

# ELECTRONICS INDUSTRY DATA EXCHANGE (EIDX)

## Implementation Recommendations for Price Protection Business Process

### IMPORTANT NOTE

Pre-1999 business models are undergoing recast into Unified Modeling Language (UML) notation, and some restructuring. In addition, we've been adding cross-references to XML standards, such as RosettaNet. **The Downloadable business model documents have *not* been updated. Always refer to the "[Clickable Business Models](#)" for the latest and greatest information.** That area of the website also contains very useful information on newer, internet-based technologies. The changes to the existing models *have not changed the original intent* of the models published here in this table, but are (we hope) improvements to presentation that enhance understanding of the business processes and how to implement them.

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**ELECTRONICS INDUSTRY DATA EXCHANGE (EIDX)  
PRICE PROTECTION PROCESS RECOMMENDATIONS**

**Revision History**

| <b>Date</b>    | <b>Description</b>               |
|----------------|----------------------------------|
| September 1995 | As Issued                        |
| April 1997     | Reformatted for HTML conversion. |
|                |                                  |

ELECTRONICS INDUSTRY DATA EXCHANGE (EIDX)  
PRICE PROTECTION PROCESS RECOMMENDATIONS

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**ELECTRONICS INDUSTRY DATA EXCHANGE (EDX)  
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**Purpose**

The purpose of this document is to make recommendations on the flow of standard X12 transactions between suppliers and distributors to accommodate product price decreases under price protections claims.

**STANDARDS VERSIONS**

Data segment and element positions referred to in this document are particular to ASC X12 Version 002002. Users of this document may need to adapt information when applying these recommendations to other standards versions.

**ABBREVIATIONS USED**

|         |   |
|---------|---|
| ANSI    | American National Standards Institute     |
| ASC X12 | Accredited Standards Committee X12 (ANSI) |
| EDI     | Electronic Data Interchange               |

**Section 1 - Recommendations for Price Protection Business Process**

**ELECTRONICS INDUSTRY DATA EXCHANGE (EIDX)  
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**Price Protection**

*Price Protection* refers to a supplier notification to distributor of cost adjustments to distributor's inventory of the supplier's products. The intent is to have the current price reflect current market value of products and have the costs of the inventory match the supplier's most recent price catalog; hence, their inventory must be reevaluated.

When a supplier changes the distributor price catalog (costs), the distributor is generally entitled to take a debit memo for price reductions. The distributor provides a count of on-hand inventory as of the effective date of the new price catalog. Only products identified for price protection claim in the price catalog are eligible for the price protection.

The distributor may also submit additional debit memo claims to suppliers for in transit products which were billed at the old cost but arrived at the distributor location after the effective date of the new costs. These products would not appear in the reported on-hand inventory quantity on the effective date of the price change.

This document addresses the business process for *price decreases*. The following items are reviewed during any price change; however, they are not addressed in this document:

- Price increases on products
- Product removed from price protection, and the product is removed from the price catalog
- Product removed from price protection, but the product remains in the price catalog
- Product 'discontinued' meaning product is no longer available for ordering; hence, inventory is not price protected.

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**ELECTRONICS INDUSTRY DATA EXCHANGE (EIDX)  
PRICE PROTECTION PROCESS RECOMMENDATIONS**

**Price Protection Process Summary**

| <b>STEP</b> | <b>SUPPLIER</b>  | <b>TRANSACTION</b>   | <b>DIR</b> | <b>DISTRIBUTOR</b>  |
|-------------|--|--|------------|---|
| 1           | Price Change Notification  | Price Catalog (832)  | →          | Receives Price Catalog and select product from price catalog which are coded for a price protection claim.  |
| 2a          | Compares inventory from distributor to their own inventory records.  | Inventory Report (846)   | ←          | Special Inventory Reporting<br>– Creates an Inventory Report for the price protected products which are identified in the Price Catalog.<br>– Inventory count should be taken at the close of the business day before the price effective date. |
| 2b          | (Same day as 2a) Re-evaluate prices on orders  | Price Change Acknowledgment (865) or Update from Price Catalog (832) | →          | Applies price changes (increases and decreases).  |
| 3           | Reviews Debit Memo to their calculated credit memo.<br>- In-Transit products not accomodated at this time. | Request Credit (812)   | ←          | Create Debit Memo using inventory counts.<br>- Use the product list from the 846 Inventory Report or the 832 Price Catalog.   |
| 4           | Issue Credit Memo(s)   | Issue Credit (812) (include rejects)                                 | →          | Reviews the credit memo(s).   |
| 5           | Review subsequent Debit Memo(s)  | Request Credit (812) (Discrepancies)                                 | ←          | Create additional Debit Memo (due to discrepancies).  |
| 6           | Issue more Credit Memos or Denials   | Issue/Deny Credit (812) (subsequent)                                 | →          | Review the actual Credit Memo or reason for denial  |
|             | Repeat Steps 5 and 6 as necessary.   |  |            |   |

