Date** field in the **Settings** group box to delete the data up to a particular date.

Step 3:

License history can be deleted using the Delete Export License History (tcgtc0270m000) session.

Note

You cannot delete compliance check results that are not approved.

Chapter 3
GTC Licenses

<div style="text-align: right">3</div>

Export Licenses overview

Export licenses contain information such as license type, license number, screening code, and limited quantity or limited value (if applicable). You can use the Export Licenses (tcgtc0120m000) session to create and maintain export license data. The export licenses can be defined at various levels in the Export License (tcgtc0620m200) session:

- Temporary
- Country Set
- Country
- Business Partner Set
- Sold-to Business Partner
- Ship-to Business Partner
- Document Origin
- Document Company
- Document
- Item

The search priority rules are based on the information specified in the following fields:

Ship-to Address	Sold-to BP	Ship-to BP
Ship-to Address	Ship-to BP	
Ship-to Address	Sold-to BP	
Ship-to Address		
Country	Sold-to BP	Ship-to BP
Country	Ship-to BP	
Country	Sold-to BP	
Country Set	Sold-to BP	Ship-to BP
Country Set	Ship-to BP	
Country Set	Sold-to BP	
Sold-to BP	Ship-to BP	
Ship-to BP		
Sold-to BP		
Country	Business Partner Set	
Country Set	Business Partner Set	
Business Partner Set		
Country		
Country Set		

The search priority based on Business Partner, Address, and Countries:

- When a country set or business partner set is specified, all the sets for which the country or business partner are specified, are checked. A country and business partner can be linked to multiple country sets and business partner sets, respectively.
- When the sold-to BP differs from the ship-to BP, the business partners can be linked to different business partner sets, first the BP set(s) of the ship-to BP is searched and later the BP set(s) of the sold-to BP. So, the ship-to BP set has a higher priority than the sold-to BP set. The same is applicable for the buy-from BP and ship-from BP.

Note

- Additional information on licenses or license changes can be specified using the **Notes** option in the Export Licenses (tcgtc0120m000) session, linked to the export license.
- You can exclude documents from the compliance checks, for example, a specific country or a specific business partner.

For the search logic or priority rules for licenses, see *Search logic or priority rules for licenses (p. 17)*.

Search logic or priority rules for licenses

Infor LN uses the following search mechanism for a valid license that is applicable for the document:

Step 1:

License for which at least one of these fields is specified, **Ship-to Address**, **Country**, **Sold-to Business Partner**, and **Item**.

Step 2:

A document is specified with the Document Origin and Document Company data. The data can only be specified in combination in the **Document** field.

Step 3:

Only the document is specified and the linked export license is assigned the highest priority.

Export Licenses Check

Infor LN executes a general export license check for a document. A specific search mechanism is used identify the export licenses linked to a document.

If exceptions for the document are not specified in the Export Document Exceptions (tcgtc0130m000) session, the search is based on the **Document Type**, **Country**, **Sold-to Business Partner**, **Ship-to Business Partner**, **Sales Order Type**, and the search date:

- For the country, the value specified in the ship-to address field is considered.

- For order lines, the planned delivery date is considered as the Search Date.
- For shipment lines, the current date is considered as the search date.

Note

- When an export exception exists, an export license search is not executed and the internal check is not executed.
- When a license is not located, an internal check cannot be performed as the valid data is not available. A compliance check failure is logged in the Document Compliance Check Results (tcgtc1510m000) session, with a failure reason code.

For the types of checks and compliance check failure, see

- *Types of checks (p. 18)*
- *Compliance Check Failure (p. 19)*

Types of checks

If an export license is located, two types of checks are executed.

The Quantity check executed:

- For a sales order line, the ordered quantity converted to inventory unit is used.
- For a shipment line, the quantity to be shipped (in inventory unit) is used.

The Value check executed:

- For a sales order line, the formula (net order line amount – order discount amount – sales order amount) calculation is used.
- For a shipment line, the value is equal to the value of the quantity to be shipped. This value is based on the commercial price on the sales order, schedule delivery line, or both. The correct material price is also specified on the shipment line.
- Amounts are converted to the license currency using internal currency rates.
- For shipment lines with origin other than Sales Order or Sales Schedule, the value of the quantity to be shipped must be determined, based on the commercial price of the item. Else, the customs value can be used, if applicable.
- When the **Limited Quantity** check box is selected in the Export Licenses (tcgtc0120m000) session, a check is executed to ensure if the value of the shipment line based on the **Limited Shipment Line Value** field can be shipped. However, for this check, the value of the shipment line must be determined.

