DDP integration
Manual

Duty delivery Paid (DDP) integration manual

- What does it mean?

- Process flow

- How to integrate this service?
    - ➢ Checklist
    - ➢ Contract and power of attorney
    - ➢ Landed cost calculator
    - ➢ Customer settings
    - ➢ Ready to use!

- Platforms and plugins

Delivery duty PAID
What does it mean?

DDP Delivery duty PAID

This means the shipper is responsible for the cost of transport to the delivery address, as well as the taxes and duties applicable.
Allowing for upfront and transparent prices to the receiver. Tax and duty costs are calculated during the ordering process with landed cost calculator and added either as an additional charge at check out or included in the selling price

Advantages
Less impact on transit time in comparison to DDU
Clear costs transparency
Better customer journey for customers

Disadvantages
Additional contractual agreements are required
Customer need to sign a power of attorney (yearly renewal needed)
Financial risk since Spring acts on behalf of customer
Not suitable for all customers

Financial process DDP solution

Tax & duties are added to shopping cart based on **calculation of landed cost calculator**

Customer creates labels and shipments, with **complete** data set including calculated tax & duties

Spring adds **calculated** tax & duty costs to the regular invoice to customer

G3 is invoiced for **actual** tax & duty costs on a daily basis (item level) based on clearance of data file
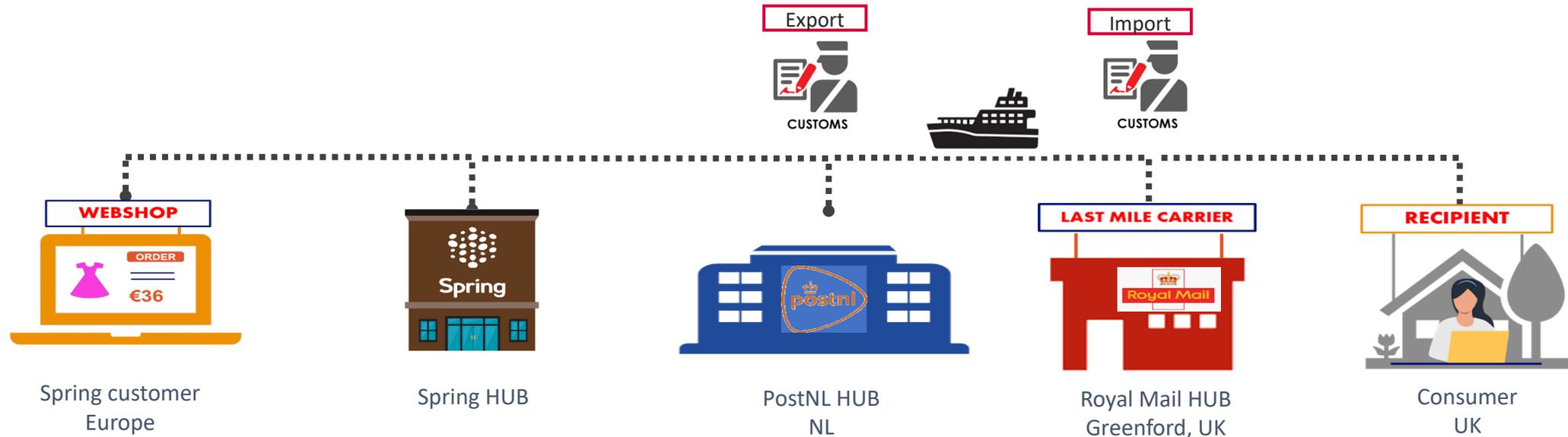
G3 transfers **actual** tax & duty costs to Spring entities

If **actual** costs are higher than **calculated** costs Spring entities will levy the customer

Delivery duty PAID
Processflow

Export

Import

CUSTOMS

CUSTOMS

WEBSHOP				RECIPIENT
ORDER €36	Spring	PostNL	Royal Mail	

Spring customer
Europe

Spring HUB

PostNL HUB
NL

Royal Mail HUB
Greenford, UK

Consumer
UK

Parcel created XBS

- Customer creates shipments and labels with complete dataset including calculated tax & duties

Acceptance scan XBS

- Items and data are consolidated
- Sortation per RM product (24/48)
- Revenue protection

Export preparation XBS

- Goods need to be physically in NL for export
- Export declaration is prepared with Spring as Exporter of the goods
- Data exchange with customs

Acceptance scan Royal Mail

- Import declaration and custom clearance after check on origin/value and security
- Receiver is importer of record for goods

Delivery scan Royal Mail

Delivery duty PAID
How to integrate?

