



# Model EDI Agreement

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## 1. OBJECTIVES

This agreement template has been drafted by EDI and business experts from the European automotive industry and their National Organisations with the aim, to provide guidance for what has to be agreed between EDI partners to organise the data exchange via EDI.

This document takes into account the legal requirements within the European Union as known to the authors at the time of issuing the document.

This document also provides guidance about what to agree between the partners from a commercial point of view. However, it is recommended that a user verifies the compliance of the agreement with their company's policy.

The legislation regarding use of EDI for different business processes is not unique in the various EU Member States. Therefore the compliance of this agreement with the national legislation is also to be verified. Some countries require a written agreement for specific business processes whereas other countries accept an implied agreement.

The document can help to simplify the process of arranging an agreement with new business partners and may over time also be used to harmonise the existing agreements within the automotive industry.

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### *Cautionary Note*

As the document represents the knowledge of the authors at the time of generation, no warranty can be given that it meets specific business or legal requirements.

## 2. EDI AGREEMENT

This Electronic Data Interchange (EDI) Agreement is concluded by and between:

And

hereinafter referred to as 'the parties',

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### ARTICLE 1: OBJECT AND SCOPE

1.1. The 'EDI Agreement', hereinafter referred to as 'the Agreement', specifies the terms and conditions under which the parties, conducting transactions by the use of electronic data interchange (EDI), operate. This agreement is to be seen as an amendment to existing commercial agreements, such as a frame contract or master agreement.

1.2. The Agreement consists of the provisions set out in the following and shall be completed by a Technical Annexe. The Technical Annexe is integrated part of the agreement.

1.3. Unless otherwise agreed by the parties, the provisions of the Agreement are not intended to govern the contractual obligations arising from the underlying transactions effected by the use of EDI.

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### ARTICLE 2: DEFINITIONS

For the purpose of the Agreement, the following terms are defined as follows;

2.1. **EDI:** Electronic data interchange is the transfer of commercial, administrative and transport information between computer systems, using EDI messages which have been mutually agreed by the parties involved in the transfer.

2.2. **Electronic data interchange message:** An electronic data interchange message (EDI message) consists of a set of data, structured using agreed formats, prepared in a computer readable form and capable of being automatically and unambiguously processed.

**2.3 Electronic data interchange agreements:** Electronic data interchange agreements are concluded between the involved partners and comprise the processes and procedures, the set of agreed formats, directories and guidelines for the electronic interchange of structured data between independent computerized information systems.

**2.4. Acknowledgement of receipt:** The acknowledgement of receipt of an EDI interchange or message is the procedure by which, on receipt of the message, a corresponding acknowledgement is sent by the receiver.

**2.4.1. Network acknowledgement:** designates an item of information of technical value from the telecommunication network, stating to the message issuer whether or not the message has been passed to the receiver. It cannot replace the Technical Acknowledgement of Receipt, nor the Functional Acknowledgement of Receipt.

**2.4.2. Protocol acknowledgement:** an item of information created by the data transport protocol that the interchange has been received by the receiver. In OFTP transmission this is the End-to-end Response (EERP), in X.400 this is called Delivery Report.

**2.4.3. Functional Acknowledgement of Receipt:** designates a message with legal value, sent by the receiver in return to the issuer thereof, whereby the former confirms that his applications system has successfully processed the data tele-transmitted by the issuer, and that he accepts the undertakings contained therein. In EDIFACT, the APERAK message is used for this purpose.

**2.4.4. Technical Acknowledgement of Receipt:** designates a message with technical value whereby the receiver of the message or the telecommunication network, certifying that he has received and translated the issuer's messages and gives a report on the detected technical abnormalities (e.g. an EDIFACT CONTRL message).

**2.5. Functional domain:** designates a specific business or application area, where EDI messages are exchanged in the flow of information between the two Parties.

**2.6. Issuer:** Issuer designates the party who issues the message, often also referred to as sender.

**2.7. Provider of (value added) network services:** designates the third party which provides the transfer of the data and any associated service, between the parties, by means of a so called value added network (VAN).

**2.8. Integrity:** designates a feature/characteristic which ensures that the data have not been changed or erased by a non-authorized way.

2.9. **Data log:** designates a full chronological record, by one party's computer system, of data interchanges issued and received.

2.10 **Standards:** designates the national, European or International normative documents established by official bodies or acknowledged professional organisations,

2.11 **Message Implementation Guideline:** a guideline, how to use a standard message for a specific business process agreed upon by the parties for the preparation and the transmission of the messages mentioned in the annex.