Electronic price protections can be accomplished by the following steps.

- 1. PRICE CHANGE NOTIFICATION (Supplier to Distributor).** TRANSACTION: Price Catalog (832)  
Supplier issues a new price catalog and indicates which products have price protection claims.
- 2A. SPECIAL INVENTORY REPORTING (Distributor to Supplier)**  
TRANSACTION: Inventory Inquiry/Advice (846)

Distributor extracts price protected product list from the Price Catalog (832) transaction.  
Distributor creates a snapshot of the supplier's inventory of those price protected products on the price effective date.

**ELECTRONICS INDUSTRY DATA EXCHANGE (EIDX)  
PRICE PROTECTION PROCESS RECOMMENDATIONS**

**2B. REEVALUATE PRICES ON ORDERS (Supplier to Distributor)**

TRANSACTION: Purchase Order Change Acknowledgment (865)

Supplier applies new prices to the backlog of orders. This update includes both price decreases and price increases.

**3. REQUEST CREDIT GIVEN DISTRIBUTOR INVENTORY COUNTS (Distributor to Supplier)**

TRANSACTION: Credit/Debit Adjustment (812)

Distributor extracts price protected product list and price differentials from the Price Catalog (832) transaction. Distributor requests credit for the price protected products in the Credit/Debit Adjustment (812) transaction given the information extracted from the Price Catalog (832) transaction. This 812 transaction is a debit memo.

**4. ISSUE CREDIT (Supplier to Distributor)**

TRANSACTION: Credit/Debit Adjustment (812)

Supplier issues credits for the price protected products in the Credit/Debit Adjustment (812) transaction. This 812 transaction is a credit memo.

**5. REVIEW CREDIT MEMO DISCREPANCIES (Distributor to Supplier)**

TRANSACTION: Credit/Debit Adjustment (812)

Distributor requests additional credit for the price protected products in the Credit/Debit Adjustment (812) transaction. This 812 transaction is a debit memo.

**6. ISSUE SUBSEQUENT CREDIT MEMO (Supplier to Distributor)**

TRANSACTION: Credit/Debit Adjustment (812)

Supplier issues additional credits or denies credit for the price protected products in the Credit/Debit Adjustment (812) transaction. This 812 transaction is a credit memo.

*Steps 5 and 6 may be repeated.*



**ELECTRONICS INDUSTRY DATA EXCHANGE (EIDX)  
PRICE PROTECTION PROCESS RECOMMENDATIONS**

|                              |
|------------------------------|
| <b>Phased Implementation</b> |
|------------------------------|

The full Price Protection business flow is accomplished in the six steps just outlined. Any trading partner may not be able to implement all steps. However, implementing even just a few of the steps will facilitate processes within the two organizations.

The following table highlights the benefit of implementing selective transactions which are indicated by 'X'.

- (1) 832 used as Price/Sales Catalog
- (2a) 846 used as Inventory Report
- (2b) 865 used as Purchase Order Change Acknowledgment
- (3) 812 used to request debit adjustment
- (4) 812 used to issue credit
- (5) 812 used to request subsequent debit adjustment
- (6) 812 used to issue subsequent credit

