MODULE 1: INTRASTAT

Module Overview

Intrastat is a required reporting process for all European Union (EU) companies that trade with other EU countries/regions. Companies within the EU are responsible for the following:

- Reporting to their statistics authorities the movement of goods every month.
- Delivering the report to their tax authorities.

Microsoft Dynamics® NAV 2013 can be set up to run all the necessary reports related to Intrastat and make the reporting more efficient for the company. The Intrastat journal is used to complete periodic Intrastat reports.

Objectives

The objectives are:

- Set up Intrastat for use in Microsoft Dynamics NAV 2013.
- Explain how to run and submit Intrastat reports.

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Set Up Intrastat

For posted item entries to contain the necessary information when you import them into the Intrastat journal line, the following must be set up:

- Tariff numbers
- Transactions types
- Transport methods

The following can be set up for Intrastat reporting:

- Transaction specifications
- Areas
- Entry and exit points

After each of these are set up:

- **Tariff Numbers** must be assigned on the **Foreign Trade** FastTab of each item.
- **Transaction Types** and **Transport Methods** must be assigned on the **Foreign Trade** FastTab of sales and purchase documents before posting.
- **Transaction Specifications**, **Areas**, and **Entry/Exit Points** must be assigned on the **Foreign Trade** FastTab of sales and purchase

Intrastat Journal templates and batches must also be set up before Intrastat can be reported.

Set Up Tariff Numbers

Customs and tax authorities have established eight-digit item codes for various items. These codes are specified as tariff numbers.

To set up tariff numbers, follow these steps:

1. On the navigation pane, click **Departments**.
2. Click **Administration**, and then click **Application Setup**.
3. On the **Application Setup** page, click **Financial Management > Intrastat > Tariff Numbers**.
4. Click **New** to insert a new line.
5. In the **No**. field, enter the established eight-digit item code.
6. In the **Description** field, enter the established description.
7. Select the **Supplementary Units** check box if the customs and tax authorities require information about quantity and unit of measure for this item.

8. Repeat these steps for all items bought and sold.

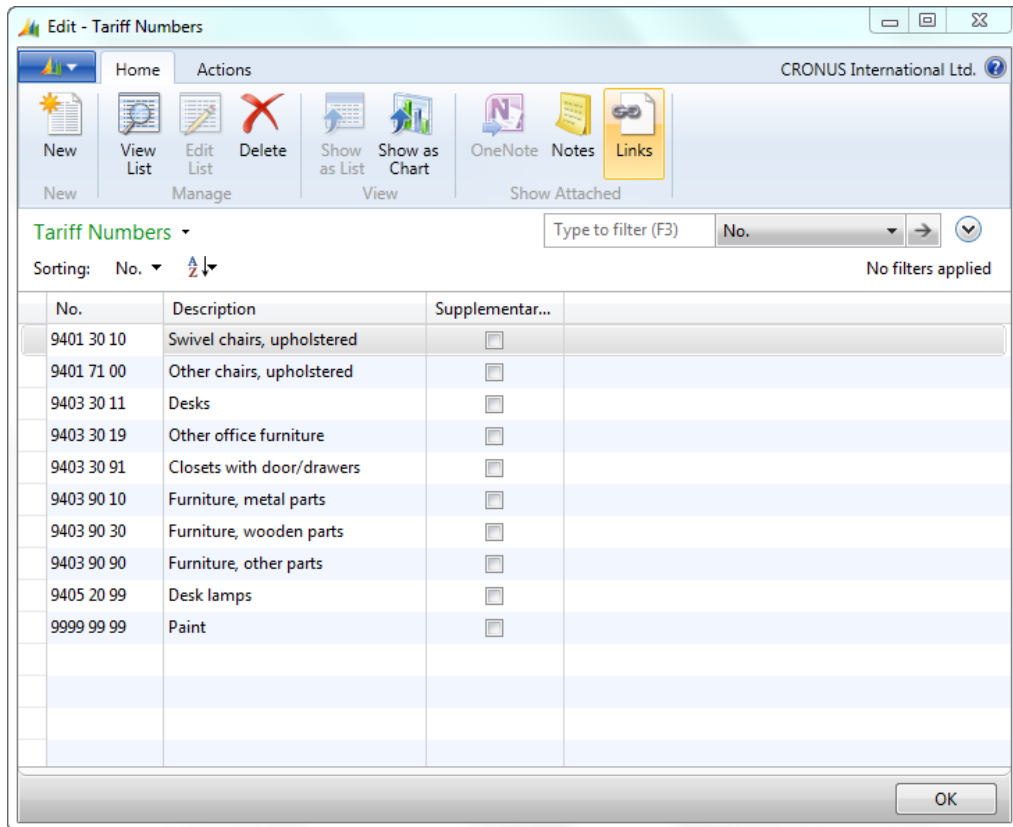9. Click **OK** to close the **Tariff Numbers** page.