Step 1:   Check if customer is eligible with the checklist

Step 2:   Agreement contractual addendum and power of attorney (in development)

Step 3:   Integration of landed cost calculator in check out process of customer

Step 4:   Amend customer settings in XBS

Step 5:   DDP solution via XBS is ready to use!

Step 3: Landed cost calulator

The **Landed cost calculator provides real-time calculation of** the Duty Rate, Tax Rate, Duty Payable and Tax Payable in the currency of the sending or destination country via an API call.

By integrating the cost calculator in the shopping process our customers can add these charges to the check out or ordering process making sure all costs are covered and reduce the risk of unforeseen costs and negative customer experiences upon delivery.
Using the provided calculator of Spring is <u>not mandatory,</u> customers may choose to use a different calculator.
The usage of the Spring Landed Cost Calculator API is **free of charge** for all our DDP customers.

The landed cost calculator is already available in the API manual in XBS; Chapter **2.9 OrderShipmentInfo command**

		Your Order	
		Continue ›	
		Items	€48.89
		Shipping	€21.06
		Duties	€0.00
		Taxes	€14.69
		TOTAL (EUR)	**€84.64**
		« Promo Code	

Before check out all order details are added to an **Order Information Request** to the **Landed Cost Calculator API.**
This includes shipper and consignee data and shipment data (value, items, HS codes and content description).

Based on the **Order Information Request** duty & tax rates and duty & tax payable are calculated by the Spring landed cost calculator.

Via the API the payable tax & duty costs are provided in both origin and destination currency and will be added to the check out card.

This step will **not** automatically generate a label, it will only enhance the data

When the consignee has proceeded with the check out and all costs including the tax & duties have been payed the order is finalized. With the **complete data set** the label and shipment can be created. The consignee will **not have to pay** any additional costs upon delivery

Integration steps
Step 3: Landed Cost Calulator

Example
UK consumer orders 2 Chinese motors of 500 EUR each from a
Spanish seller. Shipping costs are 10 EUR

Example of the Order Information Request:

```
"Apikey": "{{XBSkey}}",
"Command": "OrderShipment",
"Shipment": {
    "LabelFormat": "PDF",
    "ShipperReference": "Reference01",
    "DisplayId": "123450000",
    "InvoiceNumber": "678900000",
    "Service": "PPTR",
    "ConsignorAddress": {
        "Name": "Antonio Rodriquez",
        "Company": "Webshop Rodriquez",
        "AddressLine1": "C/ Gran Vía, 50",
        "City": "Madrid",
        "State": "",
        "Zip": "28013",
        "Country": "ES",
        "Phone": "+1-123-456-7890",
        "Email": "antonio@example.com"
    },
    "ConsigneeAddress": {
        "Name": "John Doe",
        "Company": "John Doe's Company",
        "AddressLine1": "Main street 1",
        "AddressLine2": "",
        "AddressLine3": "",
        "City": "London",
        "State": "",
        "Zip": "E1 6AN",
        "Country": "GB",
        "Phone": "+1-123-456-7890",
        "Email": "john@example.com",
        "Vat": ""
```

Consigner information

Consignee information

```
    },
    "Weight": "0.8",
    "WeightUnit": "kg",
    "Length": "20",
    "Width": "10",
    "Height": "10",
    "DimUnit": "cm",
    "Value": "1000",
    "ShippingValue": "10",
    "Currency": "EUR",           ← Currency of origin country
    "CustomsDuty": "DDP",        ← Selection of DDP service
    "Description": "DC Motor",
    "DeclarationType": "SaleOfGoods",
    "Products": [
        {
            "Description": "Electronics",
            "Sku": "DC motor 1202",
            "HsCode": "850132",          ← HS Code
            "OriginCountry": "CN",       ← Country of manufacture
            "ImgUrl": "http://url.com/electronics.jpg",
            "Quantity": "2",
            "Value": "1000",
            "Weight": "0.8"
        }
```