| TRANSACTIONS             |                           |                           |                          |                          |                          |                          | COMMENTS  |
|--------------------------|---------------------------|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---|
| <u>832</u><br><u>(1)</u> | <u>846</u><br><u>(2A)</u> | <u>865</u><br><u>(2B)</u> | <u>812</u><br><u>(3)</u> | <u>812</u><br><u>(4)</u> | <u>812</u><br><u>(5)</u> | <u>812</u><br><u>(6)</u> |   |
| X                        | X                         |                           |                          |                          |                          |                          | Just having these transactions generated should facilitate the creation of even the paper request debit memo and the actual credit memo. Inventory reports with the 846 is already common practice. This particular report is taken on the price effective date only for products which are coded for a claim (CLM).                |
|                          |                           | X                         |                          |                          |                          |                          | These PO acks have all the price changes for current orders. The transactions may already be implemented as part of the regular order process as a seller initiated change.   |
|                          |                           |                           | X                        |                          |                          |                          | The distributor formats the 812 request for debit given the price catalog prices and their inventory levels. The distributor will determine the estimated credit which they will receive. If the 832 and 846 are implemented, this could naturally follow.  |
|                          |                           |                           |                          | X                        |                          |                          | The supplier formats the 812 actual credit given the price catalog prices and calculated or reported inventory levels. The distributor can use this transaction directly in their accounts payable system. If the 832 and 846 are implemented, this could naturally follow.   |
|                          |                           |                           |                          |                          | X                        | X                        | These transactions address the discrepancies between the distributor's 812 request debit against the supplier's 812 actual credit. These transactions are likely to be the last implemented. If the volume of discrepancies are minimal, the transactions may not be justified, but all automation of credit processing saves time. |

**ELECTRONICS INDUSTRY DATA EXCHANGE (EIDX)  
PRICE PROTECTION PROCESS RECOMMENDATIONS**

|  |
|--|
| <b>Step 1: Price Change Notification</b> |
|--|

**PRICE CATALOG (832) TRANSACTION FROM SUPPLIER TO DISTRIBUTOR: SUPPLIER**

Supplier informs distributor of price changes via the 832 Price Catalog transaction. There usually is an advance notice in writing that the new prices will be effective on a specific date. The 832 transactions may arrive any time between the advanced notification and the new price effective date.

Supplier has the following options on the content of the 832 Price Catalog transaction:

Method 1: SEND ALL PRODUCTS WITH ALL PRODUCT ATTRIBUTES

Method 2: SEND ONLY PRODUCTS WITH PRICE CHANGES, NEW PRODUCTS, OR PRODUCTS WITH ATTRIBUTE UPDATES

Each method is identified by the following code:

| METHOD   | DATA ELEMENT | DESCRIPTION                  | VALUE | MEANING  |
|--|--------------|------------------------------|-------|----------|
| <i><b>BCT: BEGINNING SEGMENT FOR PRICE/SALES CATALOG</b></i> |              |                              |       |          |
| 1  | BCT10        | TRANSACTION SET PURPOSE CODE | 00    | ORIGINAL |
| 2  | BCT10        | TRANSACTION SET PURPOSE CODE | 04    | CHANGE   |

Consider the following when determining the transaction content.

***METHOD 1: SEND ALL PRODUCTS WITH ALL PRODUCT ATTRIBUTES (FULL PRICE CATALOG)***

Pairs of Product Description codes (PID04) and associated Description (PID05) data elements describe all product attributes. EIDX has defined nearly fifty product attributes. The initial electronic price catalog should have *all the product attributes for each product* described by the PID04 and PID05 data elements. Whenever the price catalog is received with the 'original' code ('00') in BCT10, the *new entire price catalog may totally overlay* the previous price catalog from the supplier.

It is likely that a large volume of unchanged data from the last transmission is sent again if this method is used regularly. The 832 transaction could be a very costly transaction if unchanged product data is resent. Unchanged data has no added value.

It may suffice to send a FULL PRICE CATALOG with all product attributes for the *initial* 832 transaction to a distributor or *upon request* from the distributor.

***METHOD 2: SEND ONLY PRODUCTS WITH PRICE CHANGES, NEW PRODUCTS, OR PRODUCTS WITH ATTRIBUTE UPDATES (DELTA DATA)***

This method is the least costly to implement on a regular bases. Only new or changed products, their product attributes, and price changes could be sent without a large volume of data. New products are considered 'changes' to the previous price catalog.

**ELECTRONICS INDUSTRY DATA EXCHANGE (EIDX)  
PRICE PROTECTION PROCESS RECOMMENDATIONS**

**PRICE PROTECTION STATUS**

The distributor is informed by the PPS code of which products have no financial risk to their inventory if prices decrease.