FIGURE 1.1: TARIFF NUMBERS WINDOW

Set Up Transaction Types

Each country/region has a set of codes for transaction types that are defined for Intrastat, such as the following:

- Ordinary purchase/sale
- Exchange of returned goods
- Exchange of non-returned goods

To set up transaction types, follow these steps:

1. On the navigation pane, click **Departments**.
2. Click **Administration**, and then click **Application Setup**.
3. On the **Application Setup** page, click **Financial Management > Intrastat > Transaction Types**.
4. Click **New** to insert a new line.
5. In the **Code** field, enter the established transaction type code.

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6. In the **Description** field, enter the standard description established by the authorities in the relevant country/region.

7. Repeat these steps for all transaction types.

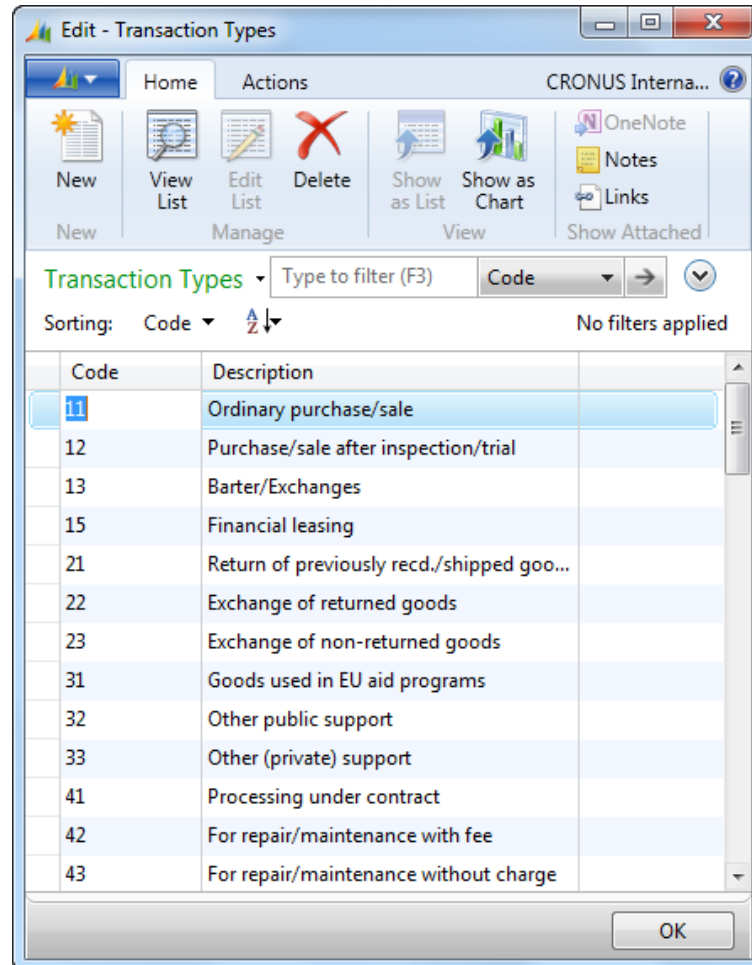8. Click **OK** to close the **Transaction Types** page.

FIGURE 1.2: TRANSACTION TYPES WINDOW

Set Up Transport Methods

There are seven one-digit codes for the transport methods that are defined for Intrastat:

*   1 for sea

*   2 for rail

*   3 for road

*   4 for air

- 5 for post
- 7 for fixed installations
- 9 for own propulsion (for example, transporting a car by driving it)

When you enter these methods in Microsoft Dynamics NAV 2013, these descriptions are not required. However, the descriptions must provide a similar meaning.