Note

If the value of the shipment line is greater than the **Limited Shipment Line Value** of the license, the compliance check fails. A compliance check failure is logged and the **Failure Reason Code** is set to **Operational Issue** in the Document Compliance Check Results (tcgtc1610m000) session.

Compliance Check Failure

The compliance check failure is logged if the relevant information is not specified:

- If the value for the **License Number** field is not specified, a check failure occurs. *Exception: When the **Screening Code** is set to **No License Required**, you are not required to specify the License Number.*

- If license data is not specified, the compliance check failure is logged with the **Failure Reason Code** set to **Missing Master Data**.

- When the **Limited Quantity Applies** or **Limited Quantity** check box is selected in the Export Licenses (tcgtc0120m000) session, a check is executed to ensure if the specified quantity or value of the document can be shipped. If the remaining quantity or value specified on the export license that is located, is less than the quantity or value of the document, the compliance check fails. A compliance check failure is logged with the **Failure Reason Code** set to **Operational Issue** in the Global Trade Compliance Parameters (tcgtc0100m000) session.

Note

A check is also executed to validate if Item Compliance Data is available for the item and country, of the document. When item data is not available, a compliance check failure is logged with the **Failure Reason Code** set to **Missing Item Compliance Data** in the Global Trade Compliance Parameters (tcgtc0100m000) session.

Export License Consumptions

When the internal export check is implemented, consumptions are specified for export licenses. This is only applicable when the **Limited Quantity Applies** or **Limited Value Applies** check box is selected in the Export Licenses (tcgtc0120m000) session, for the export license. During shipment confirmation, a consumption line is generated in the Export License Consumptions (tcgtc1520m000) session. When Limited Quantity is applicable, the shipped quantity is specified in the inventory unit of the item. When Limited Value is applicable, the shipment amount is converted to the license currency (with internal currency rates) and saved as consumption. The value is the amount without including tax amount, landed or additional costs.

For sales order lines for which payment is not required, the Customs value must be used instead of the order line price. When price and or discounts change of a delivery line, the corresponding modified amount is not displayed as part of the license consumptions.

Also, when a receipt is confirmed for a sales return order line that is linked to a shipment, it is not required to reduce this quantity or value from the consumed quantity / value of the related export license.

Export license consumptions are archived in the history sessions, only if the **Log History** check box is selected in the Global Trade Compliance Parameters (tcgtc0100m000) session.

Deleting Export Compliance Licenses

Compliance licenses can be deleted using the **Delete Document Compliance Check Results** option.

> **Note**
>
> Licenses cannot be deleted if the **License ID** is specified in the Document Compliance Check Results (tcgtc1510m000) session.

When a license is deleted and the expiry date is after the current date, a 'License ID xzy is not yet expired. Continue?' message is displayed.

Delete Export Compliance License History:

License history can be deleted using the Delete Export License History (tcgtc0270m000) session. You can delete the data based on a **Selection Range** of **License ID**. Optionally you can use the **Up to Date** field in the **Settings** group box to delete data till the date as specified in the **Up to Date** field. The license history with a transaction dates on or before this date, is deleted.

Import Licenses overview

Import licenses contain information such as license type, license number, screening code, and limited quantity or limited value (if applicable). You can use the Import Licenses (tcgtc0120m100) session to create and maintain import license data. The import licenses can be defined at various levels in the Import Licenses (tcgtc0620m100) session:

- Country Set
- Country
- Business Partner Set
- Buy-from Business Partner
- Ship-from Business Partner
- Ship-from Address
- Document Origin
- Document Company
- Document
- Item

The search priority rules are based on the information specified in the following fields:

Ship-from Address	Buy-from BP	Ship-from BP
Ship-from Address	Ship-from BP	
Ship-from Address	Buy-from BP	
Ship-from Address		
Country	Buy-from BP	Ship-from BP
Country	Ship-from BP	
Country	Buy-from BP	
Country Set	Buy-from BP	Ship-from BP
Country Set	Ship-to BP	
Country Set	Buy-from BP	
Buy-from BP	Ship-from BP	
Ship-from BP		
Buy-from BP		
Country	Business Partner Set	
Country Set	Business Partner Set	
Business Partner Set		
Country		
Country Set		

The search priority based on Business Partner, Address and Countries:

- When a country set or business partner set is specified, all the sets in which the country or business partner are specified, are checked. A country and business partner can be linked to multiple country sets and business partner sets, respectively.