Shipment information

Content Item information

Integration steps
Step 3: Landed Cost Calculator

Example of the response of the landed cost calculator API:

```
"ErrorLevel": 0,                                    Response to shipment request
"Shipment": {
    "ShipperReference": "",
    "DisplayId": "123450000",
    "Service": "PPTR",
    "Carrier": "PostNL Packet Registered",
    "DdpInfo": {
        "requestId": "a5c95aba-0b09-46d6-9122-ac74324f9640",
        "landedCost": {
            "requestId": "c52764a2-bab3-4bf3-9459-b724f129c431",
            "sourceCountry": "ES",
            "sourceCurrency": "EUR",       ← Currency of origin country
            "destinationCountry": "GB",
            "destinationCurrency": "GBP",  ← Currency of destination country
            "convertCurrency": true,
            "currencyExchange": "EUR:GBP",
            "exchangeRate": 0.8829526237,  ← Exchange rate
            "rateLastUpdated": "2020-11-06T09:05:29.618Z",
            "vwUnitsMetric": true,
            "shippingValue": {
                "sourceValue": 10,
                "destinationValue": 8.83
            },
```

```
,'
"products": [                                       Response per content item
    {
        "hs6code": "850132",
        "commodityCode": "8501320077",
        "value": {
            "sourceValue": 1000,
            "destinationValue": 882.95
        },
        "description": "ELECTRONICS",
        "percentageDutyRate": 0,
        "volumetricDutyRate": 0,
        "itemDutyRate": 0,
        "additionalDutyRate": null,
        "taxRate": 0.2,          ← Applicable tax rate
        "dutyValue": {
            "sourceValue": 0,
            "destinationValue": 0    ← Duty on content item
        },
        "taxValue": {
            "sourceValue": 202,
            "destinationValue": 178.36   ← Tax on content item
        },
        "productTotal": {
            "sourceValue": 1212,
            "destinationValue": 1070.14
        }
    },
],
"productRawTotal": {                                 Response total shipment
    "sourceValue": 1000,
    "destinationValue": 882.95
},
"calculatedTotal": {
    "sourceValue": 1212,     ← Total including tax & duties
    "destinationValue": 1070.14
},
"totalTax": {
    "sourceValue": 202,      ← Total Tax
    "destinationValue": 178.36
},
"totalDuty": {
    "sourceValue": 0,        ← Total Duty
    "destinationValue": 0
},
"dutyDeminimisValue": {
    "sourceValue": 152.9,    ← Check on deminimis value
    "destinationValue": 135
},
"taxDeminimisValue": {
    "sourceValue": 16.99,    ← Check on deminimis tax
    "destinationValue": 15
},
```

Step 3: Landed Cost Calulator

Example the information in XBS after label creation:

Cost calculation for this example
Product raw total =   € 1000
Total Tax =   € 202
Total Duty =   € 0
Shipping costs =   € 10   +
Calculated total =   € 1212

Integration steps
Step 3: Landed Cost Calculator

Example of a DDP (commercial) shopping card

Example of a DDU (postal) shopping card

Step 4: Amend customer settings in XBS

Step 1

The customer needs to be flagged as a 'DDP' in the customer profile in XBS.

Customers which do not have the 'DDP' flag will not be able to create a RM24 or RM48 label.

Integration steps
Step 4: Amend customer settings in XBS

Step 2

DDP will be added as a validator to the Routing Rules. See the example in the screenshot.
If a customer has 'Allow DDP' checked on their User card **and** the customer has specified DDP for their TRCK shipment with destination United Kingdom, the service RM24/48 will be selected. If the customer does not specify DDP on the shipment level, TRCK will select service PPLEP. Customers for which 'Allow DDP' is not checked will not be able to specify DDP on the shipment level so their TRCK request will always route to PPLEP.