To set up transport methods, follow these steps:

1. On the navigation pane, click **Departments**.
2. Click **Administration**, and then click **Application Setup**.
3. On the **Application Setup** page, click **Financial Management > Intrastat > Transport Methods**.
4. Click **New** to insert a new line.
5. In the **Code** field, enter the established one-digit transport methods code.
6. In the **Description** field, enter a description of the transport method.
7. Repeat these steps for all transport methods.
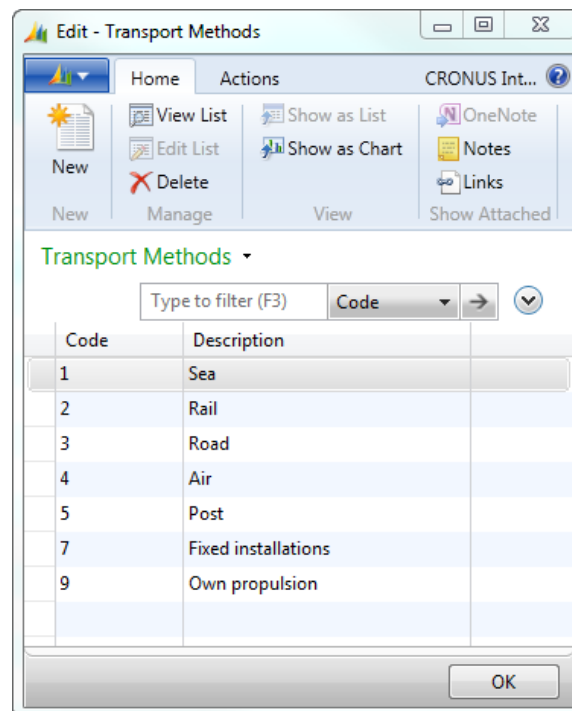8. Click **OK** to close the **Transport Methods** page.

FIGURE 1.3: TRANSPORT METHODS WINDOW

Set Up Transaction Specifications

Transaction specifications are used to supplement the transaction type information and are also pre-established.

To set up transaction specifications, follow these steps:

1. On the navigation pane, click **Departments**.
2. Click **Administration**, and then click **Application Setup**.
3. On the **Application Setup** page, click **Financial Management > Intrastat** > **Transaction Specifications**.
4. Click **New** to insert a new line.
5. In the **Code** field, enter the established transaction specification code.
6. In the **Text** field, enter the established description of the transaction specification.
7. Repeat these steps for all transaction specifications.
8. Click **OK** to close the **Transaction Specifications** page.

Set Up Entry and Exit Points

Entry and exit points are the locations where items from abroad are shipped or received, for example, Heathrow Airport.

To set up entry and exit points, follow these steps:

1. On the navigation pane, click **Departments**.
2. Click **Administration**, and then click **Application Setup**.
3. On the **Application Setup** page, click **Financial Management > Intrastat > Entry/Exit Points**.
4. Click **New** to insert a new line.
5. In the **Code** field, enter a code representing a location used as a shipping point.
6. In the **Description** field, type a description that specifies the location.
7. Repeat these steps for all entry/exit points.
8. Click **OK** to close the **Entry/Exit Points** page.

Set Up Areas

Areas are used to supplement country/region information.

To set up areas, follow these steps:

1. On the navigation pane, click **Departments**.
2. Click **Administration**, and then click **Application Setup**.

3. On the **Application Setup** page, click **Financial Management > Intrastat > Areas**.

4. Click **New** to insert a new line.

5. In the **Code** field, enter the established code for the area.

6. In the **Text** field, type a description of the area.

7. Repeat these steps for all transaction specifications.

8. Click **OK** to close the **Areas** page.

Set Up Country Codes

If you perform business with EU countries/regions, you must fill in the **EU Country/Region Code** and the **Intrastat Code** fields on the **Countries/Regions** page. Both codes use the ISO standard code for describing the countries/regions, such as the following:

-   BE for Belgium

-   NL for Netherlands

-   DE for Germany

In addition, you must fill in the Intrastat code because the Get Item Ledger Entries batch job in the Intrastat journal retrieves only the entries that contain a country code with an Intrastat code. Therefore, make sure that Intrastat codes are set up for the country codes used in the batch job.