- When the buy-from BP differs from the ship-from BP, the business partners can be linked to different business partner sets, first the BP set(s) of the ship-from BP is searched and later the BP set(s) of the buy-from BP. So, the ship-from BP set has a higher priority than the buy-from BP set.

Note

- Additional information on licenses or license changes can be specified using the **Notes** option in the Import Licenses (tcgtc0120m100) session, which are linked to the import license.
- You can exclude documents from the compliance checks, for example, a specific country or a specific business partner.

For search logic or priority rules for licenses, see *Search logic or priority rules for licenses (p. 22)*.

Search logic or priority rules for licenses

Infor LN uses the following search mechanism for a valid license that is applicable for the document:

Step 1:

License for which at least one of these fields is specified, **Ship-from Address**, or **Country**, or **Buy-from Business Partner**, or **Item**.

Step 2:

License for which a Manufacturer Part Number (MPN) is specified. Consequently, the import license with the MPN specified, is assigned the highest priority.

Step 3:

A document is specified with the Document Origin and Document Company data. The data can only be specified in combination in the **Document** field.

Step 4:

Only the document is specified and the linked import license is assigned the highest priority.

Import Licenses Check

Infor LN executes a specific search logic for import license linked to a document.

If exceptions for the document are not specified in the Import Document Exceptions (tcgtc0130m100) session, the search are based on the **Document Type**, **Country**, **Buy-from Business Partner**, **Ship-from Business Partner**, **Purchase Order Type**, and search date.

- For the country, the value specified in the ship-from address field is considered.
- For order lines, the planned receipt date is considered as the Search Date.
- For receipt lines, the current date is considered as the search date.
- Advanced Shipment Notices, if applicable (An advance shipment notice is received before a shipment is fulfilled and the compliance check is executed for the record).

Note

- When an import exception exists, an import license search is not executed and an internal check is not executed.
- When a license is not located, an internal check cannot be performed as the valid data is not available. A compliance check failure is logged in the Document Compliance Check Results (tcgtc1510m000) session, with a failure reason code. The license ID is empty in the result record.

For types of checks and compliance check failure, see

- *Types of checks (p. 23)*
- *Compliance Check Failure (p. 24)*

Types of checks

If an import license is located, two types of checks are executed:

Note

These checks are only executed when **Limited Quantity Applies** or **Limited Value Applies** is selected on the used license.

The Quantity check executed:

- For a purchase order line, the ordered quantity converted to inventory unit is used.
- For a receipt line, the quantity to be received (in inventory unit) is used.
- Advanced Shipment Notices, if applicable (An advance shipment notice is received before a shipment is fulfilled and the compliance check is executed for the record).

The Value check executed:

- For a purchase order line, the formula (net order line amount – order discount amount) calculation is used.
- For a receipt line, the value is equal to the value of the quantity to be received. This value is based on the commercial price on the purchase order, schedule delivery line, or both. The correct material price is also specified on the receipt line.
- Amounts are converted to the license currency using internal currency rates.
- For receipt lines with origin other than Purchase Order or Purchase Schedule, the value of the quantity to be received must be determined, based on the commercial price of the item. Else, the customs value can be used, if applicable.

Compliance Check Failure

If all the relevant information is not specified, the compliance check fails:

- If the value for the **License Number** field is not specified, a check failure occurs. *Exception: When the **Screening Code** is set to No License Required, you are not required to specify the License Number.*
- If license data is not specified, a compliance check failure is logged with the **Failure Reason Code** set to **Missing Master Data**.
- When the **Limited Quantity Applies** or **Limited Value Applies** check box is selected in the Import Licenses (tcgtc0120m100) session, a check is executed to ensure if the quantity or value of the document can be validated. If the remaining quantity or value specified on the located import license is less than the quantity or value of the document, the compliance check fails. A compliance check failure is logged with the **Failure Reason Code** set to **Operational Issue**.

Note

A check is also executed to validate if Item Compliance Data is available for the item and country, of the document. When item data is not available, a compliance check failure is logged with the **Failure Reason Code** set to **Missing Item Compliance Data**.

Import License Consumptions

When the internal import check is implemented, consumptions are specified for import licenses. This is only applicable when the **Limited Quantity Applies** or **Limited Value Applies** check box is selected in the Import Licenses (tcgtc0120m100) session, for the import license. During receipt confirmation, a consumption line is generated in the Import License Consumptions (tcgtc1520m100) session. When Limited Quantity is applicable, the received quantity is specified, in the inventory unit of the item. When Limited Value is applicable, the receipt amount is converted to the license currency (with internal currency rates) and saved as consumption. The value is the amount without including tax amount, landed or additional costs.

