



Rajen Iyer & Kevin Riddell

Practical Guide to SAP® GTS

Part 1: SPL Screening and Compliance Management

- ▶ Tips and tricks for leveraging SAP GTS to automate trade compliance
- ▶ Walk step by step through business processes
- ▶ Overview of regulatory requirements and compliance suggestions
- ▶ Review of Version 11.0 with screenshots

Table of Contents

Preface	7
Introduction	9
1 Sanctioned party list screening	13
1.1 Introduction	13
1.2 Configuration	18
1.3 Subscription service	37
1.4 TREX	42
1.5 Email alerts	46
1.6 Logistics – daily execution	47
1.7 Master data	76
1.8 Cross-area monitoring	81
1.9 Compliance tips	82
2 Compliance	99
2.1 Import compliance checks overview	99
2.2 Export compliance checks overview	104
2.3 Legal control import/export	107
2.4 Embargo checking in SAP GTS	109
2.5 Product classification	113
2.6 License determination	119
2.7 ITAR	131
2.8 EH&S	145
2.9 Examples of daily user functions in compliance	160
2.10 Compliance management tips	176

3	SAP GTS Release 11.0	197
3.1	General configuration settings	197
3.2	In-memory optimization	204
3.3	SPL with HANA Search	205
3.4	Enhanced user experience	209
3.5	FTZ	210
3.6	Customs management improvements	212
3.7	Improvements to compliance management	215
3.8	Preference improvements	218
4	Appendix 1: SPL list types and references	221
5	Appendix 2: Website resources	227
5.1	Sanctioned party list resources	227
5.2	Preferential trade resources	228
5.3	Export/import control resources	228
5.4	Customs compliance resources	229
A	About the Authors	232
B	Index	234
C	Disclaimer	239

2 Compliance

Every business transaction that crosses a border, whether outbound or inbound, needs trade compliance checks. Compliance checks involve checking all the business partners that are in the shipping document against the sanctioned party list to make sure that the country being shipped to is not under embargo, as well as checking whether the product being shipped needs a license or license exception.

Say you have an outbound delivery. Before the delivery leaves, you have to check the business partners to whom the item has been sold or shipped to, the bill-to party, the freight forwarder, and the third-party shipper. You also have to perform a sanctioned party screening against all business partners, check the countries associated with the ship-to party or the ultimate consignee where the product will land, perform an embargo check against the country where the product is being shipped, and determine the appropriate licenses against the ultimate consignee. So how does SAP GTS help?

SAP GTS can automate all of these checks to make the process faster and easier. You can configure the system to propose what licenses you will need and perform all your screening transactions and business partner checks against the denied party list. This only leaves you to look at the exceptions, such as potential matches on the denied party list. Most importantly, your trade is not bottlenecked with manually performed compliance checks that can be unpredictable and error-prone.

2.1 Import compliance checks overview



SAP GTS allows you to perform all necessary checks for both exports and imports, such as sanctioned party list screening, embargo screening, and license determination to import goods into the country. Furthermore, COMPLIANCE MANAGEMENT, a module in SAP GTS, allows you to support the monitoring of the transactions that are transferred to SAP GTS, such as embargo data maintenance, transaction review, release, and business partner review due to an embargo. All of this can be done from the LEGAL CONTROL IMPORT screen (see Figure 2.1).

To get to the LEGAL CONTROL – IMPORT screen, follow menu path SAP GTS AREA MENU • SAP COMPLIANCE MANAGEMENT • LEGAL CONTROL – IMPORT. Use the MONITORING tab to see different reports and documents such as blocked documents, payments, incomplete documents, and documents with license assignment, e.g. all the documents that were transferred to GTS. Monitoring allows you to review blocked documents (see Figure 2.2), follow the license assignment, and review assigned documents.