The following PPS codes indicate the price protection status about a product. If it is not present in the next price catalog, assume the PPS status is unchanged from the last price catalog.

| PID04 | PID05 | PID05 MEANING | PID05 EXPLANATION                  |
|-------|-------|---------------|------------------------------------|
| PPS   | Y     | YES           | The product is price protected.    |
| PPS   | N     | NO            | The product is not price protected |

**COST ADJUSTMENT CLAIMS**

When the PID04='CLM' attribute is sent and the PID05='PI' indicates a price increase, the supplier may initiate a 'bill-up' to the current price.

When the PID04='CLM' attribute is sent and the PID05= 'DC', 'NP', 'PP', or 'RM', the price protection process starts between supplier and distributor.

Any cost claim is submitted *after* the new price catalog is in effect. It is not submitted upon receipt of the price catalog.

| PID04        | PID05           | PID05 MEANING   | PID05 EXPLANATION  |
|--------------|-----------------|---|--|
| <b>PRICE</b> | <b>DECREASE</b> |   |  |
| <b>CLM</b>   | <b>DC</b>       | PRODUCT DISCONTINUED<br>No longer available for ordering & inventory is not price protected.                  | The previous price catalog indicated that the inventory for the product was price protected. With the effective date of the new price catalog, the product is no longer available for ordering and the inventory is no longer price protected.             |
| <b>CLM</b>   | <b>NP</b>       | NO PRICE PROTECTION<br>Product is removed from price protection but the product remains in the price catalog. | The previous price catalog indicated that the inventory for the product was price protected. With the effective date of the new price catalog, the product is removed from price protection but the product remains in the price catalog as non-protected. |
| <b>CLM</b>   | <b>PP</b>       | PRICE PROTECTION<br>Product had a price decrease  | The product was price protected in the price catalog. Since the price decreased, a debit claim may be submitted when the new price catalog is in effect.   |
| <b>CLM</b>   | <b>RM</b>       | REMOVED FROM PRICE CATALOG<br>Removed from price catalog  | The previous price catalog indicated that the inventory for the product was price protected. With the effective date of the new price catalog, the product is removed from price protection and the product is also removed from the price catalog.        |
| <b>PRICE</b> | <b>INCREASE</b> |   |  |
| <b>CLM</b>   | <b>PI</b>       | PRICE INCREASE<br>(Product may have a bill-up at higher cost)   | The product had a price increase which is subject to be 'bill-up' at the supplier's discretion during this price period.   |

**ELECTRONICS INDUSTRY DATA EXCHANGE (EIDX)  
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The Credit/Debit Adjustment (812) transaction should contain only those products identified in the Supplier's Price Catalog (832) transaction as products which are flagged for price protection. Again, these products are identified by the following:

| <b>DATA ELEMENT</b>                         | <b>DESCRIPTION</b>       | <b>VALUE</b> | <b>MEANING</b>   |
|---|--------------------------|--------------|------------------|
| <b><i>PID: PRODUCT/ITEM DESCRIPTION</i></b> |                          |              |                  |
| PID04                                       | PRODUCT DESCRIPTION CODE | CLM          | CLAIM            |
| PID05                                       | DESCRIPTION              | PP           | PRICE PROTECTION |

**PRICE CATALOG (832) TRANSACTION FROM SUPPLIER TO DISTRIBUTOR: DISTRIBUTOR**

Products with PID04 set to 'CLM' in the Price Catalog (832) transaction are reviewed by the distributor. The distributor generates a special Inventory Report (846) transaction and Request for Credit Memo/Debit Memo (812) transactions with the price protected products found in the Price Catalog (832) transaction.

These transactions are generated on the price effective date, since the inventory for that date is relevant. See more detail under step 2A for Distributor.