For purchase order lines for which payment is not required, the Commercial price (which is zero) must be used. When price and or discounts, change of a delivery line, the corresponding modified amount is not displayed as part of the license consumptions.

Also, when a shipment is confirmed for a purchase return order line that is linked to a receipt, it is not required to reduce this quantity or value from the consumed quantity / value of the related import license.

Import license consumptions are archived in the history sessions, only if the **Log History** check box is selected in the Global Trade Compliance Parameters (tcgtc0100m000) session.

Deleting Import Compliance Licenses

Compliance licenses can be deleted using the **Delete Document Compliance Check Results** option.

> **Note**
>
> Licenses cannot be deleted if the **License ID** is specified in the Document Compliance Check Results (tcgtc1510m000) session.

When a license is deleted and the expiry date is after the current date, a 'License ID xzy is not yet expired. Continue?' message is displayed.

Delete Import Compliance License History:

License history can be deleted using the Delete Import License History (tcgtc0270m100) session. You can delete the data based on a **Selection Range** of **License ID**. Optionally you can use the **Up to Date** field in the **Settings** group box to delete data till the date as specified in the **Up to Date** field. The license history with a transaction dates on or before this date, is deleted.

Chapter 4
Processes of GTC

4

Export compliance for sales orders

If the **Global Trade Compliance** check box is selected in the Implemented Software Components (tccom0100s000) session and the **Sales Trade Compliance** check box is selected in the Global Trade Compliance Parameters (tcgtc0100m000) session, you can set up information for an item for which export compliance is applicable.

When an item is subject to global trade compliance, internal checks are executed to ensure that the export compliance information is valid and the required licenses are available. This is done during sales order line entry, contract deliverable activation, shipment freezing, or confirmation.

After a sales order line is checked for export compliance, the success and failure data is logged. If the export compliance check fails, the sales order line is blocked.

To allow the exclusion of documents from export compliance checks, you can specify document exceptions. For example, the exceptions can be specified by business partner, country, and document type.

Sales order lines

When a sales order line is specified in the Sales Order - Lines (tdsls4100m900) session, an export compliance check is executed if these conditions apply:

- The **Internal Check** check box is selected on the **Export Compliance** tab of the Global Trade Compliance Parameters (tcgtc0100m000) session
- The order type is not used for returning inventory, retrobilling, or consignment invoicing
- The warehouse is specified
- The ordered quantity or order amount are more than zero
- The **Subject to Trade Compliance** check box is selected for the item in the Items (tcibd0501m000) session
- The country of the ship-to address differs from the country of the ship-from address

If these conditions are met, and no exception is found in the Export Document Exceptions (tcgtc0130m000) session, an internal compliance check is executed for the sales order line. For this

internal check, the application verifies whether an export license is available and valid in the Export Licenses (tcgtc0120m000) session and whether export compliance data is available and valid for the combination of item and ship-to country in the Item Sales Compliance Data (tcgtc0110m000) session.

If the **Limited Quantity Applies** check box, or the **Limited Value Applies** check box is selected in the Export Licenses (tcgtc0120m000) session for the export license, quantity or value limits are checked. The sales order line's ordered quantity in inventory unit and net order line amount in order currency are used for this purpose. During shipment confirmation, export license consumptions are logged in the Export License Consumptions (tcgtc1520m000) session.

> **Note**
>
> If global trade compliance applies to the item of the sales order line, the **Subject to Trade Compliance** check box is selected for the line.

Components

If the **Component Handling** field is set to **Sales BOM** or **Component Lines** in the Sales Order Lines (tdsls4101m000) session, components are linked to the sales order line. The export compliance check is executed only for the components that are shipped, and not for the main item. Consequently, the compliance check results are logged by component line.

These lines are blocked if a component fails the compliance check:

- **Sales BOM**
  The order line is blocked. Several components can fail the check, but only one sales order line blocking record is generated in the Blocked Sales Order (Lines) (tdsls4520m000) session. The order line cannot be unblocked before all failure results are removed for the component lines.

- **Component Lines**
  Instead of the order line, the order component line is blocked in the Sales Order Line Components (tdsls4163m000) session.

Export compliance check

The compliance check can result in a success or failure, which you can view in the Document Compliance Check Results (tcgtc1510m000) session.

In case of success, the sales order (component) line is saved and the order procedure can start. The compliance check result is automatically approved.