To set up EU country/region and Intrastat codes on countries/regions, follow these steps:

1. On the navigation pane, click **Departments**.

2. Click **Administration**, and then click **Application Setup**.

3. On the **Application Setup** page, click **General**, and then click **Countries/Regions**

4. Click **Edit List**.

5. For each EU country where business is performed:

    o   In the **EU Country/Region Code** field, enter the ISO standard code for the country.

    o   In the **Intrastat Code** field, enter the ISO standard code for the country.

📋 *Note: Make the **EU Country/Region Code** and **Intrastat Code** fields available through the **Choose Columns** function.*

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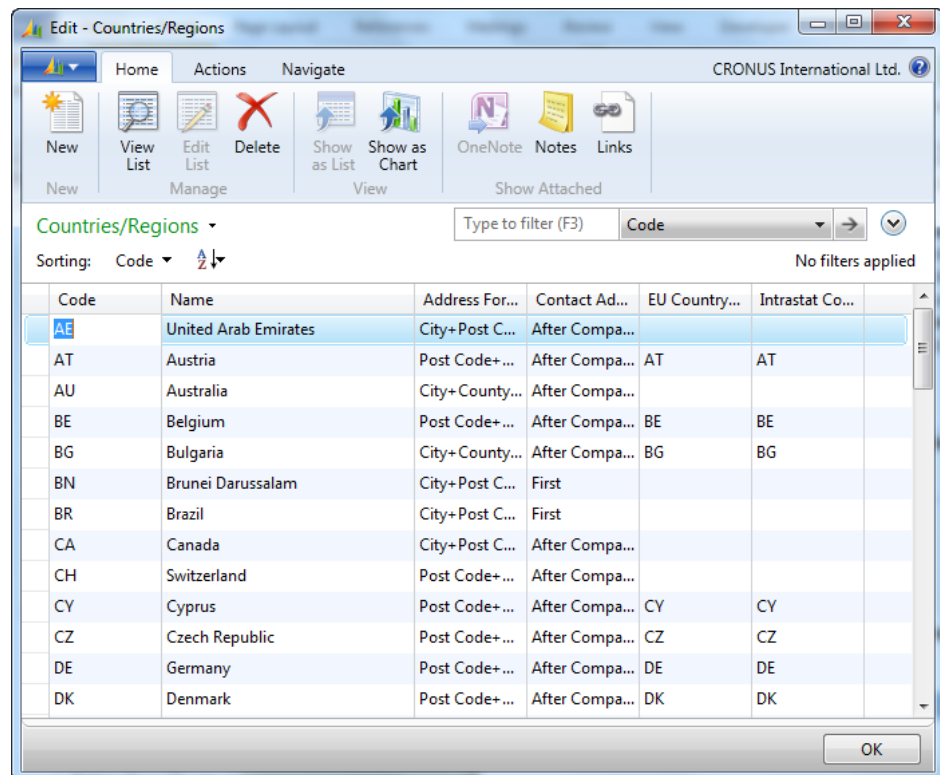6. Click **OK** to close the **Countries/Regions** page.

FIGURE 1.4: COUNTRIES/REGIONS WINDOW

Set Up Items

To assign tariff numbers and net weight to an item, follow these steps:

1. On the navigation pane, click **Departments**.
2. Click **Warehouse > Planning & Execution > Items.**
3. Select the item to which you want to assign a tariff number, and then click **Edit**.
4. Expand the **Foreign Trade** FastTab.
5. In the **Tariff No.** field, enter the correct tariff number.
6. In the **Net Weight** field, enter the appropriate weight.
7. Click **OK** to close the **Item Card** page