Figure 2.1: SAP Compliance Management: Legal control – import


Legal Control: Display Blocked Import Documents


 

Laws


Legal Regulation to 


Organization


Foreign Trade Org. Unit to 


Legal Unit to 


Document Data in SAP GTS


Document Number to 

Year to 


Document Type to 


Created by to 


Created on to 


Project Number to 


Document Data in Feeder System

Reference Number to 

Logical System to 

Object Type to 

Created By to 

Changed By to 

Reasons for Blocking

- Partner Missing
- Embargo
- Sanctioned Party List
- Customs Products Missing
- Determination Info. Missing
- Import Licenses Missing
- BOM Explosion Missing
- Hazardous Substance Check

Output Format

Layout of Blocked Docs w/Items

Layout of Blocked Documents

Layout of Legal Regulation

Runtime-Optimized

Figure 2.2: Legal Control: Display blocked import documents

The EMBARGO tab on the right side of the screen allows you to review the business partners that are under embargo and review transactions that are affected. If transactions are blocked due to an embargo, you can have the selected transaction to these countries with authorization for shipment, and then you can selectively release the transactions to processing by the supply chain. You can maintain the embargo data set up for import transactions here (see Figure 2.3).

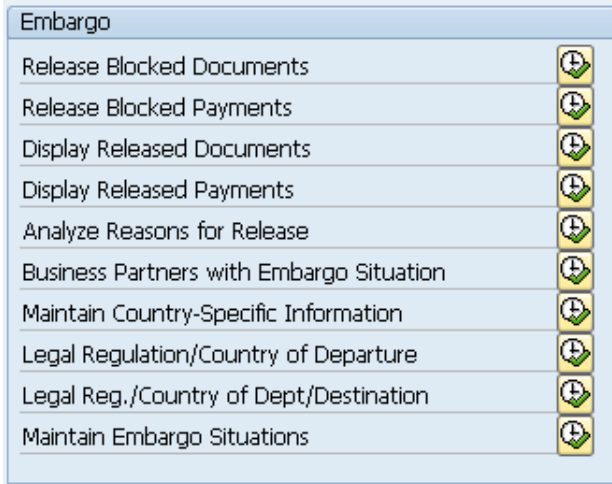


Figure 2.3: Close up on Embargo options

Use the IMPORT LICENSES tab to maintain import licenses. Suppose you need to assign a license to the import transaction manually. Click on the line that says MAINTAIN IMPORT LICENSES. The system then takes you to the LEGAL CONTROL: CHANGE CONTROL DATA screen. Fill in the LOGICAL SYSTEM and OBJECT TYPE (purchase order or inbound delivery) fields. You can manually enter the data in the REFERENCE NUMBER field or use the drop-down menu.

After you enter the data and click the execute icon, the system automatically takes you to the LEGAL CONTROL: CHANGE LEGAL CONTROL DATA screen where you can assign licenses (see Figure 2.4). When you click on the execute icon, the system lists all of the items you entered in the previous screen. You can select any line and assign the appropriate classification and license. The system proposes all the available licenses. You just need to select the appropriate ones. Figure 2.5 shows the document with the assigned classification and license for the item number ten.

Legal Control: Change Legal Control Data

Document Data

Reference Number

Additional Data

Logical System

Object Type

Display Scope

Only Display Locked Items

Figure 2.4: Change legal control data

Legal Control: Change Control Data for Sales Order 14100

Items/Legal Regulations

Ext. No.	Level	Number	Grouping	Amount	Currency	Quantity	UoM	ChangeInd.	Leg.Reg.
Item10									

Item10

- EAR
- ITAR

Usable Licenses

Valid...	Valid...	Ext. No.

Item Data

Status Legal Control Service: Released

Product

Prod. Descr.

Dep. Country

Ctry Destin.

Ult. Cons. Ctry

Legal Unit

Project No.