In case of a failure, the line is saved and set to blocked. Consequently, the **Blocked** check box is selected for the line and the line is displayed in the Blocked Sales Order (Lines) (tdsls4520m000) session with the **Hold Reason** retrieved from the **Pre-Defined Hold Reason - Trade Compliance Check** field in the Sales Order Parameters (tdsls0100s400) session.

You cannot use the Blocked Sales Order (Lines) (tdsls4520m000) session to release lines if the hold reason category is set to **Compliance Check**. To unblock the line, you must update the required data and re-execute the export compliance check, or an authorized person can manually override the export

block by using the Document Compliance Check Results (tcgtc1510m000) or Override Compliance Check Results Workbench (tcgtc1610m100) sessions.

Note

On the appropriate menu in several sales sessions, you can use these commands:

- **Export Compliance Information**, to view and maintain global trade information for the sales document in the Document Global Trade Compliance Information (tcgtc1100m000) session
- **Check Document Compliance**, to force execution of the export compliance check

Import compliance for purchase orders

If the **Global Trade Compliance** check box is selected in the Implemented Software Components (tccom0100s000) session and the **Purchase Trade Compliance** check box is selected in the Global Trade Compliance Parameters (tcgtc0100m000) session, you can set up information for an item for which import compliance is applicable.

When an item is subject to global trade compliance, internal checks are executed to ensure that the import compliance information is valid and the required licenses are available. This check is done during purchase order line entry, shipment notice line scheduling, and warehouse receipt line confirmation.

After a purchase order line is checked for import compliance, the success and failure data is logged. If the import compliance check fails, the purchase order line is blocked.

To allow the exclusion of documents from import compliance checks, you can specify document exceptions. For example, the exceptions can be specified by business partner, country, and document type.

Purchase order lines

When a purchase order line is specified in the Purchase Order - Lines (tdpur4100m900) session, an import compliance check is executed if these conditions are met:

- The **Internal Check** check box is selected on the **Import Compliance** tab of the Global Trade Compliance Parameters (tcgtc0100m000) session
- The order type is not used for returning inventory, returning rejects, or consignment payment
- The warehouse is specified
- The ordered quantity or order amount are more than zero
- The **Subject to Trade Compliance** check box is selected for the item in the Items (tcibd0501m000) session
- The country of the ship-from address differs from the country of the receipt address

If these conditions are met, and no exception is found in the Import Document Exceptions (tcgtc0130m100) session, an internal compliance check is executed for the purchase order line. For the internal check, LN verifies whether a valid import license is available in the Import Licenses (tcgtc0120m100) session.

The availability and validity of import compliance data for the combination of item and ship-from country in the Item Import Compliance Data (tcgtc0110m100) session is also verified.

If the **Limited Quantity Applies** check box or the **Limited Value Applies** check box is selected in the Import Licenses (tcgtc0120m100) session for the import license, quantity or value limits are verified. The purchase order line's ordered quantity in inventory unit and the net order line amount in order currency are used for these checks. During receipt confirmation, import license consumptions are logged in the Import License Consumptions (tcgtc1520m100) session.

> **Note**
>
> If global trade compliance is applicable for the item of the purchase order line, the **Subject to Trade Compliance** check box is selected for the line.

Components

If the **Inventory Handling** field is set to **By Component** in the Purchase Order Lines (tdpur4101m000) session, components are linked to the purchase order line. The import compliance check is executed only for the components that are received, and not for the main item. Consequently, the compliance check results are logged by component line.

If a component fails the compliance check, the order line is blocked. Several components can fail the check, but only one purchase order line blocking record is generated in the Purchase Order (Line) Blockings (tdpur4120m000) session. The order line cannot be unblocked before all failure results are removed for the component lines.

Import compliance check

The import compliance check can result in a success or failure, which you can view in the Document Compliance Check Results (tcgtc1510m000) session.

If the check is successful, the purchase order (component) line is saved and the order procedure can start. The compliance check result is automatically approved.

In case of a failure, the line is saved and blocked. Consequently, the **Blocked** check box is selected for the line. The line data is displayed in the Purchase Order (Line) Blockings (tdpur4120m000) session and the value of the **Hold Reason** field is retrieved from the **Trade Compliance Hold Reason** field in the Purchase Order Parameters (tdpur0100m400) session. To unblock the line, you must update the required data and re-execute the import compliance check, or an authorized person can manually override the import block by using the Document Compliance Check Results (tcgtc1510m000) or Override Compliance Check Results Workbench (tcgtc1610m100) sessions.

> **Note**
>
> On the appropriate menu in several Procurement sessions, you can use the **Check Document Compliance** option to force execution of the import compliance check.