📋 *Note: Both the tariff number and net weight are not required to be assigned to the item card before posting sales and purchase documents. You can always assign them later, before you create the Intrastat reports.*
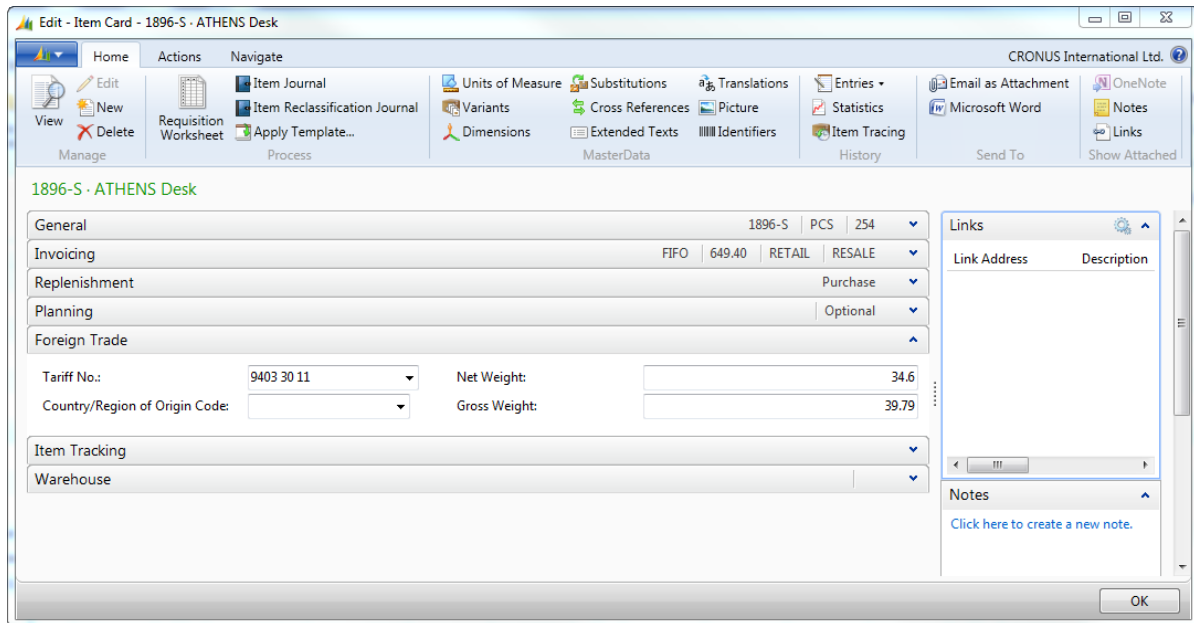
FIGURE 1.5: ITEM CARD – FOREIGN TRADE FASTTAB

Intrastat Journal Templates and Batches

The setup of the Intrastat journal batches is important because it determines the date filter for the entries to be reported. Intrastat journal batches are not similar in structure to other journal batches in Microsoft Dynamics NAV 2013.

To set up an Intrastat journal template, follow these steps:

1. On the navigation pane, click **Departments**.
2. Click **Administration**, and then click **Application Setup**.
3. On the **Application Setup** page, click **Financial Management > Intrastat > Intrastat Journal Templates**.
4. Click **New** to create a new line.
5. In the **Name** field, enter a unique identifier for the template.
6. In the **Description** field, enter a short description.

To create an Intrastat journal batch, follow these steps:

1. With the relevant template selected, on the **Navigate** tab, click **Batches**.
2. In the **Name** field, type a unique identifier for the batch.
3. In the **Description** field, type a short description.
4. In the **Statistics Period** field, enter the year and month period as a four-digit code: YYMM. For example, 1401 represents January 2014.
5. In the **Currency Identifier** field, enter the currency of the Intrastat report. If this field is left blank, local currency is used.

6. If additional reporting currency is used, follow these guidelines:

   o Use the **Choose Columns** function to display the **Amounts in Add. Currency** field.

   o Select the **Amounts in Add. Currency** check box to display the Intrastat report in additional reporting currency.

Note: More information on foreign currencies and the additional reporting currency can be found in the module, Multicurrency, in this course.

7. The **Reported** check box indicates whether the entries were reported to the tax authorities. The check box is automatically selected when the **Intrastat - Make Disk Tax Auth**. batch job is run. If it is necessary, clear the check box. The system will rerun the report.

8. Click **OK** to close the **Intrastat Jnl. Batches** page.

9. Click **OK** to close the **Intrastat Journal Templates** page.

Note: Because Intrastat is typically reported monthly, we recommend that you set up 12 batches based on the same template, with a different Intrastat journal batch for each month.

