

**SKF Requirements**  
**for**  
**Invoices and Delivery Notes**

<i>Prepared Dept, Name, Telephone</i> Group Purchasing, Group Finance		<i>Document No.</i>		
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## 1 Purpose

The purpose of this document is to specify and communicate SKF’s supplier invoice requirements to the SKF organization and the external suppliers of SKF. If these requirements are met, it will greatly increase the amount of incoming invoices that can be automatically handled and matched.

## 2 General

Automatic invoice handling and matching will reduce the manual work required to register, match and approve invoices. It will also enable a greater extent of on-time payments which is both beneficial for SKF and suppliers.

In order to fully benefit from these advantages, certain specific information must always be on both the invoice and the delivery note. Furthermore some general invoicing instructions must be met. These requirements are valid for external, as well as internal, suppliers and the information elements and general instructions will be presented throughout this document.

The contents of this document are basically in conjunction with the European rules and regulations, but most of the conditions are also relevant and “best practice” in other parts of the world.

**It is of course important that suppliers invoicing SKF units in any country of the world investigate and consider the valid legal invoicing rules applicable in the concerned country.**

If an invoice does not contain the mandatory information, SKF will return the invoice with a request to submit a new, complete invoice. The credit days shall not start to be deducted until a complete invoice has been received.

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### 3 Invoice information elements

An invoice can contain a large number of different information elements. **This document only addresses selected items critical for the SKF internal invoice process.** All other information elements can continue to be provided on the invoice as long as they do not disrupt the critical items and are presented in a structured way. The below compilation of information elements is split into two groups:

- Mandatory items which are always required
- Items which are mandatory under certain circumstances

Section 4 below contains the list of the information elements for each respective group. The listed information elements are described in detail in section 5 and 6.

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## 4 Required information elements for invoices to SKF

### 4.1 Mandatory items

- Invoice type
- Invoice number
- Invoice date
- Supplier name and legal address
- SKF buying company name and legal address
- VAT number of the supplier
- VAT number of the SKF buying company
- SKF Purchase Order Number and SKF Global id number or name of the SKF contact person
- Invoicing currency
- Bank account number
- Total invoice amount
- Total invoice amount excluding VAT
- VAT amount per VAT rate applied
- Description of goods/service provided
- Invoice line item amount

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## 4.2 Items mandatory under specific circumstances

- Ship-to address
- Ship-from country
- INCOTERMS
- Agreed payment terms
- Invoice due date
- SKF product code
- Invoiced quantity and unit of measure
- Invoiced unit price
- Delivery note number and date
- Reference to previous invoice
- Reference to agreement
- Additional charge
- VAT amounts in home (national) currency
- VAT exempt or reverse charge

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## 5 Detailed description of mandatory information elements

The below items are always required on an invoice in order for the invoice to be accepted by SKF.

### 5.1 Invoice type

It is crucial for SKF to detect the type of invoice in order to correctly process the incoming invoice. A usual invoice is classified as a commercial invoice and is by nature a debit invoice. But there are cases when a credit note or a debit note will be requested by SKF which after registration will need to be linked (referenced) to the original commercial invoice. Credit notes and debit notes are not invoices but corrective transactions referring to an original invoice.

The possible three types of transactions are: Commercial Invoice (or just invoice), Credit note and Debit note.

Invoice type must always be expressed in appropriate text on the invoice and easy to find.

### 5.2 Invoice number

Invoice number is a sequential number, based on one or more series, which uniquely identifies the invoice.

### 5.3 Invoice date

The date an invoice was issued.

### 5.4 Supplier name and legal address

The full name and address of the taxable person (company) acting as seller to SKF.

### 5.5 SKF buying company name and legal address

The full name and address of the SKF buying company acting as customer.

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## 5.6 VAT number of the supplier

The VAT identification number under which the taxable person (company) supplying the goods or services has been given. A corresponding country specific official registration number exists in most countries where no VAT legislation is implemented.

## 5.7 VAT number of the SKF buying company

The customer's VAT identification number or corresponding country specific official registration number. For intra-EU invoices this is already today a mandatory item on an invoice. However SKF encourage all suppliers always to include this information element on their outgoing invoices.

## 5.8 SKF Purchase Order Number and SKF Global id number or name of the SKF contact person

SKF Purchase order number is the unique identification of the order issued from SKF.

If an order has been previously issued, it is always required that this order is referred to.

A Customer Reference on each and every invoice is an important piece of information from a practical background. This information will be used to direct the invoice to the employee who placed the order or will be obliged to review the invoice. Either the SKF Global id (unique user id) will be used or the full name in the order first name followed by surname of the intended person to uniquely identify the contact person within SKF.

Customer reference will always be required for invoices with no PO reference.

For invoices with full PO reference a Customer Reference is also required. It is recommendable to also use the SKF Global id if known by the supplier, otherwise the name of the SKF contact person will be enough.

## 5.9 Invoicing currency

The currency of the amount which the invoice is expressed in. Only one single currency per invoice can be accepted.

This item is required in order to safeguard the invoice matching.



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### 5.10 Bank account number

The bank account number corresponding to where the supplier wants the payment made.

This item is required in order to achieve an efficient payment process.

The bank account number shall be provided in IBAN format. Also SWIFT / BIC code need to be on the invoice.