Global trade compliance in Warehousing

In Warehousing, the global trade compliance check is an optional step that you can add to the inbound or the outbound flow. It is a process that verifies if specific import or export requirements are met.

For this purpose, in the inbound flow this process performs various import compliance checks on receipts. If advance shipment notices are used, the import compliance checks are also performed on ASNs.

In the outbound flow, this process performs export compliance checks on shipment lines.

For example, to check if the required licenses are available to export an item to the destination country, or to check if the applicable import licenses are met for an ASN.

If a validation error is returned after performing an import or export compliance check, the errors must be corrected before the:

- ASN can be received.
- Receipt can be confirmed.
- Shipment process can be completed.

Licenses and other trade compliance data is set up using the Global Trade Compliance functionality in Common. The import and export compliance checks are performed using the Global Trade Compliance functionality in Common.

Import compliance in Warehousing

ASN lines and receipt lines are subject to import compliance checks if:

- The **Purchase Trade Compliance** check box is selected in the Global Trade Compliance Parameters (tcgtc0100m000) session.
- The ship-from and the ship-to (receipt) addresses are located in different countries.
- The **Subject to Trade Compliance** check box is selected in the Items (tcibd0501m000) session.
- The order is not a purchase return order.
- The order is no direct delivery.
- The item is of a type other than:
  - **Subcontracted Service**
  - **Equipment**
  - **List**

The initial status of an ASN line or a receipt line is **To be Validated** if these conditions apply.

If any of these conditions do not apply, trade compliance checks are not applicable and the compliance status is set to **Not Applicable**.

The **Document Compliance Status** field in these sessions display the progress and the results of the import compliance checks:

- Shipment Notices (whinh3100m000)

- Shipment Notice (whinh3600m000)
- Shipment Notice Lines (whinh3101m000)
- Warehouse Receipt (whinh3512m000)
- Warehouse Receipts Overview (whinh3110m000)
- Receipt Lines (whinh3112s000)
- Warehouse Receipt Lines (whinh3512m100)
- Warehouse Receipt Lines (whinh3512m600)

Import compliance checks for ASN lines

For ASN lines, the compliance checks are performed when the ASN is:

1. **Scheduled**
   Created by EDI. The ASN can be received if all ASN lines are validated successfully.

2. **Scheduled Manually**
   Manually scheduled by the user using the **Schedule** option on the appropriate menu of the Shipment Notices (whinh3100m000) or the Shipment Notice (whinh3600m000) session.

   If validation errors are found, the compliance errors must be corrected and the ASN must be rescheduled.

If the ASN is modified, for example, the ordered quantity is changed, the ASN status is set to **Under Review** and the trade compliance status reverts to **To be Validated**. The user must manually launch the compliance checks or reschedule the ASN (which initiates the compliance checks), and correct any validation errors that may occur, because only successfully validated ASNs can be linked to a receipt.

> **Note**
>
> - To handle validation errors, see *Handling validation errors for import compliance checks (p. 33)*.
> - You can view the compliance check information in the Document Compliance Check Results (tcgtc1510m000) session.

If an ASN is **Canceled** or **Replaced**, the trade compliance check results for the ASN lines are removed. For the new ASN that replaces the **Replaced** ASN, with status **Scheduled**, new compliance checks are performed.

Link ASN lines to receipt

If the global trade compliance functionality is implemented, an ASN line can only be linked to a receipt if the trade compliance status is **Validated** or **Not Applicable**.

Consequently, if you specify an ASN number in the following sessions, only ASN lines with status **Validated** or **Not Applicable** are linked to a receipt:

- Shipment Notices (whinh3100m000)
- Shipment Notice (whinh3600m000)

- Warehouse Receipt (whinh3512m000):
  - The Receipts Filter tab
  - The Receive option on the appropriate menu.

In the Expected Shipments (whinh3821m000) session, ASN lines with status **Validated** or **Not Applicable** are displayed.

Link order lines to receipt

In these sessions, you can link order lines to a receipt:

- Expected Orders (whinh3822m000)
- Warehouse Receipt (whinh3512m000):
  - The Receipt Lines option on the appropriate menu.
- Inbound Order Lines (whinh2110m000)
- Inbound Line Status Overview (whinh2119m000)

If the global trade compliance functionality is implemented and ASN lines are present for the order line that you want to link, this message is displayed: "Receive the order line based on this or other shipment notice(s)?"