Report Intrastat

The process of reporting Intrastat begins with filling in the Intrastat journal and then selecting how to submit the reports to the required reporting authorities.

Note: Intrastat journals are not posted. They are generated for reporting only.

Intrastat Journals

Intrastat journals are populated by using either of the following methods:

- Manually
- Automatically with the **Get Item Ledger Entries** batch job

Note: The manual option is typically used to record G/L entries and fixed assets in addition to item ledger entries, such as service charges, freight costs, and landed costs.

To populate the Intrastat journals using the batch job, follow these steps:

1. On the navigation pane, click **Departments**.
2. Click **Financial Management > Periodic Activities > General Ledger > Intrastat Journals**.
3. In the **Batch Name** field, click the drop-down list and select the relevant batch.
4. Click **OK**.
5. On the **Home** tab, click **Get Entries**.
6. Make sure the **Get Item Ledger Entries** batch job appears with the **Starting Date** and **Ending Dates** populated based on the statistic period on the journal batch.
7. In the **Cost Regulation %** field, enter a percentage increase to the statistical value of each entry for freight and insurance costs.
8. Click **OK**.

The Intrastat journal is populated with all the entries for the specified period and for those items that were assigned a tariff number.

Any missing information about **Transaction Types**, **Transport Methods**, **Transaction Specifications**, **Entry/Exit Points**, and **Areas**, can be completed on the journal line. This does not affect the original item ledger entries, because the Intrastat journal will not be posted.

Submit Intrastat

As soon as the Intrastat Journal is populated, the following report options are available:

- **Checklist Report -** a printed checklist to make sure that all information in the journal is correct.
- **Form -** all the information that is needed to complete the official Intrastat form provided by the tax authority in your country/region. A separate report must be printed for receipts and shipments.
- **Make Diskette -** computer files that contain the transactions for the period. These must be provided to the tax authorities in addition to forms. The Intrastat - **Make Disk Tax Auth**. batch job is used to create the necessary files. A separate report must be printed for receipts and shipments.
  As soon as the batch job is run, the **Reported** field is selected for the related batch on the **Intrastat Journal Batch** page and the **Internal Reference Number** field on every journal line in the batch is filled in.

We recommend that you use each function in the order that it appears.

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Print Checklist Reports Option

To print the checklist report option, follow these steps:

1. Make sure the journal is now filled in on the **Intrastat Journal** page.
2. On the **Home** tab, click **Checklist Report**.
3. Expand the **Options** FastTab.
4. Select the **Show Intrastat Journal Lines** check box to list the Intrastat journal lines.
5. Click **Print** to print the report.

The checklist report contains:

- The same information as that in the disk file.
- Totals for each combination of **Tariff Number**, **Country/Region Code**, **Transaction Type**, and **Transport Method** fields.

Print Form Option

To use the print form option, follow these steps:

1. Make sure the journal is now filled in on the **Intrastat Journal** page.
2. On the **Home** tab, click **Form**.
3. Expand the **Intrastat Jnl. Line** FastTab.
4. In the **Filter** field for the **Type** line, click the drop-down list to select either **Receipt** or **Shipment**. If left blank, the default type is **Receipt**.
5. Click **Print** to print the report.

If both sales and purchase transactions are reported, a separate form must be completed for each type so that the report must be printed two times.

Make Diskette Option

To make the disk, follow these steps:

1. Make sure the journal is now filled in on the **Intrastat Journal** page.
2. On the **Home** tab, click **Make Disk**.
3. Expand the **Intrastat Jnl. Line** FastTab.
4. In the **Filter** field for the **Type** line, click the drop-down list to select either **Receipt** or **Shipment**. If left blank, the default type is **Receipt**.
5. Click **OK**.
6. Click **Save** to save the report.
7. Enter the file location, and then click **Save**.
8. Click **OK** to close the **Intrastat Journal** page.

Lab 1.1: Create an Intrastat Report

Scenario

It is your job to report to Intrastat authorities every month. First set up the appropriate journal, named lNTRA2014, and journal batch, named JAN. Then create the form for the Intrastat shipments in January 2014.

Exercise 1: Create an Intrastat Report

Task 1: Create an Intrastat Report

High Level Steps

1. Create the Intrastat journal batch.
2. Populate the Intrastat journal.
3. Create the form to report to the authorities.