*See the EIDX PRICE CATALOG (832) TRANSACTION GUIDELINE for more details and examples.*

**ELECTRONICS INDUSTRY DATA EXCHANGE (EIDX)  
PRICE PROTECTION PROCESS RECOMMENDATIONS**

**Step 2A: Special Inventory Reporting**

**INVENTORY INQUIRY/ADVICE (846) TRANSACTION FROM DISTRIBUTOR TO SUPPLIER: DISTRIBUTOR**

Distributor generates an Inventory Reporting (846) transaction for on-hand inventory quantities with the following conditions:

**1. SPECIAL INVENTORY REPORT:** The Transaction Set Purpose (BIA01) in the 846 transaction should be set to '16' to distinguish the inventory report for price protection from the regularly scheduled 846 Inventory reporting transaction, which has the Transaction Set Purpose (BIA01) set to '00'. Quantity on hand is coded with the QTY01 set to '17'.

| DATA ELEMENT                                       | DESCRIPTION                  | VALUE | MEANING          |
|--|------------------------------|-------|------------------|
| <i>BIA: BEGINNING SEGMENT FOR INVENTORY ADVICE</i> |                              |       |                  |
| BIA01  | TRANSACTION SET PURPOSE CODE | 16    | PROPOSED         |
| <i>QTY: QUANTITY</i>                               |                              |       |                  |
| QTY01  | QUANTITY QUALIFIER           | 17    | QUANTITY ON HAND |

**2. SELECTED PRODUCTS:** Include only products coded in the *Price Catalog (832)* transaction marked as *claim for price protection*. This is determined by a PID segment with the following codes:

| DATA ELEMENT                         | DESCRIPTION              | VALUE | MEANING         |
|--------------------------------------|--------------------------|-------|-----------------|
| <i>PID: PRODUCT/ITEM DESCRIPTION</i> |                          |       |                 |
| PID04                                | PRODUCT DESCRIPTION CODE | CLM   | CLAIM           |
| PID05                                | DESCRIPTION              | PP    | PRICE PROTECTED |

**3. INVENTORY REPORTING LEVEL:** Inventory may be reported as a grand total for the corporation or reported at several inventory locations/branches. Reporting at the inventory location/branch level may facilitate any discussion on discrepancies between the distributors inventory records and the suppliers inventory records for the distributor's inventory. The trading partners agree on the inventory reporting level.

**4. TIMING:** This special 846 transaction is a snapshot of inventory taken *on the price effective date* determined by the supplier. This date may not be the same date that the regularly scheduled inventory report (846) transaction is generated. The inventory should reflect inventory levels at the close of the business day *before* the price effective date. This is 00:01 AM on the price effective date.

The time of day that the 846 transaction is created has an impact on the on-hand quantities of products since some product may be in-transit. This will be discussed in more detail on the next page.

*See the EIDX INVENTORY INQUIRY/ADVICE (846) TRANSACTION GUIDELINE for more details and examples.*

**ELECTRONICS INDUSTRY DATA EXCHANGE (EIDX)  
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**INVENTORY INQUIRY/ADVICE (846) TRANSACTION FROM DISTRIBUTOR TO SUPPLIER: SUPPLIER**

The supplier must be careful *not to process* the special inventory report with BIA01 = '16' as the regular inventory report transaction since this report is likely to contain a subset of all the inventory provided on a regular bases. The regular inventory should have the BIA01 = '00'.

The supplier may use the special inventory counts to compare to their internal inventory counts for the distributor.

| DATA ELEMENT                                       | DESCRIPTION                  | VALUE | MEANING                          |
|--|------------------------------|-------|----------------------------------|
| <i>BIA: BEGINNING SEGMENT FOR INVENTORY ADVICE</i> |                              |       |                                  |
| BIA01  | TRANSACTION SET PURPOSE CODE | 00    | ORIGINAL (for regular reporting) |
| BIA01  | TRANSACTION SET PURPOSE CODE | 16    | PROPOSED (for special reporting) |

**TRACKING IN-TRANSIT PRODUCTS**

**SUPPLIER**

If invoices for products in-transit contain new prices, then credit adjustments are not necessary. Tracking in-transit products on one particular day may be facilitated using the Advanced Ship Notice (856) transaction and the Receiving Advice/Acceptance Certificate (861) transaction near the price effective date.

Separate Credit/Debit Adjustment (812) transactions would be generated for in-transit products if necessary. Credits are separate from the credits issued for the on-hand inventory quantity under price protection. Credit for in-transit products should be considered a 'billing error'.