If you click:

- **Yes**
  You can only receive the order line if the compliance validation status of the ASN lines is **Validated**.
- **No**
  You can receive the order line, but the receipt line has no reference to the ASN.

Handling validation errors for import compliance checks

If the **Validation Error** status results from a global trade compliance check for an ASN line or a receipt line, the import compliance errors must be corrected and the compliance checks must be performed again. If validated successfully after the corrections, you can continue processing the ASN or the receipt.

Alternatively, you can override the validation errors. Correcting or overriding the errors is required, otherwise the inbound processes involving the ASNs or the receipts to store the goods in inventory cannot be completed.

You correct or override the compliance errors using the Global Trade Compliance functionality in Common.

The status **Validating** is displayed if the compliance checks are performed but approval is required.

Zero receipt, return to supplier

Sometimes, a receipt has a validation error and you want to return the goods to the supplier immediately without correcting the compliance error or receiving the goods in inventory first. In such cases, the return must be organized outside LN. To dispose of the order lines involved in LN, do either of the following:

- Unlink the receipt line using the Undo Link Order Lines to Receipt on the appropriate menu in the Warehouse Receipt (whinh3512m000) session and delete the inbound order line.
- Specify a zero item quantity and confirm the receipt line. If backorders are applicable, these must be canceled.

Approval

If the compliance checks for a receipt line or an ASN line are successful, but require approval, the validation status is set to **Validating**. After the compliance checks are approved in the Document Compliance Check Results (tcgtc1510m000) session, the validation status of the receipt line or ASN line is set to **Validated**.

Override validation errors

Failed compliance checks for an ASN line or a receipt line can be overruled by an authorized user in the Override Compliance Check Results Workbench (tcgtc1610m100) session. Consequently, the **Validation Error** status of the ASN line or receipt line changes to **Validated**.

For ASN lines, the override is reverted if the compliance check is performed again and results in a validation error. For receipts, the overrides are final.

Import compliance checks for receipts

Trade compliance checks are performed by LN for receipt lines when the receipt lines are confirmed.

You can also manually initiate the compliance checks using the Check Document Compliance option on the appropriate menu of the receipt or receipt line sessions.

> **Note**
>
> The compliance checks are always performed for receipt lines during confirmation, even if the received items have been previously validated.

If the receipt lines are successfully validated, the receipt lines are confirmed and a compliance consumption record is registered in the Import License Consumptions (tcgtc1520m100) session.

If the status **Validating** or **Validation Error** is returned, the receipt lines cannot be confirmed unless the received item quantity is reduced to zero. For more information, refer to *Handling validation errors for import compliance checks (p. 33)*.

Change receipt lines

The compliance status changes to **To be Validated** and the compliance checks must be performed again if the receipt line item quantity is changed, or any of these options are used for a receipt line:

- Split Line for Serials
- Generate Serials
- Split

Receipt corrections

You can use the Receipt Correction (whinh3121s000) session to correct the received quantity of a receipt line. This session is started using the **Correct Receipt Line** option on the appropriate menu of the Warehouse Receipt Lines (whinh3512m100) session.

If the correction is positive (the received quantity is increased), the compliance check must be performed again, because a value limit can apply to the received item. If the compliance check is successful, the license consumption is updated in the Import License Consumptions (tcgtc1520m100) session. If the compliance check fails, the receipt correction is not allowed and a message is displayed.

For negative receipt corrections it is not required to perform the compliance checks again, but the license consumptions are updated.

For receipt lines that are handled by component, receipt corrections other than changing the **Final Receipt** setting are not allowed. This does not affect the license consumptions.

Import compliance checks for BOM items

If the inventory handling of inbound order lines is based on the main item, the compliance checks are performed by main item. If the inventory handling is by component, the compliance checks are performed for each component that is subject to trade compliance.

Bill of material (BOM) component information is not displayed for ASN lines. If the inventory handling of the order line of the ASN is by component and not all components are validated successfully, the ASN line displays the earliest compliance status of the components. The ASN line is validated if all components are validated successfully.

When a receipt line is confirmed for which inventory handling is by component, a license consumption record is created for each component that is successfully validated. If a receipt line with BOM lines is deleted (unlinked from the receipt header), and the receipt line is validated successfully, the consumption records are removed from the Import License Consumptions (tcgtc1520m100) session.

Export compliance in Warehousing

A shipment line is subject to export compliance checks if:

- The **Sales Trade Compliance** check box is selected in the Global Trade Compliance Parameters (tcgtc0100m000) session.
- The ship-from and the ship-to warehouses are located in different countries.