Description

Figure 2.5: Example of legal control

D

Daily updates 38
Daily user roles 193
Dangerous goods 130
DEA 185
Deadline Type 32
Delimiter 80
delta screening 39, 42
Department of Defense 125
Detail control 24
detailed analysis 54
Determination Strategy 106, 136
display blocked documents 160
Display Blocked Documents 61
Display negative list business partner 68
Display overview list 76
Display SPL data 55
Document checking 61
documents 128
Documents 128
Domestic Substance List 185

E

EAR 176, 187
ECC EH&S functionality 145
ECC IMG activities 147
ECCN 113, 187
ECCN classification tips 187
ECCN group 122
ECCN number structure 115
EH&S 145
Email alerts 46
embargo 13
Embargo 101, 109, 166, 179, 185
Entity List 89
European Sanctions List 90
excluded parties 86
Excluded Texts 80

Export compliance check 126
Export compliance tips 177
Export Control Classification Number 113
Export License 106
export licenses 163
extended fuzzy 29
External Business Partner 51
Extraterritorial application of U.S. lists 86
extraterritorial control 181
extraterritorial reach 89
extraterritorially 84

F

false positive 14
Foreign Trade Organizations 50
foreign trade zone 210
FTZ 210
fuzzy 29
Fuzzy Search 44
Fuzzy Search (Extended) 44

G

General settings 79
GSA Excluded Parties List 88
GSA Excluded Party List 86
GTS Cockpit 47
GTS configurations for EH&S 155
GTS document types 108

H

Harmonized Tariff Number 113
Hazardous Substance Check 157
HTS USA 186

I

Import compliance tips 185
Import Licenses 102

Import restrictions 146
In memory 204
indexing function 18
in-memory 204
ITAR 124, 131, 187

L

Legal advice 95
Legal control – export 160
Legal control – import 167
Legal Control Export 104
legal control import 99
License determination 119
license exceptions 178
license type 120
License type 134
List types 30
Logical System Group 51

M

Mainentry
 Comparison Index 27
Maintain Country-Specific
 Information 110
Maintain ECCN number 116
Maintain Product 118
Maintain products 171
Maintain sanctioned party lists 76
Manually Release Blocked
 Documents 61
master data 168
Master data maintenance 193
Match Rate 44
Matched Terms 55
Minimal Similarity 27
MK Data Services 38, 57, 83

N

Negative List 58
negative lists 67

nested license 124
Non-governmental lists 87
Normalization 80
Notification 22
number ranges 201

O

OFAC 83, 88, 91, 94, 176
On Hold 58
originating feature 25
Other government lists 87
Overview of SPL lists 83

P

Periodic user roles 192
plug-in 128
Positive List 58
positive lists 67
processing mode 50
Processing Status 74
product classification 117

Q

quantity thresholds 150

R

reasons for release 36
Reclassification 119
reexport 126
Reexport 181
Reference type 31
Relational Operator 27
Release blocked document 161
release reason 59
Releasing business partners 57
Reset Buffer 81
Reviewing document blocks and
 releasing 63

S

Sanctioned Party List Screening
58

Sanctioned Party Lists 13

SAP ECC 11

SAP ERP 11

SAP Fiori 209

SAP GRC 121

SAP GTS Accelerator 197

SAP GTS and EH&S 146

SAP HANA 197, 205

Schedule B 113, 186

Scope of check 19

scripts 78

SDN 88

Search Strategy 20

search term 25

Search Term Origin 27

Shipment consolidation 129

Size of Check Package 20

Specially Designated National
Lists 88

SPL 14

SPL Entries 55

SPL list types and references 221

SPL review strategy 93

SPL with HANA 205

subscription 177

Subscription service 37

Suggested areas for audit 97

Suggested areas to audit 194

System control 19

T

Tariff code number structure 115

TCODE 148

technical assistance agreement
131

TREX 24, 42

TREX configuration settings 44

TREX Destination 81

TREX—Define Comparison
procedure 29

true positive 14

U

U.S. Persons 88

United Nations Security Council
89

United States government lists 84

US Person 86

User roles 191

V

Validity 19

Variants 52

version 11 45, 197

W

Wassenaar 176

Website resources 227

World Bank 89

X

XML 73, 122, 123

XML file 116