*An alternative is to hold shipments near the price effective date. Consequently, invoices with old prices are not created.*

| DATA ELEMENT  | DESCRIPTION            | VALUE | MEANING  |
|---|------------------------|-------|--|
| <i>CDD: CREDIT/DEBIT ADJUSTMENT DETAIL (for bill-ups)</i>         |                        |       |  |
| CDD01   | ADJUSTMENT REASON CODE | 74    | CANCEL OR ADJUST PRIOR CREDIT/DEBIT ADJUSTMENT |
| <i>CDD: CREDIT/DEBIT ADJUSTMENT DETAIL (for price protection)</i> |                        |       |  |
| CDD01   | ADJUSTMENT REASON CODE | 81    | CREDIT AS AGREED (PRICE PROTECTED)             |

**DISTRIBUTOR**

Distributor match the Advanced Ship Notice (856) transactions to the Receiving Advice/Acceptance Certificate (861) transactions to determine the potential credits. Details about these transactions are not written in this document.

**ELECTRONICS INDUSTRY DATA EXCHANGE (EIDX)  
PRICE PROTECTION PROCESS RECOMMENDATIONS**

|  |
|--|
| <b>Step 2b: Re-evaluate Prices on Orders</b> |
|--|

**PURCHASE ORDER CHANGE ACKNOWLEDGMENT (865) TRANSACTION FROM SUPPLIER TO DISTRIBUTOR**

***SUPPLIER***

*On the price effective date of the new price catalog*, the supplier reprices the backlog of orders for price increases and price decreases according to business agreements. This is the same date that the distributor takes the inventory counts in step 2A.

Price changes should be indicated in Purchase Orders Change Acknowledgments (865) transactions. Purchase Order Acknowledgment (855) transactions may also convey price changes if necessary by the trading partner agreement.

***DISTRIBUTOR***

Distributor processes these purchase order change acknowledgment (865) transactions (or 855 transactions) due to price changes like all other 865 transactions.

Distributor should *not* follow the 865 notifications with 860 Purchase Order change transactions to confirm price changes. The price changes are already established in the supplier's sales order system.

**ELECTRONICS INDUSTRY DATA EXCHANGE (EIDX)  
PRICE PROTECTION PROCESS RECOMMENDATIONS**

**Step 3: Request Credit Given Distributor Inventory Counts**

**(REQUEST) CREDIT/DEBIT MEMO ADJUSTMENT (812) TRANSACTION FROM DISTRIBUTOR TO SUPPLIER**

***DISTRIBUTOR***

There may be only one 812 transaction generated if the inventory is tracked at the corporate level. There may be more than one 812 transactions generated if the inventory is tracked per inventory location/branch. Under no circumstance should there be only one product per debit memo (812) transaction generated.

Distributor needs to send Credit/Debit Adjustment (812) transaction(s) with the following conditions.

1. The Credit/Debit Adjustment (812) transaction is coded to indicate that this transaction is a *request* for credit based on prices found in the Price Catalog (832) transaction from the supplier and the inventory levels found in the Inventory Inquiry/Advice (846) transaction created by the distributor. This transaction is a debit memo.

| DATA ELEMENT                                  | DESCRIPTION              | VALUE                                  | MEANING                           |
|---|--------------------------|--|-----------------------------------|
| <i>BCD: BEGINNING CREDIT/DEBIT ADJUSTMENT</i> |                          |  |                                   |
| BCD12   | TRANSACTION TYPE CODE    | RA                                     | REQUEST FOR CREDIT                |
| BCD13   | REFERENCE NUMBER QUALIFY | PI                                     | PRICE LIST CHANGE OR ISSUE NUMBER |
| BCD14   | REFERENCE NUMBER         | (SUPPLIER'S PRICE LIST NUMBER (BCT02)) |                                   |
| <i>REF: REFERENCE NUMBER</i>                  |                          |  |                                   |
| N902  | REFERENCE NUMBER         | (DISTRIBUTOR'S DEBIT MEMO NUMBER)      |                                   |

2. The Credit/Debit Adjustment (812) transaction should contain only those products identified in the Supplier's Price Catalog (832) transaction as products which are flagged for price protection. Again, these products are identified by the following:

| DATA ELEMENT                         | DESCRIPTION              | VALUE | MEANING         |
|--------------------------------------|--------------------------|-------|-----------------|
| <i>PID: PRODUCT/ITEM DESCRIPTION</i> |                          |       |                 |
| PID04                                | PRODUCT DESCRIPTION CODE | CLM   | CLAIM           |
| PID05                                | DESCRIPTION              | PP    | PRICE PROTECTED |

***SUPPLIER***

The supplier reviews the request for Credit/Debit Adjustment (812) transactions to their own inventory figures.