2.12. **Receiver:** designates the party, indicated by the issuer, to whom the message is being sent.

2.13. **Re-send:** designates the operation by which the receiver of a message requests that the message be sent again either by the provider of network services or by the issuer.

2.14. **UN/EDIFACT (as defined by the UN/Economic Commission for Europe):** designates the International rules for Electronic Data Interchange For Administration, Commerce and Transport, they comprise a set of internationally agreed standards, directories and guidelines for the electronic interchange of structured data, and in particular, interchange related to trade in goods and services, between independent computerised information systems.

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### ARTICLE 3: VALIDITY AND FORMATION OF CONTRACT

3.1. The parties, intending to be legally bound by the Agreement, expressly waive any rights to contest the validity of a contract effected by the use of EDI in accordance with the terms and conditions of the Agreement on the sole ground that it was effected by EDI.

3.2. Each party shall ensure that the content of an EDI message sent or received is not inconsistent with the law of its own respective country, the application of which could restrict the content of an EDI message, and shall take all necessary measures to inform without delay the other party of such an inconsistency.

3.3. A contract effected by the use of EDI shall be concluded at the time and place where the EDI message constituting acceptance of an offer reaches the computer system of the offering party.

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#### ARTICLE 4: ADMISSIBILITY IN EVIDENCE OF EDI MESSAGES

To the extent permitted by any national law which may apply, the parties hereby agree that in the event of dispute, the records of EDI messages, which they have maintained in accordance with the terms and conditions of this Agreement, shall be admissible before the Courts and shall constitute evidence of the facts contained therein unless evidence to the contrary is adduced.

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#### ARTICLE 5: PROCESSING AND ACKNOWLEDGEMENT OF RECEIPT OF EDI MESSAGES

5.1. EDI messages shall be processed as soon as possible after receipt, but in any event, within the time limits specified in the *Technical Annexe*.

5.2. The protocol acknowledgment (e.g. the End-to-End Response EERP) is always used unless otherwise agreed.

Any higher level acknowledgement of receipt should be exchanged according to the specific provisions included in the Technical Annex.

5.3. The protocol acknowledgement (e.g. EERP) shall be sent immediately after receiving the data interchange. Where an additional, higher level acknowledgement is agreed, the receiver of the EDI message to be acknowledged shall ensure that the acknowledgement is sent within one business day of the time of receipt of the EDI message to be acknowledged, unless an alternative time limit has been specified in the Technical Annex. A business day means any day except a Saturday, Sunday or any declared public holiday in the intended place of receipt of an EDI message. The receiver of an EDI message requiring an acknowledgment shall not act upon the content of the EDI message until such acknowledgement is sent.

5.4. If the sender does not receive the acknowledgement of receipt within the time limit, he may, upon giving notification to the receiver to that effect, treat the EDI message as null and void as from the expiration of that time limit or initiate an alternative recovery procedure as specified in the Technical Annex, to ensure effective receipt of the acknowledgement. In case of failure of the recovery procedure, within the time limit, the EDI message will definitely be treated as null and void, as from the expiration of that time limit, upon notification to the receiver.

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#### ARTICLE 6: SECURITY OF EDI MESSAGES

6.1. The parties undertake to implement and maintain security procedures and measures in order to ensure the protection of EDI messages against the risks of unauthorized access, alteration, delay, destruction or loss.

6.2. Security procedures and measures include the verification of origin, the verification of integrity, the non-repudiation of origin and receipt and the confidentiality of EDI messages. Security procedures and measures for the verification of origin and the verification of integrity, in order, to identify the sender of any EDI message and to ascertain that any EDI message received is complete and has not been corrupted, are mandatory for any EDI message. Where required, additional security procedures and measures may be expressly specified in the Technical Annex.

6.3. If a message is rejected due to technical issues or because errors in the message have been detected, the receiver shall not process the message. The receiver will inform the sender in the agreed response time about the detected errors. Error handling procedures have to be initiated to re-send a correct message.

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#### ARTICLE 7: CONFIDENTIALITY AND PROTECTION OF PERSONAL DATA

7.1. The parties shall ensure that information contained in EDI messages, are maintained in confidence and are not disclosed or transmitted to any unauthorized persons nor used for any purposes other than those intended by the parties. When authorized, further transmission of such confidential information shall be subject to the same degree of confidentiality.