Example routing for Spring origin Europe

Spring
global delivery solutions

⇄ ROUTING – Routing Rules

[Routing Rules] [Forbidden Destinations] [PostNL Mailbag Routes]

Live Mode ⌄

⌘ Summary

📤 Parcels

📄 Temporaries

≡ Batches

📊 Reports

✔ Verification

▦ Groups

▦ Parcel Groups OLD

↻ Undeliverables

⦂ Users

any ⌄

| TRCK - TRACKED ⌄ | United Kingdom ⌄ | any ⌄ | all ⌄ | target service... ⌄ |

Found: 1 rules

🖉 Add Rule

Hub	Service ↓	Country	User	Conditions	Sort Order	Target Service	Active
any	TRCK	GB	any	DDP = YES weight <= 30 kg longest side <= 151 cm	219	RM48 - Royal Mail Tracked 48 - No sign	☑
any	TRCK	GB	any	weight <= 30 kg longest side <= 151 cm	220	PPLEP - PostNL Parcel EPG	☑

Step 5: DDP solution is ready to use!

Via the XBS API

In the XBS API customers will need to add the field Shipment. CustomsDuty to the OrderShipment and/or OrderShipmentInfo command.

Detailed instructions are in the XBS API manual.

```
{
    "Apikey": "{{XBSkey}}",
    "Command": "OrderShipment",
    "Shipment": {
        "LabelFormat": "PDF",
        "ShipperReference": "",
        "Service": "TRCK",
        "CustomsDuty": "DDP",
        "DisplayId": "123450000",
        "InvoiceNumber": "678900000",
        "ConsignorAddress": {
            "Name": "Jan Janssen",
            "Company": "Spring GDS"
        },
        "ConsigneeAddress": {
```

Integration steps
Step 5: DDP solution is ready to use!

Via the XBS batch upload

When creating shipments via the XBS batch upload the DDP column needs to be added to the used upload file.

When the value 'DDP' is added to this column a DDP (RM24/RM48) shipment will created. When this field is left blank or 'DDU' is added a DDU (PPLEP- EPG) shipment is created.

	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI
	Weight Unit	Length	Width	Height	Dimensions Unit	Value	Currency	DDP	Description of Goods	Declaration Type	Product Description	Product SKU	Product HS-code	Product Quantity	Product Value	Product Country
	kg				cm	20	USD	DDU			Painting		4409101100	1	20	CN
	kg				cm	20	USD	DDP			Spoon		8215000000	4	20	CN
	kg				cm										10	
	kg				cm	10	EUR	DDP			Statue		8306210000	2	55	CN

Integration steps
Step 5: DDP solution is ready to use!

Via the XBS portal 'Add Parcel'
When creating a shipment directly in the XBS platform the customer will have to tick the DDP box every time when creating a RM24/RM48 shipment to confirm agreeing with the addition of VAT & Duties costs. A RM24/RM48 label will be produced for these shipments and they can be processed as normal.

Integration steps
Step 5: DDP solution is ready to use!

Via other platforms or plugins
Platforms directly connected to XBS will need to have a field for DDP or not in their system on the order level. When the customer mark an orders as DDP in the platform the platform needs to send the XBS OrderShipment API command with field Shipment. CustomsDuty set to DDP.