***See the EIDX CREDIT/DEBIT ADJUSTMENT (812) TRANSACTION GUIDELINE for more details and examples.***



**ELECTRONICS INDUSTRY DATA EXCHANGE (EIDX)  
PRICE PROTECTION PROCESS RECOMMENDATIONS**

**Step 4: Issue Credit**

**ACTUAL CREDIT/DEBIT MEMO ADJUSTMENT (812) TRANSACTION FROM SUPPLIER TO DISTRIBUTOR**

**SUPPLIER**

Supplier reviews the distributor's request credit/debit memo adjustment (812) transactions against their own records. The supplier has the option to use their internal calculated inventory counts or rely on the distributor's reported inventory. Supplier issues the actual credit memo in Credit/Debit Adjustment (812) transaction(s). There may be more than one 812 transaction generated if the inventory is tracked per inventory location/branch. Under no circumstance should there be only one product per Credit/Debit Adjustment (812) transaction generated.

The BCD segment in the Credit/Debit Adjustment (812) transaction is coded like any other 812 transaction. The code in the CDD01 data element (set to '81') indicates that this credit memo is the result of price protection.

The following data elements are found in the credit memo transaction.

| DATA ELEMENT   | DESCRIPTION                       | VALUE                             | MEANING                              |
|--|-----------------------------------|-----------------------------------|--------------------------------------|
| <i>BCD: BEGINNING CREDIT/DEBIT ADJUSTMENT</i>              |                                   |                                   |                                      |
| BCD02  | CREDIT/DEBIT<br>ADJUSTMENT NUMBER | (supplier's credit memo number)   |                                      |
| BCD12  | TRANSACTION TYPE CODE             | CR                                | CREDIT MEMO (like any credit memo)   |
| BCD13  | REFERENCE NUMBER<br>QUALIFIER     | CM                                | CREDIT MEMO                          |
| BCD14  | REFERENCE NUMBER                  | (distributor's debit memo number) |                                      |
| <i>CDD: CREDIT/DEBIT ADJUSTMENT DETAIL (Per line item)</i> |                                   |                                   |                                      |
| CDD01  | ADJUSTMENT TYPE CODE              | 81                                | CREDIT AGREED UPON (Price Protected) |
| CDD02  | CREDIT/DEBIT FLAG CODE            | C                                 | CREDIT                               |
| CDD10  | PRICE IDENTIFIER CODE             | INV                               | INVOICE BILLING PRICE (OLD PRICE)    |
| CDD12  | PRICE IDENTIFIER                  | CHG                               | CHANGED PRICE (NEW PRICE)            |

Note the following:

Every line item in the actual credit memo generated by the supplier may not agree with every line item in the request credit memo from the distributor. *Differences in the quantities or total credit denials are not noted in this 812 transaction from the supplier.*

The supplier may use the special inventory report from step 2A to compare the counts to their calculated inventory. They will issue credit based on their calculated inventory or this reported inventory. The distributor has the responsibility to determine credit discrepancies and submit the subsequent debit memos.

*See the EIDX CREDIT/DEBIT ADJUSTMENT (812) TRANSACTION GUIDELINE for more details and examples.*

**DISTRIBUTOR**

Distributor generally accept this credit memo and reports any disputes under a separate request for Credit/Debit Adjustment (812) transaction.

**ELECTRONICS INDUSTRY DATA EXCHANGE (EIDX)  
PRICE PROTECTION PROCESS RECOMMENDATIONS**

**Step 5: Review Credit Memo Discrepancies**

**(REQUEST) CREDIT/DEBIT MEMO ADJUSTMENT (812) TRANSACTION FROM DISTRIBUTOR TO SUPPLIER**

***DISTRIBUTOR***

If the distributor's request for Credit/Debit Adjustment (812) transaction and the supplier's actual Credit/Debit Adjustment (812) transaction yield different amounts, the distributor may issue subsequent request Credit/Debit Adjustment (812) transactions to address the discrepancies. This 812 transaction is a debit memo.