Detailed Steps

1. Create the Intrastat journal batch.

   a. On the navigation pane, click **Departments**.

   b. Click **Administration**, and then click **Application Setup**.

   c. On the **Application Setup** page, click **Financial Management > Intrastat > Intrastat Journal Templates**.

   d. On the **Navigate** tab, click **Batches**.

   e. In the **Name** field, enter JAN

   f. In the **Description** field, enter January 2014

   g. In the **Statistics Period** field, enter 1401.

   h. Leave the **Currency Identifier** field blank.

   i. Click **OK** to close the **Intrastat Jnl. Batches** page.

   j. Click **OK** to close the **Intrastat Journal Templates** page.

2. Populate the Intrastat journal.

   a. On the navigation pane, click **Departments**.

   b. Click **Financial Management > Periodic Activities > General Ledger > Intrastat Journals**.

   c. In the **Batch Name** field, make sure that the JAN journal batch is selected

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    d. Click **OK**.

    e. On the **Home** tab, click **Get Entries**.

    f. Click **OK**.

3. Create the form to report to the authorities.

    a. On the **Home** tab, click **Form**.

    b. Expand the **Intrastat Jnl. Line** FastTab.

    c. In the **Filter** field for the **Type** line, click the drop-down list to select either **Receipt** or **Shipment**. If left blank, the default type is **Receipt**.

    d. Click **Print** to print the report.

Module Review

Module Review and Takeaways

When doing business with EU countries, Intrastat must be reported.

Microsoft Dynamics NAV 2013 can run all the necessary reports related to Intrastat.

To accurately report Intrastat to the appropriate authorities, understand the reporting capabilities that are available in Microsoft Dynamics NAV 2013.

Test Your Knowledge

Test your knowledge with the following questions.

1. Which setup requirement for Intrastat includes seven predefined one-digit codes?

    (   ) Tariff Numbers

    (   ) Transaction Types

    (   ) Transport Methods

    (   ) Transaction Specifications

2. Where are Tariff Numbers specified after setup?

    (   ) On the Foreign Trade FastTab of each item.

    (   ) On the Foreign Trade FastTab of each customer.

    (   ) On the Foreign Trade FastTab of each vendor.

    (   ) On the Foreign Trade FastTab of each sales or purchase document.

3. Which of the following is not required to be set up to accurately report Intrastat?

    (   ) Tariff Numbers

    (   ) Transport Methods

    (   ) Transaction Types

    (   ) Transaction Specifications

4. If business is performed with EU countries/regions, what must be set up on the related

    ( ) EU Country/Region Code and Country/Region code

    ( ) EU Intrastat Code and Intrastat Code

    ( ) EU Intrastat Code and Country/Region Code

    ( ) Intrastat Code and EU Country/Region Code

5. In the Intrastat journal batches, how are statistics periods entered?

    ( ) MMYY

    ( ) YYMM

    ( ) YYDDMM

    ( ) DDMMYY

Test Your Knowledge Solutions

Module Review and Takeaways

1. Which setup requirement for Intrastat includes seven predefined one-digit codes?

    ( ) Tariff Numbers

    ( ) Transaction Types

    (√) Transport Methods

    ( ) Transaction Specifications

2. Where are Tariff Numbers specified after setup?

    (√) On the Foreign Trade FastTab of each item.

    ( ) On the Foreign Trade FastTab of each customer.

    ( ) On the Foreign Trade FastTab of each vendor.

    ( ) On the Foreign Trade FastTab of each sales or purchase document.

3. Which of the following is not required to be set up to accurately report Intrastat?

    ( ) Tariff Numbers

    ( ) Transport Methods

    ( ) Transaction Types

    (√) Transaction Specifications

4. If business is performed with EU countries/regions, what must be set up on the related

    ( ) EU Country/Region Code and Country/Region code

    ( ) EU Intrastat Code and Intrastat Code

    ( ) EU Intrastat Code and Country/Region Code

    (√) Intrastat Code and EU Country/Region Code

5. In the Intrastat journal batches, how are statistics periods entered?

(   ) MMYY

(√) YYMM

(   ) YYDDMM

(   ) DDMMYY