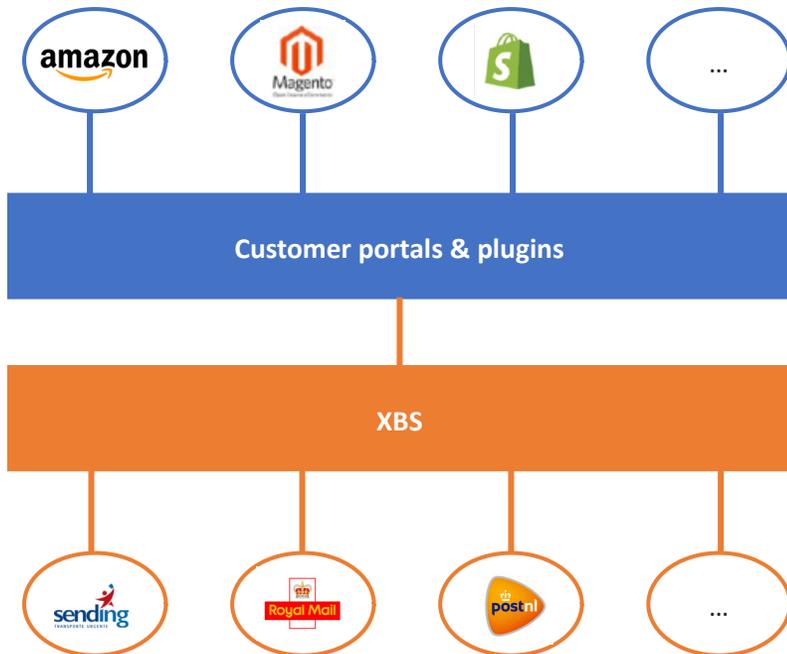This change will need to be made in the upcoming period.
At this moment we have the following platforms in scope for first prioritization:
- Spring Omni
- Spring Ecommerce Portal (Shippypro)
- SEP
- Qapla

Please see following slides for more information on the impact on the platforms.

Platforms and plugins
Requirements

Integrations

Spring E-commerce Portal, Spring Omni, Platform plugins (PrestaShop, Plentymarkets and Omni plugins)
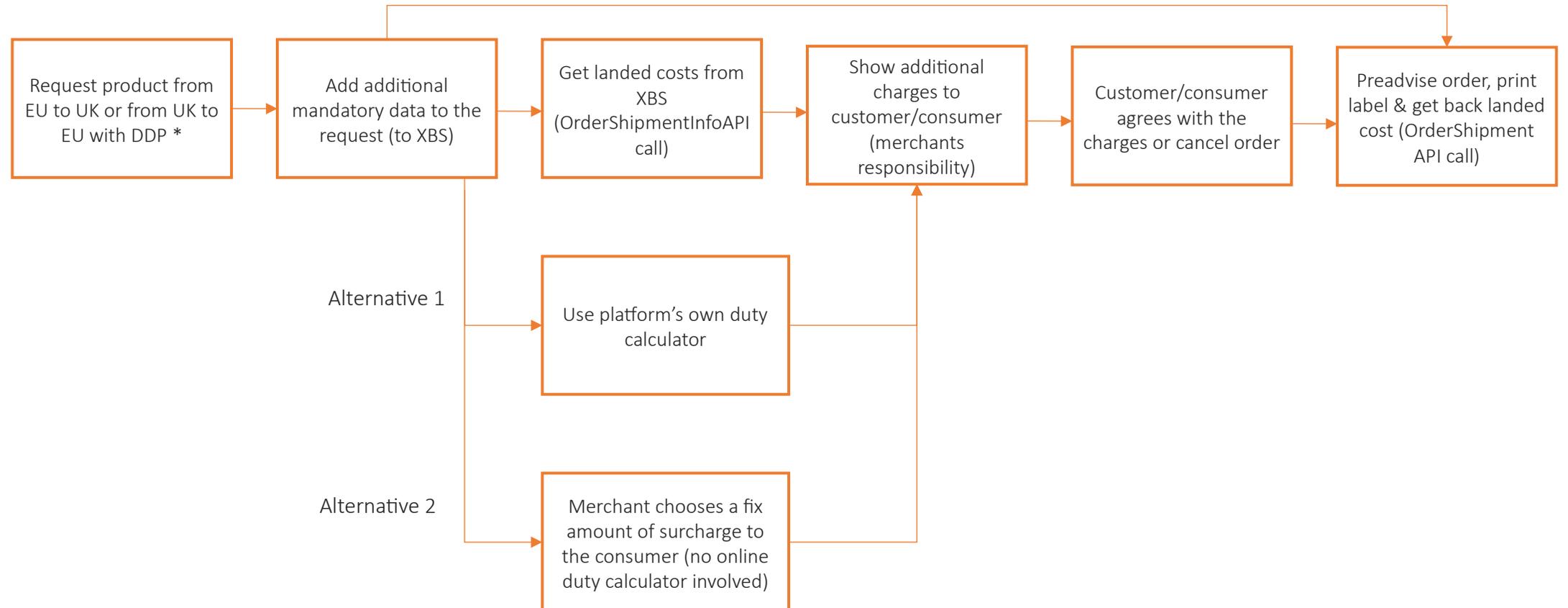
XBS