If a party engages a Third Party Supplier to carry out EDI business, the party shall ensure that the Third Party Supplier is bound by a corresponding confidentiality agreement.

7.2. EDI messages shall not be regarded as containing confidential information to the extent that such information is in the public domain.

7.3. The parties may agree to use a specific form of protection for the transport layer or messages such as encryption to the extent permitted by law in either of their respective countries.

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#### ARTICLE 8: RECORDING AND STORAGE OF EDI MESSAGES

8.1. A complete and chronological record of all EDI messages exchanged by the parties in the course of a trade transaction and the transmission log files shall be stored by each party, unaltered and securely, in accordance with the time limits and specifications prescribed by the legislative requirements of its own national law.

In the event of disputes or errors, a party has the right, on request, to obtain an excerpt from the other party's Interchange Log regarding the joint EDI traffic. The excerpt shall be provided in a form which is readable for the recipient and without cost to the recipient.

8.2. EDI messages shall be stored by the sender in the transmitted format and by the receiver in the format in which they are received.

8.3. Parties shall ensure that electronic or computer records of the EDI messages shall be readily accessible, are capable of being reproduced in a human readable form and of being printed, if required. Any operational equipment required in this connection shall be retained.

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#### ARTICLE 9: OPERATIONAL REQUIREMENTS FOR EDI

9.1. The parties undertake to implement and maintain the operational environment to operate EDI according to the terms and conditions of this Agreement, which includes but is not limited to the following:

9.2. **Operational equipment:** The parties shall provide and maintain, the equipment, software and services necessary to transmit, receive, translate, record and store EDI messages.

9.3. **Means of communication:** The parties shall determine the means of communication to be used, including the telecommunication protocols and if required, the choice of third party service providers.

9.4. **EDI message agreements:** All EDI messages shall be transmitted in accordance with agreed formats, recommendations and procedures.

9.5. **Codes:** Data element code lists referred to in EDI messages shall include UN/CEFACT maintained code lists, international code lists issued as ISO international standards, UN/ECE, Joint Automotive Industry Forum (JAIF) and Odette code lists or other officially published code lists.

9.6. **Availability and planned maintenance:** A party which intends to change parts of its information system in a manner which can be expected to affect Interchange of EDI messages shall inform the counterparty of this in sufficient time so that the parties can jointly conduct required tests to ensure that Interchange of EDI messages can take place in the agreed manner even after the change.

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#### ARTICLE 10: TECHNICAL SPECIFICATIONS AND REQUIREMENTS

Each Party may electronically transmit to or receive from the other Party:

- (a) Any of the EDI transaction sets specified and according to the Standards and Message Implementation Guidelines listed in the Technical Annexe;



- (b) Any additional Standards and Message Implementation Guidelines which the Parties by paper-based written agreement add to the Technical Annexe.

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#### ARTICLE 11: LIABILITY

Responsibility for damages related to the operation of EDI, caused by a party itself or any third party acting on behalf of the party, shall be specified in a commercial agreement and is not subject to this agreement.

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#### ARTICLE 12: EFFECT, MODIFICATIONS, TERM AND SEVERABILITY

12.1. **Effect:** The Agreement shall be effective from the date on which it is signed by the parties.

12.2. **Modifications:** Where required, additional or alternative provisions to the Agreement, agreed in writing by the parties, will be considered as part of the Agreement as from their signature.

12.3. **Term:** Any party may terminate the Agreement by giving not less than two months notice either by registered post or by any other means agreed between the parties. Termination of the Agreement shall only affect transactions after that date. Notwithstanding termination for any reason, the rights and obligations of the parties referred to in Articles 4, 6, 7 and 8 shall survive termination.

12.4. **Severability:** Should any Article or part of an Article of the Agreement be deemed invalid, all other Articles shall remain in full force and effect.

Annexe - EDI Agreement - Technical Annexe [To access, click on  on the bottom left of your reader]

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#### Footnotes:

(1) United Nations Economic Commission for Europe.

(2) Convention No 108 of the Council of Europe of 28 January 1981.

(3) UN/EDIFACT Syntax Rules ISO 9735 - EN 29735, UN/EDIFACT TDED ISO 7372 - EN 27372. The Untdid (United Nations trade data interchange directory) includes also the UN/EDIFACT message design guidelines, Syntax implementation guidelines, Data elements directory, Code list, Composite data elements directory, Segments directory, UNSMs directory and Uncid. Other similar standards and standards bodies, e.g. Odette, VDA or bilateral agreements between trading partners would be valid.