| <b>DATA ELEMENT</b>  | <b>DESCRIPTION</b>     | <b>VALUE</b>                               | <b>MEANING</b>                          |
|--|------------------------|--|---|
| <i>BCD: BEGINNING CREDIT/DEBIT ADJUSTMENT</i>              |                        |  |   |
| BCD12  | TRANSACTION TYPE CODE  | RA   | REQUEST FOR CREDIT                      |
| <i>REF: REFERENCE NUMBER</i>                               |                        |  |   |
| N902   | REFERENCE NUMBER       | (DISTRIBUTOR'S DEBIT MEMO NUMBER) (Note 1) |   |
| <i>CDD: CREDIT/DEBIT ADJUSTMENT DETAIL (Per line item)</i> |                        |  |   |
| CDD01  | ADJUSTMENT TYPE CODE   | 81   | CREDIT AGREED UPON<br>(Price Protected) |
| CDD02  | CREDIT/DEBIT FLAG CODE | C  | CREDIT                                  |
| CDD10  | PRICE IDENTIFIER CODE  | INV  | INVOICE BILLING PRICE<br>(OLD PRICE)    |
| CDD12  | PRICE IDENTIFIER       | CHG  | CHANGED PRICE (NEW PRICE)               |

Note 1: The distributor's debit memo number is the same debit memo number found on the original 812 transaction from the distributor to the supplier in the BCD14 data field. This facilitates traceability.

***SUPPLIER***

Supplier reviews the subsequent requests for Credit/Debit Adjustment (812) transactions (debit memos).

***See the EIDX CREDIT/DEBIT ADJUSTMENT (812) TRANSACTION GUIDELINE for more details and examples.***

**ELECTRONICS INDUSTRY DATA EXCHANGE (EIDX)  
PRICE PROTECTION PROCESS RECOMMENDATIONS**

**Step 6: Issue Subsequent Credit Memo**

**ACTUAL CREDIT/DEBIT MEMO ADJUSTMENT (812) TRANSACTION FROM SUPPLIER TO DISTRIBUTOR**

**SUPPLIER**

Supplier may issue subsequent credit memos or credit memo denials.

| DATA ELEMENT   | DESCRIPTION                    | VALUE                                      | MEANING                              |
|--|--------------------------------|--|--------------------------------------|
| <i>BCD: BEGINNING CREDIT/DEBIT ADJUSTMENT</i>              |                                |  |                                      |
| BCD02  | CREDIT/DEBIT ADJUSTMENT NUMBER | (SUPPLIER'S CREDIT MEMO NUMBER) (Note 2)   |                                      |
| BCD12  | TRANSACTION TYPE CODE          | CR   | CREDIT MEMO                          |
| BCD13  | REFERENCE NUMBER QUALIFIER     | CM   | CREDIT MEMO                          |
| BCD14  | REFERENCE NUMBER               | (DISTRIBUTOR'S DEBIT MEMO NUMBER) (Note 3) |                                      |
| <i>CDD: CREDIT/DEBIT ADJUSTMENT DETAIL (Per line item)</i> |                                |  |                                      |
| CDD01  | ADJUSTMENT TYPE CODE           | 81   | CREDIT AGREED UPON (Price Protected) |
| CDD02  | CREDIT/DEBIT FLAG CODE         | C  | CREDIT                               |
| CDD10  | PRICE IDENTIFIER CODE          | INV  | INVOICE BILLING PRICE (OLD PRICE)    |
| CDD12  | PRICE IDENTIFIER               | CHG  | CHANGED PRICE (NEW PRICE)            |

Note 2: This supplier's credit memo number is different than the original credit memo number issued for price protection. However, it is suggested that the original credit memo PLUS A SUFFIX be used in subsequent credit memos to facilitate the research of the group of credit memos, e.g., 45643, 45643A, then 45643B.

Note 3: This distributor's debit memo number is the same debit memo number found on the original 812 transaction from the distributor to supplier in the BCD14 data element.

**DISTRIBUTOR**

Distributor receives and reviews subsequent credit memos or denials from supplier.

*STEPS 5 AND 6 MAY BE REPEATED SEVERAL TIMES.*

***See the EIDX CREDIT/DEBIT ADJUSTMENT (812) TRANSACTION GUIDELINE for more details and examples.***