

## *Questions & Answers – Entry Certificate*

**1. What is the “Entry Certificate”?**

As from October 1<sup>st</sup> 2013 German VAT regulation requires that every supplier needs to provide written proof that tax exempt exports have actually been delivered to the indicated recipient outside of Germany. The written proof is the so called “Entry Certificate”!

**2. Who has to sign the Entry Certificate?**

The certificate has to be signed from the company which has placed the order – means from the buyer (even if the delivery goes somewhere else than the address of buyer still the buyer has to sign the certificate).

**3. How does customer have to sign?**

Buyer has to stamp the certificate and sign it with his normal signature / block letter is not needed.

**4. Why does RAHN Switzerland need an Entry Certificate which is requested from the German VAT-Regulations?**

RAHN AG is VAT registered in Germany and therefore is supplying its products to EU countries as a VAT reversed intra-community supply via Germany.

**5. How can the customer return the certificate?**

Return can be made via E-Mail, Fax or Post.

**6. In which language is the certificate available?**

English / German / French

**7. Why is a signed delivery note not sufficiently?**

- The German VAT-regulation requests much information on that confirmation, so that delivery note is not sufficiently as a proof against them. Therefore RAHN is working with the certificate of receipt.
- Another reason is that RAHN would be dependent on its forwarder which would have to take over the whole responsible of providing us with ALL signed proof of deliveries. Understandably logistic partners deny taking over this responsibility.
- As well the delivery note/CMR will be signed by the consignee. This party hasn't necessarily to be the same as the buyer, but signature is needed from buyer (see question 2).

**8. How can the customer make corrections on our supplied certificate?**

On the Entry Certificate there will be around 3 additional lines where the customer can note his changes.

**9. How frequently customers are going to receive the certificate from us?**

At the beginning monthly reports are planned, but when start-up phase is running well intention is to change to quarterly reports.

**10. What for does the customer sign with his signature?**

Only that the listed products have actually been delivered at his location.

**11. Is customer with his signature liable versus RAHN or the German tax authorities?**

No!

**12. Does customer confirm that goods are accepted (quality/quantity etc.)?**

No!

**13. Does the customer need to check all positions on the certificate?**

No, we guarantee, that the information on the certificate are correct and that the mentioned positions all have been delivered to the customer in the mentioned period.

**14. What is the impact if customer doesn't want to sign the certificate?**

No VAT reversed DDP intra-community supply is possible anymore.

RAHN would be forced to change to incoterms FCA conditions.

**15. Is the sales contract based on German law?**

No, it's a sales contract based on Swiss law – only the VAT regulations are based on a national German law (reason see question number 4).