

GXS Invoice Delivery Service

Tax Compliance in Germany

GXS has partnered with OB10 Ltd, a technology and service organisation, to deliver an on-demand electronic invoicing network designed to comply with VAT regulations across Europe. The service features a robust set of customisable validation and business rules to help companies address data quality challenges and eliminate data inaccuracies. By utilising the GXS Invoice Delivery Service companies can become compliant with EU regulations quickly and easily while addressing common data quality challenges—without having to undertake a costly and time-consuming compliance process on their own. This document describes how the GXS Invoice Delivery Service, powered in part by OB10, enables you to be compliant with the specific tax regulations in Germany.

Country Overview

German e-invoicing law is administered in two sets of regulations:

- German VAT law (since 1 January 2004 this is an implementation of EU Directive 2001/115/EC)
- German Signature law (which is based on EU Directive 1999/93/EC of 13 December 1999).

Key Legal Requirements

- Suppliers must issue a tax invoice to their customers
- Every invoice must contain certain data mandated by law
- Both parties are required to store identical copies of each invoice.
- All invoices must be stored in Germany
- The authenticity of the organisation sending invoices must be guaranteed
- The integrity of data on all invoices must also be assured

In the case of electronic invoicing German law accepts the use of digital certificates as a mechanism to address the last two points on this list. However, manufacturers of hardware used to create digital signatures must lodge a declaration with the Bundesnetzagentur to prove that their products satisfy the necessary legal requirements. In addition German civil law stipulates that e-invoices must be stored along with their digital signatures.

How GXS Invoice Delivery Service, Complies

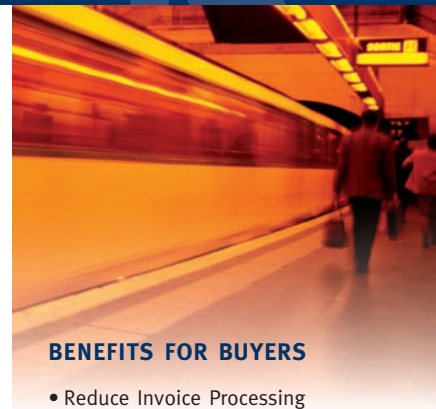
Supplier Must Issue a Tax Invoice to Their Customers

The service acts as a third party outsourcer and issues tax invoices on behalf of Suppliers to Buyers.

Assuring the Presence of Mandated Data

The service ensures all the data legally required on an invoice is present and, if not, will reject the invoice or add data from static information in order to make it comply.

- Full name and address of Supplier
- VAT identification number of Supplier



BENEFITS FOR BUYERS

- Reduce Invoice Processing Costs
- Increased Productivity
- Improve Cash Management

BENEFITS FOR SUPPLIERS

- Speed time to payment
- Minimise Invoice Errors
- Reduce Days Sales Outstanding

SOLUTION FEATURES

- Electronic Document Exchange
- Global Trading Partner Enablement
- Data Quality Management
- Regulatory Compliance

- Full name and address of Buyer
- VAT identification number of Buyer
- Full name and address of fiscal representative
- VAT identification number of fiscal representative
- Invoice number
- Invoice date
- Date of supply
- Description of goods or services supplied
- Quantity supplied
- Value of any discount
- Taxable amount for each VAT rate
- VAT rate for each supply
- VAT amount for each VAT rate
- Total VAT amount
- Legal basis for exemption of VAT (if applicable)
- Advanced agreed diminution of consideration (if applicable)

Providing Identical Copies of Invoices for Buyer and Supplier

A PDF invoice image created from the Supplier's data is available to both the Supplier and the Buyer.

Storing Invoices in Germany

For those customers wishing to outsource the storage of e-invoices, the service provides a secure e-archive facility located within German national borders.

Guaranteeing Origin and Integrity of Data

The service signs all invoices on behalf of Suppliers using a digital certificate provided by Produktzentrum TeleSec der Deutschen Telekom AG (which meets the requirements laid down in EU Directive 1999/93/EC). By the same token, each signature created by the service also meets the demands of EU Directive 1999/93/EC in that they are:

- Uniquely linked to the signatory
- Capable of identifying the signatory
- Created using means that the signatory can maintain under his sole control
- Linked to the data in such a manner that any subsequent change of that data is detectable.

The hardware used to create digital signatures has been approved in Germany and appropriate declarations lodged with the Bundesnetzagentur.

ABOUT GXS

GXS is a leading global provider of B2B e-commerce solutions that simplify and enhance business process integration, synchronisation and collaboration among trading partners. Organisations worldwide, including 75 percent of the Fortune 500, leverage the GXS Trading Grid® to extend supply networks, optimise product launches, automate warehouse receiving, manage electronic payments and gain supply chain visibility. With an unmatched global presence, proven trading partner management and B2B outsourcing services, GXS's on-demand solutions maximise the benefits of integration for businesses.

Based in Gaithersburg, MD, GXS's extensive global network serves customers throughout the Americas, Europe, the Middle East and Africa and Asia Pacific regions. GXS can be found on the Web at www.gxs.co.uk.

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