### 5.11 Total invoice amount

The amount the supplier claims payment for.

This item is required to safeguard the payment process.

### 5.12 Total invoice amount excluding VAT

Total taxable amount covering total line items amount and total invoice additional amounts.

The taxable amount per rate or exemption, the unit price exclusive of VAT and any discounts or rebates if they are not included in the unit price.

### 5.13 VAT amount per VAT rate applied

In case of VAT debited, several VAT rates can occur on a particular invoice. The invoice VAT amount per applicable tax rate has to be specified to satisfy the tax authorities.

### 5.14 Description of goods/service provided

Textual description of the provided goods or service being invoiced.

### 5.15 Invoice line item amount

The amount of the invoiced goods/service and, if applicable, calculated as “Invoiced quantity” times “Invoiced unit price”.

This item is always required and will be used in the invoice matching process.

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## 6 Detailed description of elements mandatory under specific circumstances

### 6.1 Ship-to address

The address of the goods receiver.

This item is required in case the address is different from the buying company legal address.

### 6.2 Ship-from country

Country from which the goods was originally shipped.

This item is required in case of intercontinental or intra-EU deliveries.

### 6.3 INCOTERMS

Delivery terms according to the INCOTERMS definition set up by the International Chamber of Commerce. Presently there are 13 different code values defined, e.g. EXW, FCA, DDP.

This item is required in case of intra-EU deliveries.

### 6.4 Agreed payment terms

The agreed conditions for the payment of the invoice. These conditions have to comply with the agreement between SKF and the supplier. This item can also include conditions for cash discounts.

This item is required in order to achieve an efficient payment process.

### 6.5 Invoice due date

The date the supplier expects payment on the stated bank account expressed. This should always be expressed in numeric date format.

This item is required to be clearly stated on the invoice to be able to comply with the agreed payment conditions.

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## 6.6 SKF product code

The unique code of the products defined and purchased by SKF.

This item is required in case of material to production.

## 6.7 Invoiced quantity and unit of measure

Number of units of concerned item invoiced and the unit of measure. Unit of measure could be pieces, meter, litre, kilogram or any other relevant unit. SKF would appreciate if common codes within UNECE Recommendation 20 can be followed.

This item is required in case of several occurrences of an item being invoiced.

## 6.8 Invoiced unit price

The price valid for a single unit of a product/service being invoiced.

This item is required in case of several occurrences of an item being invoiced.

## 6.9 Delivery note number and date

Delivery note number is the unique identification on the document following the goods. The delivery note date corresponds to the date on which the supply of goods or services was made or completed.

This item is required for delivery of goods and is essential on the invoice for invoice matching.

**There should be one invoice for each delivery note.**

## 6.10 Reference to previous invoice

The original invoice number referred to in case a credit note or a debit note is being issued. This item is required in case a credit note or a debit note is issued.

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## 6.11 Reference to agreement

In many cases invoices are issued as a result of a general agreement or a contract. Examples of that kind are: Leasing costs, utilities, cellular phone bills.

A reference to agreement is required in case of contract based invoices.

## 6.12 Additional charge

Sometimes SKF and the supplier have agreed to allow additional charges for transportation, packaging, set-up, etc. These costs have to be described in a way that they easily can be classified into the nine different types SKF applies.

Additional charge has to be specified whenever required.

## 6.13 VAT amounts in home (national) currency

In case invoicing currency is different from the national currency, the VAT amounts have to be expressed also in national currency, e.g. a Swedish supplier invoicing SKF Sweden AB in Euro must also express VAT amounts in SEK. In addition the exchange rate has to be specified.

## 6.14 VAT exempt or reverse charge

In the case of an exemption or where SKF is liable for payment of VAT (reverse charge), reference to the applicable provision in the EU directive, or to the corresponding national provision or any other reference this item is required.

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## 7 General invoicing instructions

- An invoice should always refer to a Purchase Order if previously issued from SKF.
- After an invoice has been issued, it is important to send it to SKF without delay
- If relevant, an invoice should refer to a delivery note
- The delivery note number on the invoice must absolutely match the unique identification number of the delivery note sent along with the goods.
- Suppliers from countries not using VAT registration numbers should on the invoice include an official registration number used in that country or a unique identification in agreement with SKF.
- Each and every credit note (and debit notes) should reference the relevant invoice number and should only refer to one single invoice.
- Invoices, debit notes and credit notes and their specific supporting documentation should be addressed separately according to instructions from SKF.
- Other documents than invoices, credit notes and debit notes (e.g. delivery notes, shipment notes, training contract acknowledgements, statement of accounts, proforma invoices, reminders and other administrative and customs documents) should be sent to the ship-to address.
- If invoices are sold to a factor or a similar financing company, the specific information must appear clearly either stamped or printed on a specific area within the invoice.
- If the bank connection is changed, the buying SKF company must always be notified.
- It is advantageous for the payment process that all invoices to SKF, even domestic ones, are written in English
- In case of discrepancy in invoiced price or quantity and the supplier is at fault, a credit note will be requested for the entire original invoice and a new invoice has to be issued

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## 8 General requirements on delivery notes

Delivery note number (must be identical to the number referred to on the invoice)

Purchase order number and – if relevant – reference to purchase order line

Ship-from address

Despatch date

Quantity delivered

Unit of measure