Carriers

Required functionalities
- Possibility to choose for the DDP option within the products
- Incorporate the DDP option in API call to XBS (CustomsDuty field in OrderShipment command)
- If not present, add fields for additional mandatory data:
  - Reason for export
  - On each content piece level: Goods description, Value, Currency, Number of items, Net weight, HS code, Country of manufacturing
  - Shipping value (?)
- Receive calculated landed costs from XBS (using OrderShipmentInfo command for landed costs calculation via API ór use platform's own duty calculator ór allow an increase in costs due to predetermined duty.
- Show calculated landed costs.

Platforms and plugins
Preparation flow
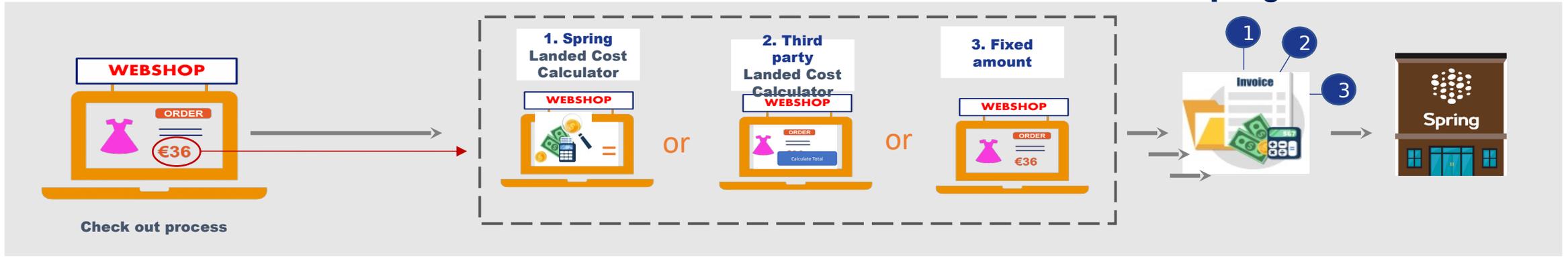

*within XBS the customer is configured whether he/she is qualified for DDP solution at customer account level. If he/she is qualified, the DDP option will be possible to this customer. With a tick box, the customer can tick DDP option per item

Financial set up DDP
Financial flow seller- Spring GDS

Seller invoices consumer

WEBSHOP

ORDER

€36

Check out process

Options for purchase

1. Spring Landed Cost Calculator

WEBSHOP

or

2. Third party Landed Cost Calculator

WEBSHOP

ORDER

Calculate Total

or

3. Fixed amount

WEBSHOP

ORDER

€36

Spring invoices seller

1 2 3

Invoice

Spring

Seller invoices the consumer

Sellers need to make sure they receive the required amount of money from the consumer during the purchase to cover cost for distribution, VAT & duties and the administration fee.

There are various options for a webshop to do this:
1. Use the Spring landed cost calculator in their check out process
2. Use a 3rd party landed cost calculator in their check out process
3. Include a fixed amount to cover all charges

NOTE: The administration fee & distribution costs are not provided via landed costs calculator but are to be taken from the agreed rate card. These can be combined in a web basket to present one "shipping cost" to consumers.

Spring invoices the seller

Upon acceptance scan of the parcel 3 invoice lines are generated in the upload file to the shipper:

1. **Distribution Cost**
Product code based on selected service in XBS, to allow for billing the distribution

2. **Tax & Duties**
Product code = DDPTD.
This will reflect the calculated VAT & duty values from the landed cost calculator as performed within XBS to allow for billing the value for Tax & Duties

3. **Admin Fee**
Product code = DDPAF
Reflected as 1 item to a destination to allow for billing of the administration fee for using the DDP service