- The **Subject to Trade Compliance** check box is selected in the Items (tcibd0501m000) session.
- The order is not a purchase return order.
- The item is of a type other than:
  - **Subcontracted Service**
  - **Equipment**
  - **List**

If any of these conditions do not apply, trade compliance checks are not applicable and the compliance status is set to **Not Applicable**.

The **Document Compliance Status** field in the Shipments (whinh4130m000) and Shipment Lines (whinh4131m000) sessions show the progress and the results of the export compliance checks.

Export compliance checks are performed during the freeze step and the confirm step. Even if the compliance checks are validated successfully in the freeze step, the checks are performed again during the confirm step. Successfully validated shipments and shipment lines have compliance status **Validated**.

If the freeze step is not applicable to the shipment procedure, the export compliance checks are only performed during the confirm step.

Note

The freeze step is not an activity in a warehousing procedure, but you can enforce the freeze step for a warehousing order type by selecting the **Freeze Mandatory** in the Warehousing Order Types (whinh0110m000) session.

A shipment line can only be confirmed if the compliance checks are successful, or if unsuccessful validations are overruled by an authorized user.

However, you can confirm shipment lines with status **Validating** or **Validation Error**, and item quantity zero. This is required if the goods must be moved back to stock and be available for other demand before the compliance checks are completed. For this purpose, you must set the entire quantity to **Not Shipped** and confirm the shipment line.

When the validation status of all shipment lines of a shipment is set to **Validated**, the trade compliance status of the shipment is also set to **Validated**. A shipment can only be confirmed if all of the shipment lines are successfully validated for trade compliance. If you try to confirm a shipment with shipment lines not successfully validated, only the successfully validated shipment lines are confirmed and the shipment remains unconfirmed.

In the Document Compliance Check Results (tcgtc1510m000) session, you can view the compliance check information. You can access this session on the appropriate menu of the Shipments (whinh4130m000) and Shipment Lines (whinh4131m000) sessions.

Validation errors

If the **Validation Error** status is returned after freezing or confirming a shipment line, the export compliance errors must be corrected.

To correct validation errors for **Frozen** shipment lines

While correcting item compliance data such as licenses, the shipment line status remains **Frozen** and the trade compliance status remains **Validation Error**. After the corrections are completed, you must confirm the shipment line or use the Check Document Compliance option on the appropriate menu of the Shipment Lines (whinh4131m000) session. The compliance status is then changed to **Validated**.

To correct shipment line data such as item quantities or other stock point details, or compose handling units, you must reopen the shipment line. The shipment line status is reverted to **Open** and the validation status becomes **To be Validated**. After the corrections are completed, you must freeze the shipment line again. The compliance status is then changed to **Validated** and you can confirm the shipment line.

If the **Validating** status is displayed instead of the **Validated** status, the compliance checks are performed but require approval.

Approval

If the compliance checks for a shipment line are successful, but require approval, the validation status is set to **Validating**. After the compliance checks are approved in the Document Compliance Check Results (tcgtc1510m000) session, the validation status of the shipment line is set to **Validated**.

To correct validation errors after confirming a shipment line

While correcting item compliance data such as licenses, the shipment line status remains **Open** and the trade compliance status remains **Validation Error**. After the corrections are completed, you must confirm the shipment line. The compliance status is then changed to **Validated**.

If you correct shipment line data such as item quantities or other stock point details, or compose handling units, the shipment line status remains **Open** and the validation status becomes **To be Validated**. After the shipment-line corrections are completed, you must confirm the shipment line, which in turn launches the compliance checks. The compliance status is then set to **Validated**.

Note

The **Validation Error** status can be returned when confirming a shipment line even after the shipment line was successfully validated during freezing. This can occur, for example, if compliance requirements have changed since the successful validation upon the freeze step.

Override compliance failures

Failed compliance checks for a shipment line can be overruled by an authorized user in the Override Compliance Check Results Workbench (tcgtc1610m100) session. After completing the override, the **Validation Error** status of the shipment line changes to **Validated**.

Packing slip

If the global trade compliance functionality is set up, the following information is printed on the packing slip:

- **USML Category**
- **ECCN**
- **License Type**
- **License Number**

This footer text is printed on the packing slip for shipments leaving the USA that meet specific criteria:

"These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to US. law is prohibited".

The criteria:

- The item of at least one of the shipment lines is export controlled.
- For the item of at least one of the shipment lines, the **USML Category** or the **ECCN** field is specified in the Item Export Compliance Data (tcgtc0110m000) session.
- The shipment is leaving the US.